

TABLE OF CONTENTS

PAGES

MEETING SCHEDULE

2

: I @@BOARD AGENDA AND PAST MEETING MINUTES

3-7

**ACADEMIC POLICIES COMMITTEE AGENDA
AND PAST MEETING MINUTES**

8-10

ACADEMIC POLICIES COMMITTEE RESEARCH AND PUBLIC SERVICE REPORT

11-17

ACADEMIC POLICIES COMMITTEE ACADEMIC PROGRAM REVIEWS

18-99

AUDIT COMMITTEE AGENDA AND PAST MEETING MINUTES

100-102

AUDIT COMMITTEE REPORTS

103-191

FINANCE COMMITTEE AGENDA 5 B8 'D5 GH'A99HB; 'A-BI H9 G

FJGĖJÍ Á

FINANCE COMMITTEE BUDGET REPORT

ÁĖJÍ

FINANCE COMMITTEE ACCOUNTS PAYABLE REPORT

FJĖĖ

FINANCE COMMITTEE ACCOUNTS RECEIVABLE REPORT

ĖĖĖĖ

FINANCE COMMITTEE FACULTY HOUSING REPORT

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**INSTITUTIONAL ADVANCEMENT COMMITTEE AGENDA
AND PAST MEETING MINUTES**

205-208

**PRESIDENTIAL REVIEW COMMITTEE AGENDA
AND PAST MEETING MINUTES**

209-210

**RECRUITMENT AND RETENTION COMMITTEE AGENDA
AND PAST MEETING MINUTES**

211-214

**West Virginia State University Board of Governors
Meeting Schedule
Erickson Alumni Center
December 7, 2018**

8:00 a.m. to 8:25 a.m.	Presidential Review Committee <i>Weisberg Lounge</i>
8:30 a.m. to 9:25 a.m.	Institutional Advancement Committee <i>Weisberg Lounge</i>
8:30 a.m. to 9:25 a.m.	Recruitment and Retention <i>Grand Hall</i>
9:30 a.m. to 9:55 a.m.	Finance Committee <i>Grand Hall</i>
9:30 a.m. to 10:25 a.m.	Academic Policies Committee <i>Weisberg Lounge</i>
10:00 a.m. to 10:55 a.m.	Audit Committee <i>Grand Hall</i>
11:00 a.m. to 11:45 a.m.	Lunch (Invitation Only) <i>Second Floor</i>
12:00 p.m.	Full Board Meeting <i>Grand Hall</i>

AGENDA
West Virginia State University
BOARD OF GOVERNORS
Erickson Alumni Center, Grand Hall
December 7, 2018
12:00 p.m.

1. Call to Order, Oath of Office, and Roll call-Chair, Mr. William Lipscomb, presiding
2. Verification of appropriate Notice of Public Meeting Action
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Reports from the Board Committee Chairpersons Action
 - a. Academic Policies Committee
 - b. Audit Committee
 - c. Finance Committee
 - d. Institutional Advancement Committee
 - e. Presidential Review Committee
 - f. Recruitment and Retention Committee
6. Report from the University President
 - a. President's Report
 - i. Recovery Program Presentation- Ms. Kellie Toledo, Director of Counseling and Accessibility Services
 - ii. University Commercial Presentation-Mr. Jack Bailey, Assistant Vice President for University Communications and Marketing
 - b. University Reports Forwarded by Board Committees
 - i. Academic Policies Committee Action
 - ii. Audit Committee Action
 - iii. Presidential Review Committee Action
7. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel and Property Matters Action
8. Other Matters
9. Next Meeting- February 7, 2019
10. Adjournment

Agenda prepared by – DeNeia M. Thomas, Ph.D., Chief of Staff and Board Liaison,
November 20, 2018

West Virginia State University Board of Governors
Meeting Minutes
Erickson Alumni Center, Grand Hall
October 25, 2018
12:15 p.m.

1. Call to Order and Roll Call

Mr. Lipscomb called the meeting to order at 12:17 p.m. and asked for the roll call.

Members Present: Mr. Buchanan, Ms. Dooley, Mr. Kelley, Mr. Lipscomb, Ms. Seawell, Dr. Smith, Mr. Swingle, and Dr. Vaughan. Mr. Williams participated by conference call.

Members Absent: Mrs. Pitchford and Mr. Jones

2. Verification of Appropriate Notice of Public Meeting

Mr. Lipscomb verified the Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Mr. Swingle motioned for approval of the agenda as presented. Dr. Vaughan seconded the motion, and the motion carried.

4. Review and Approval of Minutes of Previous Meeting

Mr. Kelley noted a typo correction under Item 5.b.changing “Mr. Dooley” to “Ms. Dooley.” Mr. Kelley motioned for approval of the minutes of the September 6, 2018 meeting with the correction. Mr. Swingle seconded the motion, and the motion carried.

5. Reports from the Board Committee Chairpersons

a. Audit Committee

Presiding Officer, Mr. Buchanan presided in the absence of the Committee Chair, Ms. Pitchford. The Committee received an update on the annual audit report. Auditors from CliftonLarsonAllen visited campus in September for the final fieldwork. The audit report is due to the Higher Education Policy Commission on October 31. The auditors will present at the December 7, 2018 Board meeting. Ms. Kristi Williams added that, since the Committee’s meeting, she received a letter from the auditor with the findings, and she will share that information following the Board meeting.

b. Academic Policies Committee

Committee Chair, Dooley shared highlights from the presentations from the four College Deans on their respective programs and the Online program status. Noting that the Higher Education Policy Commission (HEPC) has agreed to allow the University to offer all current programs online. Testimonials were shared from students about the benefits of completing their degree online.

Other updates on the partnership between the University and Ningbo University in China as well as the report on programs and initiatives in Research and Public Service were given.

The yearly Academic Program Review schedule was given. The Committee discussed how the members would review the programs and requested that the reviews would include challenges and strengths. Dr. Smith noted that a request was made to tour the

new integrated research and extension facility as part of the schedule for the December 7 meeting.

c. Finance Committee

Committee Chair, Kelley reported that the Committee received a budget update for the first quarter. The University collected \$5.3 million in revenue, which is slightly above target, and spending is below target at \$8 million. Because of continuing efforts, purchasing card spending decreased \$200,000, and payroll expenses are down \$100,000 compared to last year.

d. Institutional Advancement Committee

Committee Chair, Lipscomb reported that the Committee received the Comparative Gift report in advance of the meeting. Mr. Lipscomb shared the update of the Advancement activities including, the establishment of an endowed scholarship for David Thaxton to benefit students in the sciences. The Committee also received a fundraising and alumni donor strategy report, detailing goals and strategies to engage alumni and increase Foundation support over the next three years. The advancement goal for 2018 is 2.5M.

The 2018 Homecoming report indicated that there were 398 alumni registered for Homecoming. There were an estimated 400 people who attended not registered. The Committee discussed suggestions for increasing registrations and revenue.

A presentation on the new slogan; *"It Starts at STATE,"* included information on the campaign and marketing campaign roll out.

e. Recruitment and Retention

Presiding Officer, Dooley, presided in the absence of Chair, Chuck Jones. Ms. Dooley reported enrollment management initiatives. The Enrollment Management and Student Affairs team is continuing to build on successes that were shared at previous Board meetings. Members of the staff highlighted the BESSIE College survey, a college survey of student engagement to create a baseline to assess participation. Highlights on the new student orientation and new student Welcome Week activities were discussed. Dr. Jayasuriya and Dr. Yvette Underdue Murph provided an overview on the registration event held on October 18, 2018, during which 307 students registered for spring 2019.

There were further Committee discussions about the retention goal. Dr. Shannon McGhee, Director of Student Retention and Success, working collaboratively with various areas to enhance the wrap-around services and co-curricular activities for students. Information was shared about the 60 and 90-day audits. Dr. Smith expressed appreciation for the updates and reports, stating the importance for the Board to receive regular progress and institutional growth.

f. Presidential Review

Committee Chair, Dr. Smith reported the Committee's activities since the last Board meeting. The Committee has met twice. The annual review process is currently in the 30-day comment period. Dr. Smith reviewed the process in the Bylaws and encouraged

everyone to submit feedback before the end of the comment period, concluding on October 30, 2018. The Committee will meet on November 7 to discuss the comments received. The Annual Review will be presented to the Board at the December meeting.

6. Report from the University President

President Jenkins welcomed everyone and thanked them for attending, encouraging ongoing attendance and participation for engagement. President Jenkins highlighted many of the Homecoming events and expressed his appreciation to everyone who participated and contributed to another great year. He stated that he unveiled his Presidential Scholarship challenge of \$400,000 by June 30, 2019. During the Homecoming Alumni Banquet, Alumni made donations and pledges totaling \$50,000. President Jenkins acknowledged Dr. Tom Guetzloff for contributing \$6,000 to the scholarship fund this morning.

President Jenkins expressed his gratitude to everyone who supported his *Real Men Wear Pink* campaign with the American Cancer Society for Breast Cancer research. Other information about the events on November 9, during the Earl Lloyd Classic, to rename Athletic Drive to Earl Lloyd Way.

Athletic Director, Mr. Nate Burton gave a presentation on the addition of a Women's Soccer program to Athletics. Mr. Burton said that the Athletic Department and the University needed to increase athletic opportunities for women on campus. He provided information on the current enrollment and gender equity compared to future percentages with the addition of Women's Soccer. The program will operate as a club team the first year and will be an official NCAA sport in 2020. The expected expenses for next year total \$74,870 to add soccer; however, private support will be a large part of this program. The team will be playing on the field at the new Shawnee Sports Complex. The program will be able to host clinics, camps, and so forth, as revenue generators. An international and national search is underway for the Head Coach position. Mr. Lipscomb thanked Mr. Burton for all of his work on behalf of Athletics at the University and commended him for a job well done.

President Jenkins shared an update on the Blue Ribbon Commission (BRC) funding proposals. He noted that 92 % of our students come from West Virginia and he has continued to remind his Presidential colleagues of this fact as they debate the proposals. The Commission's report is due to the Governor on December 10. The BRC, Finance subcommittee's recommendation will go to the full Commission tomorrow afternoon. The regional Presidents will continue to make the argument that the model designed by the Presidents is the best funding formula for the state. The Commission is also focusing on the role that the Higher Education Policy Commission (HEPC). Board discussion on the funding disparities relating to support for revenue lost after the community, and technical colleges were separated, and the State match for land grant funding to West Virginia University is a concern. Ms. Dooley inquired about a comprehensive strategy to present to the legislators this upcoming session. President Jenkins responded that he is considering hosting an on-campus dialogue event for legislators in sharing our story.

President Jenkins concluded his report with an overview of updates to the Drain-Jordan Library. The Library has been branded with University colors and logos, with quiet study spaces that have whiteboards and flat panel televisions. The study pods were redone. We

have received positive feedback from students about the improvements. Dr. Yvette Underdue Murph worked with Mr. Marvin Smith on the project. She initiated a fund-raising opportunity for a \$2,500 donation; individuals can have a study pod named in their honor. President Jenkins was pleased to recognize Mr. Burton, Ms. Trina Sweeney, Mr. Eric Jackson, Dr. McGhee, Ms. Jameelah Means, Dr. Underdue Murph, and Mr. Joe Oden for their donations toward this fundraising project. Dr. Smith suggested considering revising the committee schedule if possible to allow time for the Board to tour buildings. Ms. Dooley commented that she visited the student art exhibit at the federal courthouse in Charleston and it is excellent. The exhibition will run through October then move to the Clay Center.

a. President Jenkins reported that the close of the 2013-18 Campus Compact submitted for the HEPC Master Plan, *Leading the Way: Access. Success. Impact* is ending December 31. The University has been successful in submitting the yearly reports to HEPC on its progress toward the established goals. He will report on the University's successes toward the campus compact and master plan to the Board during the December meeting.

b. There were no University Reports forwarded by Committees.

7. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel and Property Matters

There were no matters for discussion during executive session.

8. Other Matters

No other matters were brought before the Board.

9. Next Meeting Date

December 7, 2018

10. Adjournment

With there being no further business, the meeting adjourned at 1:58 p.m.

Respectfully submitted,

E. Gail Pitchford
Secretary

Approved:

William Lipscomb
Chair

AGENDA
West Virginia State University Board of Governors
Academic Policies Committee
Erickson Alumni Center, Weisberg Lounge
December 7, 2018
9:30 a.m.-10:25 a.m.

1. Call to Order and Roll Call –Chair, Ms. Kitty Dooley, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Research and Public Service Report
 - a. Research and Public Service Status and Progression
 - b. A Compendium on the History of the Land-Grant Status
6. Academic Affairs Recommendations and Reports
 - a. Program Review
 - i. Regents Bachelor of Arts, B.A
 - ii. International Studies, B.A
 - b. Updates from the College of Professional Studies – Dean Carney
7. Next Meeting Date –February 7, 2019
8. Adjournment

Agenda prepared by Ms. Brittany Fletcher, Administrative Clerk for Academic Policies Committee,
November 9, 2018

MEETING MINUTES
West Virginia State University Board of Governors
Academic Policies Committee
Erickson Alumni Center, Grand Hall
October 25, 2018
8:40 a.m. – 9:30 a.m.

1. Call to Order and Roll Call

Committee Chair calls the Meeting to Order

Administrative Clerk calls the Roll

Members Present: Ms. Baigen Seawell, Dr. Frank Vaughan, Dr. Ann Brothers Smith, Ms. Kitty Dooley, Mr. L. Vincent Williams. Several members of the administration, faculty, and staff were also present.

2. Verification of Appropriate Notice of Public Meeting

Chair Dr. Kitty Dooley announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Mr. L. Vincent Williams motioned for approval of the Agenda, seconded by Dr. Ann Brothers Smith.

Academic Policies Committee approved the Meeting Agenda.

4. Review and Approval of Minutes of the Previous Meeting

Dr. Ann Brothers Smith motioned approval of Previous Meeting Minutes, seconded by Ms. Baigen Seawell. Academic Policies Committee approved the previous meeting minutes.

5. Committee Update

a. Academic Affairs Report

I. Year Program Review Schedule

Provost. Jayasuriya stated that the Program reviews will start at the next meeting in December. Dr. Dooley asked if the programs reviews that are being presented are based on the 5-year review or 20% on a yearly basis. Provost Jayasuriya replied that HEPC requires that we have a program review every 5 years. They need to be approved by board and a summary sent to HEPC to approve or not approve.

II. Deans Presentation-Online Programs

Interim Dean Debbie Williams stated that the business program started offering courses online in 2007. By 2014 Business had offer over 20 courses online. When Provost Jayasuriya came in 2014, he contacted the deans at that time to discuss opportunities to offer online programs. Provost Jayasuriya stated that this was the vision of President Hemphill. Numerous meetings were held at all levels with outside parties, deans, and faculty members. The Higher Learning Commission gave full approval to offer online programs upon receiving application from WVU. Discussions with third parties resulted in a signed agreement with Learning House to be able to speed up the development of degree programs. One of the partnerships with Learning House is marketing, and since January 2016, there have been 5,000 leads, 905 applied, and 404 started. This data is from Learning House. Interim Dean Robert Wallace added that looking at the Washington post, you can see our ads. Dean Wallace went into further discussed the course

design services and how Learning House works with you in designing every course. He shared an email from his course designer from Learning House, including a time for development. Dean Wallace shared his own English 101 to the committee members and let them examine what students see online. Dr. Ann Brothers Smith asked how competitive are we with other Universities online? Dean Wallace answered by saying that we are a little late in getting into this online programs, but with the agreement with Learning House, they will not join another University. Original programs that officially launched in Fall 2016 were Bachelor of Science in Business Administration in Accounting and Management. Bachelor of Art in Technical Writing and Bachelor of Science in Criminal Justice. Additional programs added include Masters of Educational Leadership (Spring 2017), Regents Bachelor of Arts (Fall 2017) and Bachelor of Arts in Health Sciences (Spring 2018) Dean Carney added that they are currently developing a Master of Science in Criminal Justice and an undergraduate degree of Bachelor of Science in Social Work. Overall the enrollment in these online programs have been strong and steadily growing. Ms. Baigen Seawell shared her personal experience with the committee regarding the online programs and how she felt that it enhanced her educational experiences.

III. Partnership between WVSU and Ningbo University of Technology in China

Dean Naveed Zaman stated how the NBUT in China collaboration started in 2015. In 2016-2017 in developing Computational Science. In 2017 the team came from NBUT came out and finalized the curriculum. Some of the collaboration highlights include WVSU providing instruction in 15 of the program courses at NBUT campus. The first cohort in Fall 2017 had 77 students. The second cohort Fall 2018 there was 98 students. This year two WVSU faculty members went to Ningbo to teach. The financial aspects of this collaboration include, Spring 2018 (one course): \$46,664, Fall 2018 (two courses): \$93,328 and in Spring 2019 (five courses): \$246,828.

6. Research and Public Service Report

Dr. McMeans mentioned that the research part has moved over to the newly renovated integrated Research and Extension building and a conference floor is being set up on the first floor. Provost Jayasuriya and Dr. McMeans entertained Deputy Vice Chancellor from University Niagara and are looking to develop a partnership with them.

7. Next Meeting Date

December 7, 2018

8. Adjournment

With there being no further business, a motion was made by Dr. Ann Brothers Smith and seconded by Ms. Baigen Seawell to adjourn the meeting. The motion passed. The meeting adjourned at 9:32 a.m.

Respectfully Submitted by –Ms. Brittany Fletcher, Administrative Clerk, Academic Policies Committee. October 30, 2018

**West Virginia State University Board of Governors
Academic Policies Committee
Research and Public Service Report
December 7, 2018**

I. Purpose

To provide an update to members of the WVSU Board of Governors on the status of audits, reviews, and site visits conducted during the summer and fall of 2018.

II. Background

The West Virginia State University Research and Development Corporation (WVSURDC or the Corporation) was incorporated in 1991, under the W.Va. Code Chapter 18B. The Corporation serves as the West Virginia State University's (WVSU or the University) primary fiscal management agent of its externally sponsored funding including grants, contracts, and gifts derived from federal, state, municipal, corporate, foundation, and private individuals.

The Corporation operates as a nonprofit entity exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The WVSURDC formally provides management and oversight of external support for WVSU via their affiliations and operating agreements with the University's Board of Governors and the University's Chief Executive Officer, respectively. The Corporation and its functions, in turn, reside within the Research and Public Service Unit of the University.

West Virginia State University is an 1890 Land-Grant and Historically Black Institution of higher education founded in 1891. This successful expansion of the University's research and outreach programming has been only possible through the attainment of supplementary external resources. Therefore, the University's faculty along with research and outreach staff, and administrators are continually seeking opportunities for enhancing research, teaching, and public service through external sponsored support.

The overall availability of externally sponsored support has become increasingly more competitive as funding from derived sources contract or are prevalent. Accompanying these competitive and formula funds are increased accountability. As such, audits, reviews, and site visits are a manner in which agencies ensure that resources are expended in an allowable manner.

III. Discussion

Over the past six months, the WVSU Research and Development Corporation has undergone an annual financial audit, worker's compensation audit, United States Department of Agriculture (USDA)–National Institute for Food and Agriculture (NIFA) Civil Rights Review, a USDA West Virginia Liaison Visit and a financial and program review from USDA-NIFA.

Hayflich Certified Public Accountants performed the Corporation's financial audit for the year ended in June 30, 2018. There were no material findings and their full audit was shared with the WVSU R& D Board of Directors at the biannual board meeting on November 27, 2018. This audit also rolls under the overall audit for the University.

The WVSU Research and Development Corporation had a worker's compensation audit on August 20, 2018. There were no findings.

WVSU Research and Extension, along with WVU Davis College of Agriculture, WVU Experiment Station and WVU Extension underwent a joint civil rights review by the USDA, September 10 - 20, 2018. There were no findings or violations. The team provided recommendations on how both institutions can better collect data. The team informed us that there are new federal mandates coming in upcoming months, mostly as it relates to addressing the growing Latino population. The review team was very impressed that WVSU Extension and Experiment Station has a Spanish interpreter who is converting extension materials from English to Spanish.

The USDA appointed a West Virginia Liaison, who is a National Program Leader for USDA-NIFA. The state liaison visited WVSU Research and Extension, WVU Davis College of Agriculture, WVU Experiment Station and WVU Extension on September 27 – 28, 2018. The purpose of the visit was to review USDA related research and extension programs. Both site visits were impressive according to the state USDA Liaison, Dr. Hongda Chen.

WVSU Extension and the WVSU Agricultural and Environmental Research Station underwent a USDA-NIFA Review and the same team performed a financial audit. The five-member team was on campus from October 3 – 5, 2018. The interviewed the administrative team as well as research faculty and extension staff. Dr. Edwin Lewis, USDA-NIFA National Program Leader, gave a presentation to faculty and administrators on funding opportunities at the USDA. During the exit interview, there were a couple of recommendations on nomenclature, time and effort and other related matters. They also recommended that WVSU update a memorandum of understanding with WVU Davis College of Agriculture, WVU Extension, and the WVU Experiment Station.

IV. Recommendation(s)

Informational.

West Virginia State University

A COMPENDIUM ON THE HISTORY OF LAND-GRANT STATUS

Land-grant institutions were established under the provisions of the Morrill Acts (also known as Land-Grant Acts) of 1862 and 1890. The 1862 law authorized Congress to grant thousands of acres of public land to each senator and representative of each state. The measure stipulated that the revenue from these lands be used for “the endowment, support, and maintenance of at least one college where the leading object shall be, ...to teach such branches of learning as are related to agriculture and the mechanical arts...in order to promote the liberal and practical education of the industrial classes in the several pursuits and professions in life.” These “1862 Institutions,” as they became known, were the first established land-grant institutions. Those institutions, established under the Second Morrill Act, or the Morrill Act of 1890, are commonly referred to as the “1890 Institutions.”

West Virginia State University was designated by the United States Congress as one of the original 1890 land-grant schools under the Second Morrill Act. These schools were created to provide “instruction in agriculture, the mechanical arts, English language, and the various branches of mathematical, physical, natural, and economic science” to the black citizens of the states where the individuals had no access to other higher education institutions because of segregation laws. The University was the first 1890 land-grant school to be accredited and has been accredited longer than any other public college or university in West Virginia.

West Virginia was one of the six original states to establish a new land-grant college under state control. West Virginia State University faithfully met its duties to the citizens of West Virginia as a land-grant college in an outstanding manner. However, on October 23, 1956, the State Board of Education voted to surrender the land-grant status of West Virginia State University (effective July 1, 1957) and on March 5, 1957, instructed the state legislature through Senate Bills 93 and 219 to transfer \$21,900 worth of personnel and expense funds to West Virginia University. These actions preceded explicit funding by Congress in 1972 for 1890 institutions and resulted in a subsequent loss of millions of dollars, which could have been used by the institution to serve the needs of a severely depressed region of Appalachia.

For thirty-one years, alumni of the University, interested in regaining land-grant status, looked for the right time, place, and key persons to reverse the decision made in 1957. Dr. Hazo W. Carter, Jr. became president of West Virginia State University on September 1, 1987. During the fall of 1988, President Carter undertook the endeavor to regain the land-grant status or, failing that, have the record show that all possible efforts to regain the status had been made. The president and several members of his administration traveled to Washington to meet with the staffs of Senator Robert C. Byrd, Senator John D. Rockefeller, and Representative Bob Wise. President Carter and Steve W. Batson, Vice President for Planning and Institutional Advancement, also met with the staff of the Secretary of the United States Department of Agriculture (USDA). These meetings’ purpose was to explore the feasibility of re-attaining land-grant status for the University. The Congressional delegation was supportive. Dr. Carter determined that the first step was to have the state legislature redesignate West Virginia State University as an 1890 land-grant institution.

At their 1989 meeting, members of the West Virginia State Chapter of the NAACP appointed a committee to explore the actions required to have the state legislature reinstate the University’s land-grant status. President Carter and Vice President Batson approached Delegate Tom Susman from Beckley and Delegate Steve Williams from Huntington about sponsoring a bill. During the 1990 state legislative session, such a bill was attached to a parent bill. Unfortunately, this attempt failed when the parent bill was defeated late in the session before any other action could be taken.

Between the 1990 and 1991 state legislative sessions, representatives of the University continued to meet with various staff members of the U. S. Department of Agriculture (USDA) and the State's congressional delegation. The University continued to plan for the 1991 legislative session. As a result of the leadership of President Carter, a coalition of alumni developed which included the state and local NAACP leadership and the Charleston Black Ministerial Alliance. This grassroots support was invaluable, culminating in the introduction of House Bill 2124 early in the 1991 legislative session. Consequently, the Board of Directors of the State College System passed a resolution during their January meeting unanimously supporting the actions for WVSU to regain land-grant status. Board member Cecil Underwood seconded the resolution.

The House Bill was passed unanimously by both the House and Senate after being amended twice, and then went to Governor Gaston Caperton as the first bill presented for his signature that session. During the session, West Virginia University was extremely supportive of the University's efforts and even flew several administrators to a legislative hearing so that they could answer any questions from concerned legislators.

On February 12, 1991, Governor Gaston Caperton signed House Bill 2124 on the campus of West Virginia State University, and on March 28, 1991, he wrote to Edward Madigan, Secretary of the U.S. Department of Agriculture. In this letter, the Governor informed Secretary Madigan that the State's legislature had officially redesignated West Virginia State University as a land-grant institution and requested the appropriate funding at the federal level.

On July 30, 1991, Mr. Charles Hess, Assistant Secretary for Science and Education of the U.S. Department of Agriculture, responded negatively to Governor Caperton's March 1991 letter. In his response, the assistant secretary stated that the U.S. Department of Agriculture decided not to provide funding for the University's reinstatement of land-grant status. He asserted that a new designation of West Virginia State University under the Second Morrill Act would not be consistent with the U.S. Supreme Court's ruling in *Brown v. Board of Education*, and thus, the enactment of West Virginia House Bill 2124 was ineffective and would not result in eligibility to receive federal funds.

On August 9, 1991, Governor Caperton again wrote Secretary Madigan requesting clarification of the decision against the University to include "a complete manuscript of the U.S. Department of Agriculture's Office of the General Counsel's opinion, including the full review, legal citations, other references, and any other confirmations he may have used to arrive at this opinion." During August of 1991, the staffs of Senator Byrd and Congressman Wise requested the American Law Division of the Library of Congress review the U.S. Department of Agriculture's decision not to recognize the University's reinstated land-grant status.

On September 20, 1991, the Library of Congress rendered an opinion contrary to that of Mr. Hess. Their legal analysis concluded that the *Brown* decision would not preclude West Virginia from re-designating West Virginia State University as a land-grant institution and receiving the assistance authorized under the Second Morrill Act for the University, so long as the institution has an admissions policy that is in compliance with Federal law.

Correspondence continued throughout 1992 and 1993, including a letter from the Governor to the new Secretary of Agriculture, Mike Espy. This April 16, 1993, letter again requested reconsideration of the Department's decision. On July 22, 1993, Secretary Espy responded that the matter was the subject of an on-going consultation with the Office of Legal Counsel at the U.S. Department of Justice.

Ultimately, after years of determined effort by many dedicated persons, Secretary Espy informed

Governor Caperton on March 28, 1994, that the Office of Legal Counsel had advised the Department of Agriculture that West Virginia's 1991 land-grant designation of West Virginia State University would entitle the University to a \$50,000 permanent annual appropriation under the Second Morrill Act.

Unfortunately, in the following year, the federal funds that provided for the \$50,000 appropriation were eliminated. Nonetheless, efforts to obtain federal funding continued and progress was made on other fronts. The University was accepted in to the National Association of State Universities and Land-Grant Colleges (NASULGC) and President Carter was appointed to that group's Council of 1890 Presidents. In January of 1997, the USDA appointed Mr. Carl T. Butler as liaison officer to West Virginia State University.

On November 2, 1998, the Office of Land-Grant Programs was created with the priority of securing full funding as an 1890 Land-Grant Institution. Dr. Orlando F. McMeans was appointed as the office's first director. It was the concept of President Hazo W. Carter, Jr. and Dr. R. Charles Byers, Vice President of Planning and Advancement, to create the office as a way of continuing the ten-year effort. This would later prove to be a very prudent approach.

On August 4, 1999, Senator Robert C. Byrd amended the House of Representatives Bill 1906 to once again establish West Virginia State University as an original 1890 Land-Grant Institution established under the Second Morrill Act of 1890. In addition, this amendment would entitle WVSU to some of the financial privileges of the seventeen 1890 Institutions. Included in the bill was specific language that would provide \$1,000,000 for research and \$1,000,000 for extension activities for FY2000 and thereafter. On October 1, 1999, Congress approved the amendment, and President Bill Clinton signed the FY2000 Agricultural Appropriations bill (on October 22, 1999), which in summary stated that West Virginia State University was indeed a land-grant institution.

Although WVSU received land-grant research and extension funding in FY2000, the USDA Office of General Council of the USDA stated that more explicit amending language was necessary for full inclusion of WVSU as an 1890 Land Grant Institution. Senator Byrd introduced such an amendment, and on November 28, 2001, with the passage and subsequent signing of the FY2002 Agricultural Appropriations Bill, the University regained its birthright of becoming again an official and fully recognized 1890 Land-Grant Institution, eligible for 1890 research and extension formula funds, 1890 Facilities and Capacity Building funds, as well as many other tangible and intangible entitlements.

On March 17, 2000, President Hazo W. Carter, Jr. established the Department of Land-Grant Programs as the University's lead land-grant administrative area. This administrative area was renamed the Gus R. Douglass Institute for Agricultural, Consumer, Environmental, and Outreach Programs on January 2, 2006 (the designation ceremony took place on March 15, 2006). The Institute, named in honor of Dr. Gus R. Douglass, West Virginia Commissioner of Agriculture, is comprised of three programmatic divisions: West Virginia State University Extension Service (WVSUES, 1890 Extension); West Virginia State University Agricultural and Environmental Research Station (AERS, 1890 Research); and The Center for the Advancement of Science, Technology, Engineering, and Mathematics (CASTEM). There are also three support departments: Business and Finance (B&F), Communications, and Human Resources.

On August 25, 2011, per the approval of the West Virginia State University Board of Governors, the University was reorganized. As part of that reorganization, the administrative area of Research and Public Service was established, thus elevating the research and public service missions. This new administrative

area was comprised of university research, public service, Gus R. Douglass Land-Grant Institute (includes the three land-grant programmatic areas of AERS, CASTEM, and WVSUES), sponsored programs, and technology transfer. In 2012, the first Vice President for Research and Public Service was named.

Upon his arrival, the 10th President of West Virginia State University, Dr. Brian O. Hemphill, transferred the West Virginia Research and Development Corporation to the Research and Public Service administrative area. The WVSU R&D Corp., as is also the case of other research corporations in the state, is an alternative fiscal agent of the University that allows for greater flexibility in managing federal, state, and private foundation grant funds and to facilitate utilization of grant funds in contracting for research support, public service activities, and educational endeavors. Additionally, in April 2014, qualified (terminal degree) faculty members of the Douglass Land-Grant Institute were given academic faculty status in the four Colleges of the University to promote a “One University” concept and reestablish an academic home for land-grant programs that has been absent for 60 years.

West Virginia State University
Research and Public Service
131 Ferrell Hall
PO Box 1000
Institute, WV 25112
Phone: (304) 766-4291
Fax: (304) 766-4292
Email: Land-Grant@wvstateu.edu

Revised 03/18

Academic Policies Committee Academic
Program Review
Cover Page

- I. Purpose
- II. Background
- III. Discussion
- IV. Recommendation(s)
- V. Appendices

West Virginia State University

Comprehensive Program Review

for

Regents Bachelor of Arts

Submitted to

The Program Review Committee

Fall 2014-Spring 2018

TABLE OF CONTENTS

I. PROGRAM DESCRIPTION	1
A. Program Purpose Statement	1
B. Program Outcomes	2
C. Consistency with University Mission	2
D. Previous Reviews and Corrective Actions	2
E. Accreditation Information (<i>Only for programs WITH Specialized Accreditation</i>) .	2
1. Accreditation organization	2
2. Year of accreditation	2
3. Accreditation status	2
4. Accreditation organization report	2
5. Deficiencies and corrective actions	2
II. ADEQUACY	3
A. Curriculum	3
B. Faculty	5
C. Students	5
1. Entrance Standards	5
2. Entrance Abilities	5
3. Exit Abilities	5
4. Graduates	6
D. Resources	6
1. Financial	6
2. Facilities	6
E. Assessment	6
1. Student Outcome Assessment Plan	6

2. Use of Assessment Data: Learning-Teaching-Curriculum	7
3. Graduate and Employer Satisfaction	7
F. Advisory Committee(s)	7
G. Program Strengths and Weaknesses	7
III. VIABILITY	9
A. Program Enrollment	9
B. Course Enrollment	9
C. Enrollment Projections	9
D. Cost Analysis	9
E. Service Courses	9
F. Off-Campus Classes	9
G. Articulation Agreements	10
IV. NECESSITY	11
A. Similar Programs	11
B. Post Program Placement	11

TABLE OF CONTENTS

APPENDICES	12
II-A. Curriculum	13
II-B. Faculty Data Sheets	14
II-E. Assessment	16
III-A. Program Enrollment Data	19
III-B. Course Enrollment Data	20
III-E. Service Courses	20
III-F. Off-Campus Courses	20

SECTION I: PROGRAM DESCRIPTION

A. Program Purpose Statement

The Regents Bachelor of Arts degree program is a nontraditional program offered by the baccalaureate degree-granting institutions in West Virginia. The program is designed for adults who are interested in obtaining a bachelor's degree.

Cyril O. Houle, in his book *The External Degree* (1973), states that "The adult degree, in its purest form, was developed in the belief that adults, both psychologically and socially, are so distinctly different from young people that a program of studies designed for men and women should be based at every point on their maturity. Such a degree may depart completely from traditional patterns of admission, instruction, evaluation, or certification, or it may mix new elements with old ones so that some compatibility exists between it and an extension of an internal degree. In either case, however, the guiding principle is that students are men and women, not late adolescents."

The Regents Bachelor of Arts degree program is tailored to fit this description, and to fill the needs of a large number of West Virginians who, for various reasons, have a desire to obtain a baccalaureate degree. The program is of high academic quality, and the holder of a Regents Bachelor of Arts degree must meet comparable requirements for the more conventional baccalaureate degree via general education curriculum, upper division courses, and free electives. The difference in the two routes toward obtaining a B. A. degree is the key to the program. Credit awarded in the conventional manner may be used in the program, but college equivalent credit awarded for work and life experience also can count toward the degree. Each student entering the program is judged on his or her own merit, and may create a unique program suited for the academic needs. This program is not designed as an alternative academic route for students who are excluded from regular programs for reasons of poor scholarship. Poor scholarship in early years, however, should not preclude admission of a candidate who has demonstrated the ability to acquire and use knowledge. This is the overview of the Regents Bachelor of Arts Degree as defined in the West Virginia Higher Education Policy Commission's Regents Bachelor of Arts Administrative Guidelines (Revised July 2011). The Guidelines may be viewed at http://www.wvhepc.com/wp-content/uploads/2013/12/RBA_Handbook_7-13-11.pdf

B. Program Outcomes

The student will demonstrate:

1. Apply strategies to promote success by developing, reviewing and revising personal and career goals.
2. Apply critical thinking skills to solve problems in real world settings.
3. Complete work related projects with the appropriate technology skills.
4. Correct written communication skills.
5. Correct oral communication skills.

C. Consistency with University Mission

The mission of West Virginia State University is to meet the higher education and economic development needs of the state and region through innovative teaching and applied research. The Regents Bachelor of Arts Degree (RBA) is consistent with this mission.

The Regents Bachelor of Arts Degree was established in the 1970's to provide an opportunity for people with some college credit and significant work and life experiences to earn a baccalaureate degree through a non-traditional approach. The rationale behind this degree is the higher the college educated population of this state is, the more likely businesses and industry would locate in West Virginia. This rationale is supported in the West Virginia State University's Mission Statement, "...to meet the higher education and economic development needs of the state and region through innovative teaching..."

D. Previous Reviews and Corrective Actions

Previous program review findings cited a lack of program outcomes and an assessment plan. During the first year of implementing the West Virginia Higher Education Policy Commission (WVHEPC) Guidelines, most of the efforts were spent assessing and advising students in the program. However, plans were underway to develop the assessment plan and methods of data collection since summer 2013 and Five Program Learning Outcomes were developed and approved that are currently in use.

E. Accreditation Information

There is no formal accrediting body associated with this degree program. However, HEPC guidelines are utilized.

SECTION II: ADEQUACY

A. Curriculum

The RBA curriculum is defined in the WVHEPC Administrative Guidelines. It includes 36 hours of general education credits, 39 hours of upper division credits (300-400 level), and 45 hours of free electives. Regents Bachelor of Arts degree requirements include:

Total Credit: 120

Upper Division Hours (300-400 Series Courses): 39

General Education: 36

(Communications, Humanities, Natural Sciences, Social Sciences, Mathematical Sciences/Computer Applications and other approved general education courses.)

Communications: 6

Humanities 6

Natural Sciences: 6

Social Sciences: 6

Mathematical Sciences or Computer Applications 3

Free Electives-45

RBA students may also choose to “specialize” in an Area of Emphasis. These include:

ART HISTORY (18 hrs.) (6 classes)

Art 314 Renaissance, Baroque and Early 19th Century Art 3

Art 315 Modern Art 3

Art 316 American Art 3

Art 317 African and Afro-American Art 3

Art 318 American Indian Art 3

Art 319 Appalachian Arts and Crafts 3

Art 320 African Art 3

Art 411 African-American Artists 3

Art 450 Contemporary Artists 3

Art 451 Women Artists 3

Art 399 Any Special Topics Art History course on the 300 level 3

Art 499 Any Special Topics Art History course on the 400 level 3

BUSINESS ADMINISTRATION (15 hrs.) (5 classes)

BA 301 Fundamentals of Management 3

BA 305 Principles of Marketing 3

BA 310 Human Resource Management 3

BA 313 Business Finance 3

One other 300/400 level BA course 3

CRIMINAL JUSTICE (18hrs.) (6 classes)	
CJ 307 Criminal Law	3
CJ 308 Ethics in Criminal Justice	3
CJ 313 Race & Gender Issues in Criminal Justice	3
CJ 315 Research Methods	3
CJ 322 Criminology	3
CJ 380 Criminal Procedure	3
U.S. HISTORY (15 hrs.) (5 classes)	
HIST. 301 American Urban History	3
HIST. 310 The Presidency	3
HIST. 312 Age of Jim Crow	3
HIST. 403 American Diplomatic History	3
HIST 416 Civil War Era	3
JOURNALISM/WRITING (15 hrs.) (5 classes)	
ENG. 303 Expository Writing	3
ENG. 304 Introduction to Creative Writing	3
COMM/ENG 326 Journalism II	3
ENG. 429 Writing for Publication	3
COMM 462 Advanced TV II	3
STUDIO ART (18 hrs.) (6 classes)	
S ART 312, 404 Ceramics	3
S ART 305, 402 Drawing	3
S ART 313, 413 Graphic Design	3
S ART 306, 403 Painting	3
S ART 310, 407 Photography	3
S ART 303, 405 Printmaking	3
S ART 301, 406 Sculpture	3
S ART 352, 452 Digital Photography	3
TRAVEL & TOURISM (15 hrs.) (5 classes)	
HHP 360 Management of Leisure Services	3
HHP 390 Customer Service and Workplace Etiquette	3
HHP 395 Tourism, Conventions, & Event Management	3
HHP 470 Marketing in Travel & Tourism	3
HHP 480 Sustainable Tourism Management	3

To enter the program, students must have a minimum 2.0 grade point average. The program also requires an in state "residence" of 24 hours in the state system, including community colleges. The institution awarding the degree **may** require up to 12 credit hours to be completed at the host institution. WVSU requires only three semester hours of residence.

Students opting to seek work/life experience credits develop a portfolio relevant to the area of specialization they are seeking. The portfolios must reflect RBA program learning outcome achievement as well as the program learning outcomes for the department with whom they are seeking credits. The portfolio is developed using an established template including an autobiography, resume, letters of reference, demonstrated on the job clock hours, writing samples and demonstration of PLOs. Portfolios are submitted to the RBA office. The RBA

outcomes are reviewed by the RBA Director utilizing an established rubric. Departmental Program Learning Outcomes are sent to the respective departments for review and approval. Following successful review, the portfolio grades are entered on the student's transcripts (ex. EDUC 000 3 hrs credit). Students may elect to challenge an existing course through portfolio review rather than the generalized portfolio option.

B. Faculty

Currently the RBA coordinator is a staff position, but because he recently completed his doctorate and will graduate in December, this position may be converted into a faculty position.

C. Students

1. Entrance Standards:

Admission to the program follows HEPC guidelines as well as procedures that govern other degree programs at the West Virginia State University with the exception that students are not eligible for admission in the RBA program until four years after the date of their graduation from high school. In the case of those passing a high school equivalency examination, admission must be four years after their high school class would have graduated.

2. Entrance Abilities:

Entrance standards for the RBA program are set by HEPC. No minimum abilities are required. The student entering the RBA program undergoes a rigorous interview process typically lasting 30-45 minutes. Transcripts are reviewed along with the student's subsequent grade point learning average which must be at least a 2.0 and their high school graduation date which must be four years past their date of high school graduation. The interview and transcript review generally indicates the student's desire and qualifications to enter the program.

Once permission is granted to enter the program, students are instructed to follow the WVSU admissions process, and they are advised for courses. The RBA student is by nature a mature adult learner generally in their late twenties and older. Most RBA students are employed at the time of entrance to the program.

3. Exit Abilities:

The student completing the RBA program does so through diverse educational paths. Students will reflect the following program learning outcomes:

1. Apply strategies to promote success by developing, reviewing and revising personal and career goals.
2. Apply critical thinking skills to solve problems in real world settings.
3. Complete work related projects with appropriate technology skills.
4. Correct written communication skills.
5. Correct oral communication skills.

4. Graduates:

Graduates of the RBA program are typically already employed. Examples of current RBA student employers include: Charleston Area Medical Center, West Virginia Army National Guard, United State Post Office, Healthnet, City Bank, and Kanawha County Schools. Many students upon graduation are seeking promotion opportunities provided by degree obtainment.

Some students choose to enroll in graduate programs post-graduation. Examples of master's degree programs of interest include Human Resources, Business, Criminal Justice and Social Work.

D. Resources

1. Financial

Funds are generated through portfolio submission fees. The portfolio evaluation fee is \$300. No other monies are allotted to the program. These funds are utilized to purchase promotional materials, equipment, hospitality needs, and office supplies. They are also utilized to cover travel expenses for faculty development conferences and recruiting events.

2. Facilities

The RBA program administrative office suite is located in Cole Complex room 120 on the campus of West Virginia State University.

E. Program-Level Assessment

1. Assessment Procedures

Traditionally, assessment for the RBA program has maintained a dual approach. At the beginning of the program student outcomes are assessed during an interview (See Appendix II-E). This interview assesses Outcome I-The application of strategies to promote success by developing, reviewing and revising personal and career goals. The remaining four program outcomes are assessed using a transcript analysis of the academic work the student has completed before the student enrolls in the program. Once the transcript analysis is completed the student and the RBA Coordinator develop a highly individualized course of study to ensure the student has academic courses that not only meet degree requirements but also meet RBA Program Outcomes. This interview lasts on an average of 30-45 minutes and is structured.

At the end of the program RBA Students may elect to use the Work and Life Experience Portfolio to earn College Equivalency Credits (CEC's) during the semester in which the student intends to graduate. These credits are program learning outcomes based and are "substituted" for traditional coursework as prescribed by HEPC. The portfolio is assessed utilizing a scoring rubric (See Appendix II-E). Students are assessed for the RBA Program Learning Outcomes as well as the program learning outcomes of the department where the student is seeking CEC's

(Exhibit 1). Grades are entered into the transcripts and appear with a course tag affiliated with the program where they are seeking credit (ex. EDUC 000).

2. Use of Assessment Data: Learning-Teaching-Curriculum

Since the RBA degree is regulated by the West Virginia Higher Education Policy Commission, the use of assessment data has very little impact on the curriculum. In the area of learning, the assessment data would be most beneficial from the standpoint of enrollment management or for purposes of student recruitment.

3. Graduate Satisfaction

Many students in the RBA program are currently employed. During the program entrance interview, the RBA Director instructs the student to check with their employer on the applicability of the RBA degree. The RBA degree is generally recognized by most companies in West Virginia, but exceptions can occur. In addition, the Work and Life Experience Portfolio provides the RBA Program Coordinator with valuable information about employer satisfaction before the student graduates through employer letters of recommendation. After the student graduates, unless the student changes jobs, then graduate satisfaction is harder to measure than in traditional degree programs.

F. Advisory Committee(s)

The statewide RBA Program Coordinators network serves as an external advisory committee. This body meets regularly at least once annually. In addition, this body maintains an email list serve to allow the exchange of information. The internal advisory committee is chaired by the RBA Program Coordinator and meets regularly. The internal advisory committee is comprised of various stakeholders throughout the institution relevant to the success of the program.

G. Program Strengths and Weaknesses

Strengths

RBA students have opportunities to finish their degree faster at WVSU than other degree earning students. More RBA Students use CLEP, COOP, Credit by Special Examination, Credit Validated by Correspondence Courses, transient status courses and experiential learning through portfolio review. The portfolio process is unique to the RBA program. These opportunities are discussed during the entrance interview and a plan of study developed.

Weaknesses

Departments should be encouraged to develop courses that are RBA student friendly with fewer prerequisites, as well as expanding available Area of Emphasis.

Although the RBA produces the largest number of graduates during the dates of this program review, RBA students have had multiple different Program Coordinators. This lack of stability has contributed to a drop in enrollment. The RBA program is labor intensive. It requires an increased level of advising and knowledge of university curriculum, as well as program assessment. Furthermore, the Coordinator needs to work developing promotional materials and be involved in recruiting. A permanent coordinator is now in place. The RBA webpage needs to be updated and promotional materials need to be developed.

SECTION III: VIABILITY

A. Program Enrollment

Enrollment numbers are artificially low as of 2017 through 2018. The program coordinator has discovered an increasing number of students who should be classified as RBA majors but are being registered to the major they previously pursued or are being misclassified as a general education student during the readmission process. This problem is being addressed and the full complement of students should be available in the future.

	2014	2015	2016	2017	2018
FALL	89	81	79	77	68
SPRING	78	100	88	70	66
SUMMER	20	25	28	16	20
TOTAL	187	206	195	163	154

Graduation rates have been relatively stable though as the following table indicates.

**REGENTS BACHELOR OF ARTS PROGRAM GRADUATES
2014-2018**

	2014	2015	2016	2017	2018
FALL	35	20	27	17	11
SPRING	42	35	35	24	26
SUMMER	10	12	14	7	14
TOTAL	87	67	76	48	51

B. Course Enrollment

The RBA program has added two courses to the curriculum at West Virginia State University. The RBA Portfolio Development course and the RBA Transitions course. The RBA transitions course is designed to prepare adult learners for the transition back into academic study. In addition to strengthening career and life goal development. The RBA portfolio development class offers a detailed approach for the Regents Bachelors of Arts degree through the assessment of work and life experience. The courses required for anyone interested in pursuing the portfolio option in a specified academic content area. Enrollment numbers since the introduction of the courses in the fall of 2016 are as follows:

	2016	2017	2018
FALL	Portfolio Development: 11 RBA Transitions: 11	Portfolio Development: 13 RBA Transitions: 20	Portfolio Development: 5 RBA Transitions: 8
SPRING	Portfolio Development: 15 RBA Transitions: 21	Portfolio Development: 16 RBA Transitions: 13	Portfolio Development: 18 RBA Transitions: 15

SUMMER	Portfolio Development: 6 RBA Transitions: 6	N/A	N/A
--------	--	-----	-----

C. Enrollment Projections

The appointment of a program coordinator has brought stability to the administration of the program and student enrollment is expected to remain steady as the RBA Transitions class is required for all RBA students and the Portfolio class is required for students seeking life credit through the portfolio process.

D. Cost Analysis

The Departmental Cost of Instruction (DCI) encompasses two components: (1) departmental cost to offer the major and (2) departmental cost to offer courses in the department. To determine the departmental cost to offer the major, calculations were conducted to generate the program cost per graduate and the cost per student in the major. In this cost analysis we only considered salaries, including fringe benefits.

Cost per student in the major = 2017-2018 program faculty / Average number of majors 2014-2018

Cost per graduate = 2017-2018 program faculty / Average number of graduates 2014-2018

RBA program cost per student in the major = \$38,000 / 181 = \$209.94

RBA program cost per graduate = \$38,000 / 66 = \$575.75

The Regents Bachelor of Arts degree program offers two departmental courses that are uniquely designed to serve a non-traditional student population who complete variable course sequences through courses offered by other academic programs, therefore it is not feasible to determine this calculation for the RBA program.

RBA cost of courses offered in the department = NA

The *Facilities and Administrative* cost also using total faculty compensation for 2012-2013 as the numerator. For this value, the denominator federal indirect rate of 50.7%, which is a measure that is used to determine the cost of operation for grant administration.

Facilities and Administrative cost = 2017-2018-degree program faculty * 0.507

RBA Facilities and Administrative cost = \$38,000 * 0.507 = \$19,266

E. Service Courses

The RBA program has added two courses to the curriculum at West Virginia State University. The RBA Portfolio Development course and the RBA Transitions course. The RBA transitions course is designed to prepare adult learners for the transition back into academic study. In addition to strengthening career and life goal development. The RBA portfolio development class offers a detailed approach for the Regents Bachelors of Arts degree through the assessment of work and life experience. The courses required for anyone interested in pursuing

the portfolio option in a specified academic content area. Both are 300 level courses and offer 1 credit hour.

F. Off-Campus Courses

None

G. Articulation Agreements

None

SECTION IV: NECESSITY

A. Similar Programs

This program exists at all West Virginia Public Institutions and is regulated by the West Virginia Higher Education Policy Commission.

B. Post-Program Placement

Most students who are enrolled in the program are already working and are using this degree for career advancement. We have a student working for Jared Kushner real estate who will go on to take a larger role after graduation. We have a student working in the West Virginia Division of Rehabilitation Services who will go on to take a role as a director within the organization upon graduation. We also have a graduate of the RBA program working full time as a payroll officer at here at West Virginia State University. These stories and many like them will be widely shared on our RBA Facebook page as part of our outreach and promotion of the program and to serve as a source of inspiration of the possibilities of this program for current students and individuals interested in pursuing an RBA degree.

Appendices

(Arrange and place in order specified)

See comments in Table of Contents

APPENDIX II-A: Curriculum

Degree Program: Regents Bachelor of Arts	Total number of credit hours required for graduation: 120
Professional society that may have influenced the program offering and requirements: West Virginia Higher Education Policy Commission-Regents Bachelor of Arts Administrative Guidelines	

Core Courses Required in Major (by course number and title)	H O U R S	Additional Courses Required in Major	H O U R S	Courses Required in Related Fields	H O U R S	Courses Required in General Education and Elective Hours	H O U R S
In order to graduate with a Regents Bachelor of Arts Degree, all students must earn either 39 semester hours and/or College Equivalency Credits (CEC) in 300-400 series courses	39	Free Electives - all students must earn either 45 semester hours and/or College Equivalency Credits (CEC) in 100-400 series courses.	45	Not Applicable	0	<u>English and/or communications</u> Two classes for a minimum of six semester hours of credit. <u>Humanities</u> Two classes for a minimum of six semester hours of credit. <u>Science</u> Two classes for a minimum of six semester hours of credit. <u>Social Sciences</u> Two classes for a minimum of six semester hours of credit. <u>Mathematics</u> One class for a minimum of three	6 6 6 3 9
Total Required Major Hours:	39	Total Additional Major Hours:	45	Total Cognate Hours:	0	Total Gen. Ed./Elective Hours:	36

APPENDIX II-B: Faculty Data

(No more than TWO pages per faculty member)

Name: Carol Susman	Rank: Assistant Professor
Status: <input type="checkbox"/> Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Adjunct <input type="checkbox"/> Graduate Asst.	Highest Degree Earned: Master of Arts
Degree Conferred by: Marshall University	Date Degree Received: August 2015
Area of Specialization: Teaching	

Professional registration/licensure:	
Years of employment at present institution: 3	
Years of employment in higher education: 3	
Years of related experience outside higher education:	13

To determine compatibility of credentials with assignment:

- (A).** List courses you taught in the last two years (fall and spring semesters) of the review period. If you participated in team-taught courses, indicate each of them and what percent of these courses you taught. For each course include year and semester taught, course number, course title, and enrollment.

YEAR / SEMESTER	COURSE NUMBER AND TITLE	ENROLLMENT
Spring 2018	UNIV 300 Portfolio Development	6
Spring 2018	French 102 Elementary French	20
Spring 2018	French 202 Intermediate French II	16
Fall 2017	French 101 Beginning French	24
Fall 2017	French 201 Intermediate French	16
Spring 2017	UNIV 300 Portfolio Development (2 sections)	9, 7
Spring 2017	UNIV 305 RBA Transitions	13
Spring 2017	French 101 Beginning French	32
Spring 2017	French 202 Intermediate French I	5
Fall 2016	French 101 Beginning French	
Fall 2016	French 102 Elementary French	
Fall 2016	French 201 Intermediate French	

- (B).** If degree is not in area of current assignment, explain:

I was originally hired by WVSU to teach French and continued to do so while serving as RBA

Director.

- (C).** Identify your professional development activities during the past five years.
- Attended the West Virginia Foreign Language Teachers Association (WVFLTA) annual conference, October 2017.
 - Attended fall 2017 and spring 2018 conference of RBA-BOR coordinators sponsored by HEPC.
 - Attended American Teachers of Foreign Language (ACTFL) annual conference, in Boston, MA, November 2016.
- (D).** List awards/honors (including invitations to speak in your area of expertise) or special recognitions in last five years. None
- (E).** Indicate any other activities that have contributed to effective teaching.
- I have served as leader/faculty advisor to WVSU's "Cercle Français," with weekly meetings and activities including dinners, French themed activities, "pétanque" lawn games, and study programs for the past three and a half years. WVSU students and community members were invited to all activities.
- (F).** List professional books/papers published during the last five years. None
- (G).** List externally funded research (grants and contracts) during the last five years. None

APPENDIX II-E. Assessment

**WEST VIRGINIA STATE UNIVERSITY
REGENTS BACHELOR OF ARTS DEGREE PROGRAM
ENTRY INTERVIEW**

NAME _____
(Last) (First) (MI)

Specific date admitted to the WVSU Regents B.A. (RBA) Program _____

Background Information

Student ID # A _____ WVSU E-Mail _____
Alternative E-Mail _____

Street Address _____
City _____ State _____ Zip Code _____

This address is: Permanent address Current address
Preferred Phone Number: _____ Type: Cell Home Work
Alternative phone number: _____

Personal Data

Date of Birth: _____ Sex: M F

Racial/Ethnic Background* _____ Marital Status* _____
*Optional—Information requested for reporting purposes only.

Prior Education

- | | |
|--|--|
| <input type="checkbox"/> High School Diploma | <input type="checkbox"/> 1-2 yrs. College (30-59 semester hours) |
| <input type="checkbox"/> Diploma Program | <input type="checkbox"/> 2-3 yrs. College (60-89 semester hours) |
| <input type="checkbox"/> GED Diploma | <input type="checkbox"/> More than 3 yrs. College (90+ semester hours) |

Academic and/or Vocational Institutions attended prior to this enrollment:

Primary Academic Interest(s): _____
(e.g. business, education, social work, psychology)

Potential interest in RBA "Areas of Emphasis" (check one or more, or none):

- | | | |
|--------------------------------------|---|---|
| <input type="checkbox"/> Art History | <input type="checkbox"/> American History | <input type="checkbox"/> Business |
| <input type="checkbox"/> Studio Art | <input type="checkbox"/> Criminal Justice | <input type="checkbox"/> Journalism/Writing |
| | <input type="checkbox"/> Travel and Tourism | |

EMPLOYMENT

Full-time
 Part-time
 Neither

If currently employed:

Name of Employer _____
 Job Title: _____
 Brief Description of Duties: _____

Past Employment History (over the last 10 years):

Job Title: _____
 Brief Description of Duties: _____

Job Title: _____
 Brief Description of Duties: _____

In your own opinion, how strong do you feel you are in the following areas?

	Very Weak (1)	Weak (2)	Neither (3)	Strong (4)	Very Strong (5)
Oral communication skills					
Written communication skills					
Use of computer skills to complete projects					
Use of critical-thinking skills to solve problems					
Use of strategies to develop personal goals					
Use of strategies to develop professional goals					

REASONS FOR INVESTIGATING THE RBA PROGRAM

(Check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Career Advancement
<input type="checkbox"/> Credit for previous college credits
<input type="checkbox"/> Credit for work experience
<input type="checkbox"/> Flexibility in academic requirements
<input type="checkbox"/> Other _____ | <input type="checkbox"/> No access to other degrees
<input type="checkbox"/> Short residency
<input type="checkbox"/> Low cost
<input type="checkbox"/> Personal satisfaction |
|---|--|

Student Signature: _____ Date: _____

I certify that the date entered on the front side of this form is the official date this student enrolled in the
WVSU Regents Bachelor of Arts Program.

RBA Coordinator: _____ Date: _____

Regents Bachelor of Arts Work and Life Experience Portfolio Scoring Rubric
West Virginia State University

Candidate **Name:** _____

Number of College Equivalent Credits Requested and Awarded: _____

Date Review **Completed:** _____

Reviewer **Name:** _____

Reviewer: _____

Academic Department or Program in which the CEC's were Awarded: _____

Criteria	Not Met-Resubmit (1)	Met With Clarification Needed (2)	Met (3)	Met With Distinction (4)
The ability to follow directions as defined in the Guidelines	The portfolio did not follow directions	The portfolio followed the majority of all the directions	The portfolio followed all directions	The portfolio followed all directions and was organized in a manner that was easy to read.
The ability to demonstrate the RBA Program Outcomes	The Portfolio did not demonstrate the RBA Program Outcomes	The Portfolio demonstrated the majority of the RBA Program Outcomes	The Portfolio demonstrated all RBA Program Outcomes	The Portfolio demonstrated all RBA Program Outcomes with a high degree of proficiency
The ability to demonstrate the Departmental Program Outcomes	The Portfolio did not demonstrate the Departmental Outcomes	The Portfolio demonstrated the majority of the Departmental Outcomes	The Portfolio demonstrated all the Departmental Outcomes	The Portfolio demonstrated all Departmental Outcomes with a high degree of proficiency
The ability to demonstrate and document the CEC's Credits requested	The student did not demonstrate and document the CEC's and should resubmit the document after careful review and editing. No credit awarded	The student demonstrated and documented the CEC's, but had to provide information to the reviewer; yet, is awarded the CEC's	The student demonstrated and documented the CEC's, and is awarded the number of CEC's requested	The student exceeded all expectations and is awarded the number of CEC's requested

APPENDIX III-A: Program Enrollment Data

Enrollment numbers are artificially low as of 2017 through 2018. The program coordinator has discovered an increasing number of students who should be classified as RBA majors but are being registered to the major they previously pursued or are being misclassified as a general education student during the readmission process. This problem is being addressed and the full complement of students should be available in the future.

	2014	2015	2016	2017	2018
FALL	89	81	79	77	68
SPRING	78	100	88	70	66
SUMMER	20	25	28	16	20
TOTAL	187	206	195	163	154

Graduation rates have been relatively stable though as the following table indicates.

REGENTS BACHELOR OF ARTS PROGRAM GRADUATES 2014-2018

	2014	2015	2016	2017	2018
FALL	35	20	27	17	11
SPRING	42	35	35	24	26
SUMMER	10	12	14	7	14
TOTAL	87	67	76	48	51

APPENDIX III-B: Course Enrollment Data

The RBA program has added two courses to the curriculum at West Virginia State University. The RBA Portfolio Development course and the RBA Transitions course. The RBA transitions course is designed to prepare adult learners for the transition back into academic study. In addition to strengthening career and life goal development. The RBA portfolio development class offers a detailed approach for the Regents Bachelors of Arts degree through the assessment of work and life experience. The courses required for anyone interested in pursuing the portfolio option in a specified academic content area. Enrollment numbers since the introduction of the courses in the fall of 2016 are as follows:

	2016	2017	2018
FALL	Portfolio Development: 11 RBA Transitions: 11	Portfolio Development: 13 RBA Transitions: 20	Portfolio Development: 5 RBA Transitions: 8
SPRING	Portfolio Development: 15 RBA Transitions: 21	Portfolio Development: 16 RBA Transitions: 13	Portfolio Development: 18 RBA Transitions: 15
SUMMER	Portfolio Development: 6 RBA Transitions: 6	N/A	N/A

APPENDIX III-C: Service Courses-Not Applicable

APPENDIX III-D: Off-campus Courses-Not Applicable

West Virginia State University

Comprehensive Program Review

for

**Bachelor of Arts
in
International Studies**

Submitted to

The Program Review Committee

Fall 2013-Spring 2018

TABLE OF CONTENTS

I. PROGRAM DESCRIPTION	1
A. Program Purpose Statement	1
B. Program Outcomes	1-2
C. Consistency with University Mission	2
D. Previous Reviews and Corrective Actions	2
II. ADEQUACY	3
A. Curriculum	3
B. Faculty	3
C. Students	3
1. Entrance Standards	3
2. Entrance Abilities	3
3. Exit Abilities	4
4. Graduates	4
D. Resources	5
1. Financial	5
2. Facilities	5
E. Assessment	5
1. Student Outcome Assessment Plan	5
2. Use of Assessment Data: Learning-Teaching-Curriculum	5-6
3. Graduate and Employer Satisfaction	6
F. Advisory Committee(s)	6
G. Program Strengths and Weaknesses	6-7

III. VIABILITY	8
A. Program Enrollment	8
B. Course Enrollment	8
C. Enrollment Projections	8
D. Cost Analysis	9
E. Service Courses	9
F. Off-Campus Classes	9-10
G. Articulation Agreements	10
IV. NECESSITY	11
A. Similar Programs	11
B. Post-Program Placement	11

TABLE OF CONTENTS

APPENDICES	
II-A. Curriculum	13
II-B. Faculty Data Sheets	26
II-E. Assessment	32
III-A. Program Enrollment Data	47
III-B. Course Enrollment Data	48
III-E. Service Courses	49
III-F. Off-Campus Courses	50

SECTION I: PROGRAM DESCRIPTION

A. Program Purpose Statement

The Bachelor of Arts in International Studies is an interdisciplinary degree program that provides students with the foundation and intermediate education to introduce them to the historical background, present day developments, and theoretical skills necessary for analyzing and understanding events taking place in our world, and appraising the future consequences of our current global actions. International Studies addresses issues of security, development, ethnic conflict, human rights, health, and the environment that are increasingly confronted at a global, rather than a national level. Political events, economic, and military events throughout the world impact our lives with the rapidness of our high speed modern communication. As the global exchange of awareness increases, there is an equally increasing demand for International Studies graduates.

The program has been designed to prepare students for the multicultural global village in which we live and offers a diverse and interdisciplinary curriculum allowing students to choose one of the following areas of concentration. The five areas of concentration are: Modern Foreign Language (Spanish or French), International Relations, International Business, Communication, and Africana Studies. Students in each concentration follow a General Education (35-41 hrs) and specialization (33-36 hrs) curriculum, are required to obtain a minor in Spanish or French, and participate in an international experience—study abroad, research, service learning, etc. Students who chose the foreign language option are required to take a minor in another language, Political Science, or an area of Business.

The degree program was first established and offered to students in the Fall 2010. At that time, there were three specialization options: International Business, International Relations, and Foreign Language. In addition to the original three options, an Africana Studies option was added in the Fall 2012, and followed by an option in Communication shortly afterwards.

Due to its interdisciplinary design, the International Studies degree program depends on the Department of Modern Foreign Languages to serve as an academic foundation upon which the program offers cost effective specialization/major options designed essentially from courses offered by other departments across the university. The Department of Modern Foreign Languages provides courses for the minor in Spanish or French that all International Studies majors must earn. It also provides two of the six specialization areas—Spanish and French.

B. Program Outcomes

Graduates of the International Studies program will be able to:

- Demonstrate awareness of and sensitivity to the traditions, values, aspirations and concerns of people throughout the world.
- Demonstrate competency in a world language (Spanish or French).
- Provide a foundation for careers in government, non-governmental organizations, and businesses with international interest and programs.

Careful consideration was given to the correlation between program objectives and curriculum design. Students in each concentration will follow the same General Education as other students on campus, and Core Requirements and will be required to participate in an experience abroad. This establishes a common experience shared by all International Studies

majors regardless of their concentration area. This common experience also includes, but is not limited to, the study of foreign language.

The well-rounded general education aspects, study abroad, foreign language, and variety of international perspective courses offer an educational experience that enables students to fulfill the first two program objectives of increased cultural and global awareness, as well as competency in a foreign language. Emphasis on a specific concentration provides the tools for program graduates to be competitive in the job market (the third objective), and/or to successfully continue in graduate studies.

C. Consistency with University Mission

Founded in 1891, West Virginia State University is a public, land-grant, historically black university, which has evolved into a fully accessible, racially integrated, and multigenerational institution. The mission statement of WVSU expresses its commitment to meeting the economic development needs of the state and region through education, which will improve the quality of life of the people of the state. An important three-pronged objective of WVSU's strategic plan goal of strengthening academic programs is to broaden the university's global initiatives through increased emphasis on international perspectives within the curriculum, to develop cooperative relationships with foreign universities and colleges, and to increase opportunities for student travel and study abroad. As the International Studies degree accomplishes this goal, it will also accomplish other goals articulated in the strategic plan, such as reaffirming the concept of "a living laboratory of human relations," focusing on programs that support employment opportunities in West Virginia's emerging job markets, and establishing stronger liaisons with local businesses, community, and government leaders to serve their needs in human resources. The International Studies degree at WVSU is thus supported by the University's mission statement and strategic plan.

D. Previous Reviews and Corrective Actions

Previous Program Review: Fall 2010- Spring 2013 (the program was first offered in the Fall 2010)

The recommendations were to create a Senior Seminar for all International Studies majors, and to improve our assessment plan. They also asserted that the creation of the Senior Seminar would assist in improving assessment.

The Senior Seminar (INTS 400) has been approved and will be offered once the first students are eligible to take it.

SECTION II: ADEQUACY

A. Curriculum

The interdisciplinary degree consists of six concentration areas: Spanish, French, International Relations, International Business, Communication, and Africana Studies. Students in each concentration follow General Education (35-41 hrs), Core Requirements curriculum and are expected to complete an international experience. Students who fulfill the requirements of the International Relations, International Business, Communication, or Africana Studies concentration areas also earn a minor in either Spanish or French, as these concentrations require a minimum of 15 credit hours of one of the two aforementioned languages. Students in the Foreign Language concentration are required to take additional classes in one of the following areas. This will result in a minor in one of the selected areas (See Appendix II-A):

Spanish or French 15 hrs (the language that is not in their major)
Accounting 18 hrs
Finance 18 hrs
Management 18 hrs
Marketing 15 hrs
Political Science 15 hrs

B. Faculty

There are no full-time faculty members assigned to International Studies. Dr. James Natsis coordinates the program but is a full-time faculty member of Modern Foreign Languages. He teaches the Introduction to INTS 210 International Studies course in the Spring semester. He will also teach the senior seminar course that was recently approved during the Spring 2018.

Dr. Miguel Zapata, and Carol Susman are both full-time faculty of Modern Foreign Languages. Professors Zapata and Susman provide an important service to all International Studies majors who are required to earn a minimum of a minor in either Spanish or French.

Dr. Carol Taylor-Johnson is a member of the English Department. She teaches the INTS 250 Diversity in Africana Studies course. Dr Xiaohong Zhang is a member of the Mathematics Department. She has taught INTS 399 Special Topics: Study and Service Learning in China.

C. Students

1. Entrance Standards:

Students must meet standard requirements for enrollment at West Virginia State University.

2. Entrance Abilities:

The entrance abilities of the students in the International Studies program align with the requirements of the university. The most recent snapshot of International Student majors

shows an average comprehensive ACT score of 19.91. The average high school GPA for the same group of students was 3.27.

3. Exit Abilities:

Students who complete the educational experience abroad for non-credit are required to submit a 5-page paper comparing and contrasting their experience. Those who do a credit-bearing course as an international experience fulfill the requirements of that course and receive a letter grade.

Students who are in the Modern Foreign Language concentrations are evaluated on their oral, and written skills before graduation. Students in all concentrations are also required to take a senior seminar class.

They are capable of understanding and communicating in a world language (Spanish or French) other than English, they have had some experience outside of the United States, they have attained a degree of global literacy that will enable them to better work across various cultural differences, and they will have attained a specialization in a content area such as business, communication, etc.

4. Graduates:

The study abroad experience is especially impactful and motivates some of our students to pursue further travels. This is noted anecdotally, and in their paper and survey that they submit afterwards.

One of our students spent 3 weeks studying French immersion in Montreal, Canada during the summer of 2017. This was the first time the student ever left the U.S. and ever traveled by plane. The experience inspired a follow-up service learning course to China during the summer of 2018. The same student plans on traveling to France following graduation in May 2019.

Another student also spent 3 weeks studying French immersion in Montreal, Canada during the summer of 2017. The student was very motivated and returned to Montreal the following summer (2018) to repeat the program.

A recent graduate (May 2018) who studied in Mexico and Canada has been working with one of our current students to assist that person in finding funding sources to go to Mexico during the summer of 2019.

D. Resources

1. Financial

There are three accounts that are held at the General Accounting Office at WVSU for International Studies. These include an account for International Affairs, an account for Quebec, and an account for China. These funds are used primarily for study abroad purposes. The total amount for the three accounts is about \$12,000.

2. Facilities

The primary space used for the International Studies degree program is 218 Hill Hall. The only other space used by some of the students is the Foreign Language Lab located on the second floor of Ferrell Hall. Classes are taught primarily in 214 Ferrell Hall

E. Program-Level Assessment

1. Assessment Procedures

International Studies is an interdisciplinary degree program, thus most of the courses in the curriculum are incorporated from other departments where assessment is a continuous process. The Department of Modern Foreign Languages, for example, assesses language majors following national guidelines.

The Introduction to International Studies course is offered each Spring semester. There is a specific activity developed to assess students during the course (See Appendix II-E). The rubrics are included in this report. These rubrics were reviewed and approved by the university Assessment Coordinator, Dr. Aaron Settle.

The senior seminar course for International Studies (INTS 400) was approved and recently implemented into the degree program. Since the course has been recently added into the program, we are still awaiting our first student to have to take the course. We will review the assessment components of the course with Dr. Settle.

Students are also required to complete an international experience as part of the degree program. A questionnaire and rubric were developed during the Spring 2018 semester with the assistance and approval of Dr. Settle (see Appendix II-E).

All students specializing in each of the five International Studies specialization areas are required to earn a minor in either Spanish or French. The Department of Modern Foreign Languages has assessment instruments used to measure student competency in that area of the program.

Data has been gathered from Modern Foreign Languages (See Appendix II-E). There has been no other data gathered from other departments. Data gathering and reporting is the responsibility of the International Studies Program Coordinator.

2. Use of Assessment Data: Learning-Teaching-Curriculum

Data have been collected from the Introduction to International Studies course. This course is available to students as a Gen Ed option under International Perspectives. Data were submitted to our Gen Ed Assessment Coordinator, Dr. Barbara Ladner, last year for her reporting.

The data collected for this course show no need for any type of modification at this time (See Appendix II-E).

3. Graduate Satisfaction

We recently developed a Travel Abroad Survey that was first issued to several students who had completed a Summer Study Abroad 2018 program in Canada. We will have data on this for future reporting.

F. Advisory Committee(s)

An Advisory Committee in International Studies is comprised of three faculty from International Studies and Modern Foreign Languages. The committee also includes members from the greater community, notably Dr. Clark Egnor, former Director for International Affairs at the West Virginia Higher Education Policy Commission, and Dr. Anthony Woart, a native of Liberia, West Africa, Professor and Chair of the Department of Public Health at Marshall University. We plan to add more members in the future.

G. Program Strengths and Weaknesses

The International Studies degree offers international options that are essential to the survival and growth of the institution as students seek to be more globally competent. In addition, the interdisciplinary structure of the program offers flexibility that meets the changing needs of our students.

The International Studies degree requires at least a minor in Spanish or French, as well as an international educational experience abroad.

Since its inception in the Fall 2010, the International Studies degree has filled a void for students seeking a degree that would better prepare their global competency. For example, students who were previously interested in specializing in Spanish or French were only given the option of a degree in education. Now they may follow the full language track in International Studies. Another example includes students who were interested in geopolitics, who are now able to specialize in International Studies with an International Relations concentration.

The International Studies degree was designed by former Provost, Dr. Charles Byers as part of a vision to offer choices of interdisciplinary degrees to WVSU students. The interdisciplinary approach offers a broader choice of degree programs in a very cost effective manner.

International Students

West Virginia State University recognizes the importance of international students in both short- and long-term study programs. Students who come from abroad tend to gravitate towards international studies and foreign languages since that has been an important part of their life experience. The International Studies degree program provides an asset to the administration as it develops a more aggressive international student recruiting strategy.

The English as a Second Language (ESL) program has collaborated with International Studies in an effort to hire tutors and forge relationships between ESL students and International Studies majors.

Experience Abroad

Although WVSU offers several options for study abroad, few students benefit from this valuable educational experience. The International Studies degree requires its majors from all concentrations to complete an experience abroad experience approved by the faculty advisor

from the department of the degree concentration, and the Coordinator of International Studies. Study abroad experiences approved for academic credits may be applied to the degree requirements. The study abroad experience may include participation in a WVSU or other institution of higher learning course abroad, or a non-credit bearing pre-approved international experience.

Foreign Language

According to the 2010 U.S. Census, West Virginia ranked 50th in percentage of population who speak a language other than English at home. One of the degree program's strengths is that all students who graduate with a degree in International Studies have at least a minor in either Spanish or French. This is a step in the right direction for the state of West Virginia.

Need for Improvement

Areas that need improvement include promotion and recruitment, and better coordination between colleges and departments to identify common ground for program collaboration. There is also a need for more language lab and library sources.

SECTION III: VIABILITY

A. Program Enrollment

Enrollment in students majoring in International Studies has been varied throughout the 5-year period (See Appendix III-A). The period began with 13 majors (Fall 2013) and ended with 14 majors (Fall 2017).

There was a drop in enrollment during the 5-year reporting period, and then a return to the same numbers with a slight increase at the end of the reporting period. This is likely attributed to increased awareness since the program was just implemented in 2010.

These numbers are encouraging given the newness in the program and the trends toward increased international student enrollment and study abroad opportunities at WVSVU.

B. Course Enrollment

Given the interdisciplinary nature of International Studies, there have only been two regularly offered courses each year--- (INTS 210) Introduction to International Studies, and (INTS 250) Diversity in Africana Studies (See Appendix III-B).

There was also a special topics study abroad course to China taught during the summers of 2014 and 2015.

The 5-year period began with 31 total students enrolled in classes, and ended with 31 total students enrolled in classes. The peak enrollment was 47 students in 2015-16. The reason for the higher course enrollments in relation to a smaller number of majors is that most students at WVSVU can take either of these classes the meet the 3 credit-hour requirement for General Education International Perspectives.

C. Enrollment Projections

Interest in the program continues to grow as students become more globally aware through travel, interaction with international students and immigrants, and social networking that is multilingual and global in scope. We are confident that enrollments in International Students will increase over the next 5-year period and beyond.

This confidence is supported by the West Virginia District Export Council's projections of global interconnectivity and job relatedness. The Council states:

"With more than 95 percent of the world's population and 80 percent of the world's purchasing power outside the United States, future economic growth and jobs for West Virginia and America increasingly depend on expanding U.S. trade and investment opportunities in the global marketplace . . . More than one in five West Virginia jobs depends upon international trade."

D. Cost Analysis

The Departmental Cost of Instruction (DCI) encompasses two components: (1) departmental cost to offer the major and (2) departmental cost to offer courses in the department. To determine the departmental cost to offer the major, calculations were conducted to generate the

program cost per graduate and the cost per student in the major. In this cost analysis, we only considered salaries, including fringe benefits.

Cost per student in major = $\frac{\text{2017-2018 program faculty salary}}{\text{Average number of majors 2013 -2018}}$ (1 course release p/semester)
\$3,600

Cost per student in major = **\$321**

Cost per graduate = $\frac{\text{2017 – 2018 program faculty salary}}{\text{Average number of graduates 2013 - 2018}}$ **\$3,600**
2 per year

Cost per student graduates = **\$1,800**

The total salary including fringe benefits for International Studies faculty during the 2017-18 year of the review period was **\$3,600**. Dividing by the average number of International Studies majors in the degree program annually, which is 11.2, is calculated to be **\$321**. To calculate the program *cost per graduate*, the numerator remains the same but the denominator used is the average number of annual program graduates for the 2017-18 period, which was found to be 2; thus the International Studies cost per graduate was determined to be **\$1,800**.

Cost of courses in the program = $\frac{\text{2017-2018 program faculty salary}}{\text{Average SCH produced by program 2013 -2018}}$ **\$3,600**
9.6

Cost of courses in the program = **\$375**

The cost of offering courses in the program for all students is calculated using the same numerator; the denominator is the average number of student credit hours produced for the academic years 2013-2018. Aggregating Fall and Spring terms, there was an average of 9.6 credit hours associated with courses taken by both majors and non-majors during this period. Based on these numbers, the *cost per credit hour* (CPCH) in the program is **\$375**.

The Facilities and Administrative cost (non-instructional operational cost) is also computed the using total faculty compensation for 2013-2018; in calculating this value, it is multiplied by the federal indirect rate of 56.9% or .569, which is a measure that is used to determine the cost of operation for grant administration. The International Studies *Facilities and Administrative cost* (non-instructional cost) is therefore **\$10,242**.

E. Service Courses

The Introduction to International Studies (INTS 210) is a Gen Ed option for students who need to complete the International Perspectives Gen Ed requirement for their respective degree.

The Diversity in Africana Studies (INTS 250) course can also be used to fulfill the International Perspectives Gen Ed requirement.

F. Off-Campus Courses

The 399 INTS Special Topics China Service Learning was offered during the summers of 2014 and 2015. The study abroad course took place in China. The course was open to all WVSU students and fulfilled the Study Abroad requirement for International Studies majors.

The 399 French Special Topics Study Canada course was taught during the summers of 2017 and 2018. This course was taught in Montreal, Quebec, Canada. It was a collaboration between Modern Foreign Languages and International Studies. The course was open to WVSU students who were enrolled in a minimum of French 102. The course also fulfilled the Study Abroad requirement for International Studies majors.

We will create specific study abroad courses in the future pending increased interest in that area of study.

G. Articulation Agreements

The International Studies degree has no official articulated agreements with other institutions.

SECTION IV: NECESSITY

A. Similar Programs

Marshall University offers a **major in International Affairs** that combines studies in economics, geography, history, and political science, and emphasizes the study of a foreign language.

The areas of studies are different from those of the International Studies degree at WVSU. In addition, according to their website, there is no study abroad requirement for their International Affairs degree program.

B. Post-Program Placement

Graduates with a BA in International Studies from WVSU have followed various paths.

One of our graduates was hired last year to work fulltime at WVSU. Another graduate notified us that he had just accepted a job (Fall 2018) teaching History in a Seattle, WA public school. Another recent graduate will extend her study abroad experience in Mexico during the summer of 2019. One of our graduates from the Spring of 2017, has been working with a recruiting company in Florida.

There is no current data available at Career Services for International Studies.

Appendices

APPENDIX II-A : Curriculum

Degree Program: International Studies International Business	Total number of credit hours required for graduation: 120
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Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or	3	BA 209 Mat Analysis	3	First Year Experience	3
INTS 400 Senior Seminar	3	FREN 201 Intermediate French I	3	BA 215 Acct I	3	Written Communication	6
SPAN 300/400	3	SPAN 202 Intermediate Spanish II or		BA 216 Acct II	3	Oral Communication	
FREN 300/400 Select 1	3	FREN 202 Intermediate French II		BA 301 Fund Mgmt		Math	3
Study Abroad	0-6	All concentrations select 9 hours from the following:	3	BA 305 Prin of Marketing	3	Scientific Reasoning	3
		ENGL 350 World Literature: Classical Era <i>or</i> ENGL 351 World Literature: Modern Era		BA 310 Personnel Mgmt HR	3	Arts	
		FREN 205 France: A View of Changing		BA 313 Bus Finance	3	Humanities	3-4
		GEO 201. World Regional Geography		BA 416 Int Finance	3	Natural Sciences	3
		HIST 403 American Diplomatic History I		BA 465 Int Mgmt		Social Science	
		PHIL 308 World Religions		ECON 201 Micro		International Perspectives	3
		POSC 304 Comparative Politics	15	ECON 202 Macro		Histories	3
				ECON 410 Int Econ		Wellness	3-4
						Electives	13-21
					36		

<p>Total Required Major Hours:</p>	<p>9-15</p>	<p>POSC 302 American Foreign Policy SOC 270. Cultural Anthropology SOC 305 Birth, Death, and Migration S WK 202 Cultural Aspects SPAN 205 Spain and It's Culture</p> <p>Total Additional Major Hours:</p>		<p>Total Cognate Hours:</p>	<p>Total Gen. Ed. / Elective Hours:</p>	<p>39-41 13-21</p>
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Degree Program: International Studies International Relations	Total number of credit hours required for graduation: 120
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Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or FREN 201 Intermediate French I	3	Required: POSC 100 Intro to Politics POSC 101 Am Nat Govt	3	First Year Experience Written Communication Oral Communication Math	3 6 3
INTS 400 Senior Seminar SPAN 300/400 FREN 300/400 Select 1	3	SPAN 202 Intermediate Spanish II or FREN 202 Intermediate French II	3	POSC 210 Int Relations Select 24 hours from the following:	3	Scientific Reasoning Arts Humanities Natural Sciences Social Science	3 3-4 3 3
Study Abroad	3	All concentrations select 9 hours from the following:		CJ 370 Int Terrorism HIST 403 Am Diplo History HIST 421 History of Far East HIST 444 Africa	3	International Perspectives Histories Wellness	3-4 3 3 3
	0-6	ENGL 350 World Literature: Classical Era <i>or</i> ENGL 351 World Literature: Modern Era FREN 205 France: A View of Changing GEO 201. World Regional Geography HIST 403 American Diplomatic History I PHIL 308 World Religions POSC 304 Comparative Politics	3	POSC 302 Am Foreign Policy POSC 304 Comp Politics POSC 311 Methods in Research POSC399 Special Topics POSC 402 Modern Political	3 3 3 3 3	Electives	16-24
Total Required Major Hours:	9-15					Total Gen. Ed. / Elective Hours	39-41 16-24

Degree Program: International Studies Communication	Total number of credit hours required for graduation: 120
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Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or FREN 201 Intermediate French I	3	Required: COMM 101 Intro to Mass Comm COMM 162 Television Production COMM 205 Public Relations COMM 241 Film Making COMM 261 Intro to Audio COMM 307 Writing for Media COMM 400 Comm Field Experience COMM 446 Int Cinema Select 12 hours from the following (one must be an upper-level course) COMM 341 Advanced Film Making COMM360 Advanced Television Production	3	First Year Experience	3
INTS 400 Senior Seminar	3	SPAN 202 Intermediate Spanish II or FREN 202 Intermediate French II	3		3	Written Communication	6
SPAN 300/400 FREN 300/400 Select 1	3	All concentrations select 9 hours from the following:			3	Oral Communication	3
Study Abroad	0-6	ENGL 350 World Literature: Classical Era or ENGL 351 World Literature: Modern Era FREN 205 France: A View of Changing GEO 201. World Regional Geography HIST 403 American Diplomatic History I	3		3	Math	3
				3	3	Scientific Reasoning	3-4
				3	3	Arts	3
				3	3	Humanities	
				3	3	Natural Sciences	3
				3	3	Social Science	3
				3	3	International Perspectives	3-4
				3	3	Histories	3
				3	3	Wellness	3
				3	3	Electives	13-21

Total Required Major Hours	9-15	PHIL 308 World Religions POSC 304 Comparative Politics POSC 302 American Foreign Policy SOC 270. Cultural Anthropology SOC 305 Birth, Death, and Migration S WK 202 Cultural Aspects SPAN 205 Spain and It's Culture Total Additional Major Hours:	15	COM 362 Advanced Audio Production COM 405 Advanced Public Relations Or COMM 470 Advanced Theatre All prerequisites must be met; COMM 170 Theatre Appreciation COMM 240 Film History COMM 285 Web Design COMM 305 Comm Research COMM 341 Advanced Film COMM 343 Animation Production COMM 345 Film Theory COMM 360 Advance Television COMM 362 Advanced Audio COMM 382 Video Post-Production COMM 299 or 399; Special Topics COMM 405 Advanced Public Relations Comm 407 Advanced Theatre Total Cognate Hours:		Total Gen. Ed. / Elective Hours	39-41 13-21
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					36		
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Degree Program: International Studies Spanish	Total number of credit hours required for graduation: 120
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Professional society that may have influenced the program offering and requirements: ACTFL

Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or	3	SPAN 305 Oral & Written Proficiency	3	First Year Experience	3
INTS 400 Senior Seminar	3	FREN 201 Intermediate French I		SPAN 306 Phonetics		Written Communication	6
SPAN 300/400	3	SPAN 202 Intermediate Spanish II or	3	SPAN 307 Advanced Grammar	3	Math	
FREN 300/400 Select 1		FREN 202 Intermediate French II		SPAN 311 Spanish Civ and Culture	3	Scientific Reasoning	3
Study Abroad	0-6	All concentrations select 9 hours from the following:		SPAN312 Hispanic Civ and Culture	3	Arts	3-4
Minor in Business, Political Science, or French	15-18	ENGL 350 World Literature: Classical Era <i>or</i> ENGL 351 World Literature: Modern Era	3	SPAN 401 Spanish Lit		Humanities	3
		FREN 205 France: A View of Changing		SPAN 402 Spanish American Lit		Natural Sciences	3
		GEO 201. World Regional Geography		Optional: SPAN 303 Intensive Span Comm		Social Science	3
		HIST 403 American Diplomatic History I		SPAN 399 Special Topics		International Perspectives	3-4
		PHIL 308 World Religions				Histories	3
		POSC 304 Comparative				Wellness	3
Total Required Major Hours:	24-33			Total Cognate Hours:	21	Electives	10-21
						Total Gen. Ed. / Elective Hours	39-41 10-21

		Politics POSC 302 American Foreign Policy SOC 270. Cultural Anthropology SOC 305 Birth, Death, and Migration S WK 202 Cultural Aspects SPAN 205 Spain and Its Culture Total Additional Major Hours:	15				
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Degree Program: International Studies French	Total number of credit hours required for graduation: 120
Professional society that may have influenced the program offering and requirements: ACTFL	

Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
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INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or	3	FREN 305 Oral & Written Proficiency	3	First Year Experience	3
INTS 400 Senior Seminar	3	FREN 201 Intermediate French I		FREN 306 Phonetics		Written Communication	6
SPAN 300/400		SPAN 202 Intermediate Spanish II or			3	Oral Communication	
FREN 300/400		FREN 202 Intermediate French II	3	FREN 307 Advanced Grammar	3	Math	3
Select 1	3					Scientific Reasoning	
Study Abroad	0-6	All concentrations select 9 hours from the following:		FREN 311 French Civ and Culture	3	Arts	3-4
Minor in Business, Political Science, or Spanish	15-18	ENGL 350 World Literature: Classical Era <i>or</i> ENGL 351 World Literature: Modern Era	3	FREN 312 Francophone Civ and Culture	3	Humanities	3
		FREN 205 France: A View of Changing				Natural Sciences	
		GEO 201. World Regional Geography	3	FREN 401 Intro to French Lit	3	Social Science	
		HIST 403 American Diplomatic History I				International Perspectives	3 3
		PHIL 308 World Religions		FREN 402 Advanced French Lit	3	Histories	3-4
		POSC 304 Comparative Politics		Optional: FREN 399 Special Topics	3	Wellness	3 3 3
		POSC 302 American Foreign Policy				Electives	10-21
Total Required Major Hours:	24-33	SOC 270. Cultural Anthropology				Total Gen. Ed. / Elective Hours	39-41 10-21
		SOC 305 Birth, Death, and Migration		Total Cognate Hours:	21		
		S WK 202 Cultural Aspects					
		SPAN 205 Spain and It's					

		Culture					
		Total Additional Major Hours:					
			15				

Degree Program: International Studies Africana Studies	Total number of credit hours required for graduation: 120
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Courses Required in Major (by course number and title)	Hours	Additional Credit Required in Major	Hours	Courses Required in Related Fields	Hours	Courses Required in General Education and Elective Hours	Hours
INTS 210 Introduction to International Studies	3	SPAN 201 Intermediate Spanish I or FREN 201 Intermediate French I	3	Required: BSS 101 Freshman Experience HIST 311 Black Am in US History HIST 444 Africa INTS 250 Diversity Africana	1	First Year Experience Written Communication Oral Communication Math Scientific Reasoning	3 6 3 3-4
INTS 400 Senior Seminar	3		3	SOC 270 Cultural Anthropology SOC 311 Methodology	3	Arts Humanities Natural Sciences Social Science International Perspectives Histories Wellness	3 3 3 3-4 3 3 3
SPAN 300/400 FREN 300/400 Select 1	3	SPAN 202 Intermediate Spanish II or FREN 202 Intermediate French II	3	Select 18 hours the following (two courses must be 300-400): BA 115 Business Info Skills BA 416 Int Finance BA 460 Int Business BA 425 Comp Apps in Business BA 465 Int Mngt ECON 201/301 Micro Econ ECON 202/302 Macro Econ ECON 310 Econ Development ECON 330 Urbam Econ ECON 406 Comp Econ Systems ECON 410 Int Econ	3 3 3 3 3 3 3 3 3 3	Electives	15-23
Study Abroad	0-6		3				
Total Required Major Hours:	9-15	All concentrations select 9 hours from the following: ENGL 350 World Literature: Classical Era or ENGL 351 World Literature: Modern Era FREN 205 France: A View of Changing GEO 201. World Regional Geography HIST 403 American	3 3 3			Total Gen. Ed. / Elective Hours:	39-41 15-23

	<p>Diplomatic History I PHIL 308 World Religions POSC 304 Comparative Politics POSC 302 American Foreign Policy SOC 270. Cultural Anthropology SOC 305 Birth, Death, and Migration S WK 202 Cultural Aspects SPAN 205 Spain and It's Culture</p> <p>Total Additional Major Hours:</p>	15	<p>ENGL 337 Black Writers in US ENGL 338 Black Novelists in US ENGL 339 Black Poets in US ENGL 340 Readings in Afric Lit GEOG 201 World Regional GEOG 306 Economic Geography HIST 312 Jim Crow HIST 313 Black Images HIST 316 Civil Rights HIST 317 Slavery in US HIST 318 Harlem Renaissance HIST 403 Am Diplo History POSC 210 Int Relations POSC 302 Am Foreign Policy POSC 402 Modern Polit Thinkers POSC 410 Comp Politics POSC 420 Politics of Race SOC 208 Race Ethic SOC 212 Urban Sociology SOC 305 Birth, Death, Migration SWK 200 Theories of Poverty SWK 205 Community</p>		
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				Services Total Cognate Hours:	34		
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Optional Minors for International Studies Majors

Minor in Business Administration-Accounting-18 Hours BA 210, 215, 216, 308, 314, 315

Minor in Business Administration-Finance-18 Hours BA 209, 210, 215, 216, 313, 414

Minor in Business Administration-Management-18 Hours BA 210, 215, 301, 305, 310, 320

Minor in Business Administration-Marketing-15 Hours BA 210, 301, 305, 335, 405 Note: Some of these courses require MATH 101, ECON 201, and ECON 202 as prerequisites.

Minor in Political Science-15 Hours POSC 100; 101; 204 or 210; and six hours from any 300-or 400-level political science course.

Minor in Modern Foreign Language-15 Hours SPAN/FREN 101, 102, 201, 202, and three hours from any 300-or 400-level Spanish/French course.

APPENDIX II-B: Faculty Data

(No more than TWO pages per faculty member)

Name: James J. Natsis	Rank: Faculty
Status: X Full-time <input type="checkbox"/> Part-time <input type="checkbox"/>	Highest Degree Earned: Ph.D.
Degree Conferred by: Ohio University	Date Degree Received: June 1998
Area of Specialization: Education (international)	

Professional registration/licensure: N/A
Years of employment at present institution: 21
Years of employment in higher
Years of related experience outside higher

To determine compatibility of credentials with assignment:

- (A). List courses you taught in the last two years (fall and spring semesters) of the review period. If you participated in team-taught courses, indicate each of them and what percent of these courses you taught. For each course include year and semester taught, course number, course title, and enrollment.

YEAR / SEMESTER	COURSE NUMBER AND TITLE	ENROLLMENT
2017 Spring	INTS 210 Introduction to International Studies	18 students
2018 Spring	INTS 210 Introduction to International Studies	17 students

- (B). If degree is not in area of current assignment, explain:

- (C). Identify your professional development activities during the past five years.

Fulbright Scholarship Selection Committee member 2015 & 16.

Gilman Scholarship Selection Committee member 2016

Breakout Facilitator. Overseas Security Advisory Council (OSAC) College and University Health, Safety and Security Seminar. Charleston, WV. July 23-24, 2015.

Interviewee specialist for educational film "Barriers to Communication and How to Overcome Them." Films Media Group. ISBN: 978-1-60057-589-1. ©2015

- (D).** List awards/honors (including invitations to speak in your area of expertise) or special recognitions in last five years.

Organize and host the Cercle Francais at Iroquois Library in Louisville, Ky.

- (E).** Indicate any other activities that have contributed to effective teaching.

Using the VHL Central Learning System. Teaching 100% on-line course

- (F).** List professional books/papers published during the last five years.

- (G).** List externally funded research (grants and contracts) during the last five years.

- 2015 and 2016 West Virginia Higher Education Policy Commission Institutional Grant. Wrote and directed two mini-grants for \$6,000.

APPENDIX II-B: Faculty Data

(No more than TWO pages per faculty member)

Name: Carol S. Taylor-Johnson	Rank: Associate Professor
Status: X Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Adjunct <input type="checkbox"/> Graduate Asst.	Highest Degree Earned: Ph.D.
Degree Conferred by: The Ohio State University	Date Degree Received: December 1986
Area of Folklore, Rhetoric & Composition, Africana Studies	

Professional registration/licensure:
Years of employment at present institution: 22 year
Years of employment in higher education: 32 years
Years of related experience outside higher education: 3 years

To determine compatibility of credentials with assignment:

- (A). List courses you taught in the last two years (fall and spring semesters) of the review period. If you participated in team-taught courses, indicate each of them and what percent of these courses you taught. For each course include year and semester taught, course number, course title, and enrollment.

YEAR / SEMESTER	COURSE NUMBER AND TITLE	ENROLLMEN
Fall 16	INST 250-01, Diversity in Africana Studies, Web 50	12 students
Spring 17	INST 250-01, Diversity in Africana Studies, Web 50	8 students
Fall 17	INST 250-01, Diversity in Africana Studies, Web 50	6 students
Spring 18	INST 250-01, Diversity in Africana Studies, Web 50	8 students

(B). If degree is not in area of current assignment, explain:

(C) Professional Development for the last five years.

April 6, 2018, presented at the 78th annual Convention of the College Language Association, Holiday Inn Chicago Mart Plaza River North, Chicago, Illinois. Title of presentation, “John Frederick Matheus, In and Out of the Metropolis”.

March 29, 2014, “John Frederick Matheus: The Haitian Effect.” College Language Association (CLA), New Orleans Marriott Downtown/Convention Center, New Orleans, LA.

(D). List awards/honors (including invitations to speak in your area of expertise) or special recognitions in last five years.

(E). Indicate any other activities that have contributed to effective teaching.

(F). List professional books/papers published during the last five years.

(G). List externally funded research (grants and contracts) during the last five years.

APPENDIX II-B: Faculty Data

(No more than TWO pages per faculty member)

Name: Carol Susman	Rank: Assistant Professor
Status: X Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Adjunct <input type="checkbox"/> Graduate Asst.	Highest Degree Earned: Master of Arts
Degree Conferred by: Marshall University	Date Degree Received: August 2015
Area of Specialization: Teaching	

Professional registration/licensure:
Years of employment at present institution: 3
Years of employment in higher
Years of related experience outside higher

APPENDIX II-B: Faculty Data

(No more than TWO pages per faculty member)

Name: Miguel Zapata	Rank: Associate Professor
Status: X Full-time <input type="checkbox"/> Part-time <input type="checkbox"/> Adjunct <input type="checkbox"/> Graduate Asst.	Highest Degree Ph.D. Earned: Ph.D.

Degree Conferred by: University of Arkansas	Date Degree Received: August 2002
Area of Specialization: Comparative Literature	

Professional registration/licensure: N/A
Years of employment at present institution: 13
Years of employment in higher
Years of related experience outside higher

APPENDIX II-E: Assessment

Curriculum Map by PLOs International Studies International Business

Courses	PLO	Assessment 1		Assessment 2		Assessment 3		Assessment 4	
		What	When	What	When	What	When	What	When
IST 210	1	Book Essay OB #1	Spring Yr 1,2						
	1	Presentation 1 OB #1,							
	1	Presentation 2 OB #1							
International Experience Abroad	1 & 2							Course or analytical paper	Yr 2-4
Senior Seminar Business	3								Yr 4
Earned Minor+ French/Spanish	1,2								Yr 3-4

Curriculum Map by PLOs International Studies International Relations

Courses	PLO	Assessment 1		Assessment 2		Assessment 3		Assessment 4	
		What	When	What	When	What	When	What	When
IST 210	1	Book Essay OB #1	Spring Yr 1,2						
	1	Presentation 1 OB #1,							
	1	Presentation 2 OB #1							
International Experience Abroad	1 & 2							Course or analytical paper	Yr 2-4
Senior Seminar Political Science	3								Yr 4
Earned Minor+ French/Spanish	1,2								Yr 3-4

Courses	PLO	Assessment 1		Assessment 2		Assessment 3		Assessment 4	
		What	When	What	When	What	When	What	When
IST 210	1	Book Essay OB #1	Spring Yr 1,2						
	1	Presentation 1 OB #1,							
	1	Presentation 2 OB #1							
International Experience Abroad	1 & 2							Course or analytical paper	Yr 2-4
Senior Seminar Sociology (Africana)	3								Yr 4
Earned Minor+ French/Spanish	1,2								Yr 3-4

West Virginia State University Assessment Results

Program: International Studies

Courses	PLO	Assessment 1		Assessment 2		Assessment 3		Assessment 4	
		What	When	What	When	What	When	What	When
IST 210	1	Book Essay OB #1	Spring Yr 1,2						
	1	Presentation 1 OB #1,							
	1	Presentation 2 OB #1							
International Experience Abroad	1 & 2							Course or analytical paper	Yr 2-4
Senior Seminar Spanish French	3								Yr 4
Earned Minor+ Political Science or Business	1,2								Yr 3-4

Class Where Assessment Occurred	Outcome being Assessed	Assignment or Instrument Used to Collect Data	Results	Planned Actions or Improvements Based on Assessment Results
1.Introduction to International Studies	Students can articulate an awareness of and sensitivity to the traditions, values, aspirations and concerns of people throughout the world.	Reading assignment book "Things Fall Apart."	Students address four specific questions that address the issues.	Satisfactory results. Actions designed according to students' needs.
2.	To provide a foundation for careers in government, non-governmental organizations, and business with international interests and programs.	Two class presentations	Students practice their communicative skills that may be needed for employment	Satisfactory results. Actions designed according to students' needs.
3.	To provide a foundation for careers in government, non-governmental organizations, and business with international interests and programs	Employment paper	Students research the field of international studies and report on employment opportunities.	Satisfactory results. Actions designed according to students' needs.
4.				

Introduction to International Studies

Book Analysis

Students will read “Things Fall Apart” and submit a 3-page paper addressing the following:

- 1) Okonkwo’s respect for his tribal/ethnic traditions.
- 2) The value system of the Umuofia people.
- 3) Okonkwo’s aspirations as a leader of his people.
- 4) Concerns, or lack thereof of the British for the local way of life.

Employment and Career Opportunities

Students will submit a 3-page paper outlining employment and career opportunities for individuals with international competency. Students will:

1. Analyze the market and the international skills required for successful employment.
2. Look at their own academic and career track and give a personal perspective as it may regard internationally related employment.

Group Presentations

Group presentations will follow a lecture by professors that introduce the theme in a broader context according to the course schedule (i.e., identity, culture & society, economics).

The group presentations will enable students to develop their communicative skills of speaking before a small audience. These skills enhance employment and career opportunities.

1. Demonstrates knowledge of the subject
2. Uses relevant support materials—visuals, handouts, etc.
3. Time management
4. Clarity of presentation—speaks clearly, faces audience, and pronounces words correctly.

General Education Assessment for Introduction to International Studies Spring 2018

	Exemplar (4 pts)	Target (3 pts)	Acceptable (2 pts)	Unacceptable (1 pt)
Cultural Product or Practice ACTFL	Fully describes a cultural product or cultural practice with attention to detail and the description is always accurate.	Describes a cultural practice or a cultural product in a complete manner.	Describes a cultural product or practice, but there may be some inaccuracies.	Does not give a complete description of a cultural product or practice or there are many inaccuracies.
PERSPECTIVES ACTFL	Fully demonstrates the connection between the selected cultural product or practice and the perspectives of the society to which it belongs with attention to at least two elements, like history, economy, religion, etc..	Establishes the connection between the selected cultural product or practice and the perspectives of the society to which it belongs with attention to at least one societal element, like history, economy, religion, etc.	Establishes the connection between the selected cultural product or practice and the perspectives of the society to which it belongs although the connection is not always so strong or well developed.	Fails to establish the connections between the cultural product or practice and the society to which it belongs.
Knowledge Cultural self-awareness	Articulates insights into own cultural rules and biases (e.g. seeking complexity; aware of how her/his experiences have shaped these rules, and how to recognize and respond to cultural biases, resulting in a shift in self-description.)	Recognizes new perspectives about own cultural rules and biases (e.g. not looking for exact sameness; expresses the complexities that new perspectives offer.)	Identifies own cultural rules and biases (e.g. with a strong preference for those rules shared with own cultural group and seeks the same in others.)	Shows minimal awareness of own cultural rules and biases (even those shared with own cultural group(s)) (e.g. uncomfortable with identifying possible cultural differences with others.)

<i>See Reference Rubric Worksheet for full descriptions of aspects assessed.</i>				
	Product or Practice	Perspectives	Self-Awareness	
1	4	4	4	
2	3	3	3	
3	4	4	4	
4	4	4	4	
5	4	4	4	
6	3	4	4	
7	3	3	3	
8	4	4	4	
9	4	4	4	
10	4	4	4	
Component averages	3.70	3.80	3.80	
# of each value				
# w/ "1" value	0	0	0	
# w/ "2" value	0	0	0	
# w/ "3" value	0	2	2	
# w/ "4" value	7	8	8	
Score Key	4=Exemplar	3=Target	2=Acceptable	1=Unacceptable

Report to the General Education Committee of Assessment Using the International Perspectives Rubric in Spring 2018, (semester)

Assignment Details

Students read the book, Things Fall Apart. There was a specific set of questions dealing with cultures, cultural sensibility, and values that they needed to address in a 3-page paper.

Scoring Procedures

Book Analysis

Students read "Things Fall Apart" and submit a 3-page paper addressing the following:

- 1) Okonkwo's respect for his tribal/ethnic traditions.
- 2) The value system of the Umuofia people.
- 3) Okonkwo's aspirations as a leader of his people.
- 4) Concerns, or lack thereof of the British for the local way of life.

Areas of Difficulty

None

Conclusion

Students were scored based on their ability to answer the questions showing insight into the various issues of culture, tradition, values, etc.

Scores in the three areas found on the international perspectives rubric ranged from 3.7-3.8.

**West Virginia State University
International Studies**

Travel Abroad Experience Assessment

Name _____

Specialization area of study _____

Place, dates, and length of time of visit

Language used in country _____

Course or non-course international experience

Modern Foreign Languages

Data taken from Assessment Report

PLO 1: Student uses the language to communicate. Expected level as required by National Standards: Advanced

PLO 2: Student explains key cultural elements of the language studied

2013-2014

Spanish:

PLO1: 78% Target. 22% Non-Target.

End of fourth year:

PLO2:

Presentations: 80% Target; 20% Non-Target.

Research paper: 80% Target. 20% No Target.

French:

PLO1 1 of 1: Target.

PRAXIS 2: 2 out of 3 candidates successfully passed this licensure exam...

2014-2015

Spanish: PLO1: 80% Target; 20% Non-target

PLO2:

Presentation: 80% Target; 20% Non-Target

Research Paper: 75% Target; 25 Non-Target

French: No Data

2016-2017

Spanish:

PLO1: 70% Target. 30% Non Target.

End of fourth year:

PLO2:

Presentations: 80% Target; 20% Non Target.
Research paper: 80% Target. 20% No Target.
French:
PLO1 2 of 2: Target.

2017-2018 In process

Background Information (If needed)

The mission of the programs in French and Spanish content specializations is to form competent individuals who can effectively communicate in the target languages both orally and in writing. Effective communication also implies skills and knowledge of the target cultures, which can be used to reflect about cultural formations and about the students' own culture. Communication also implies the use of a target language to obtain knowledge about other fields and disciplines.

According to ACTFL, the emphasis of foreign language teaching should be oral proficiency. This does not mean an exclusion or neglect of other proficiencies, such as writing, reading, and other components, such as grammar, culture, communities, etc. Oral Proficiency involves other sub skills, such as interpersonal and presentational, and there are other constitutive elements in it, like knowledge of the phonetic system both for production and recognition, listening skills, such as obtaining main ideas, detail, etc. Oral Proficiency is, in other words, an integrated phenomenon with its other proficiencies [writing, cultural, linguistic, etc.] as it cannot be dislocated from the real place where language occurs. The expected level of proficiency is Advanced-Low, and this level is measured through various tests, such as the ACTFL OPI [Oral Proficiency Interview] and the PRAXIS 2 [Content], which is done by an external entity [ETS] [Educational Testing Services]. International Studies-Foreign Language students are not required to obtain a license, therefore, the PRAXIS is not necessary.

At the end of the second year of language study, or during the beginning of the third year, students are given an advisory OPI so as to better plan for their remaining two years, at the end of which, they are assessed once more.

Learning outcomes are assessed with the following:

For PLO1, we follow the national protocol and level descriptors for the OPI. We have also developed a developmental rubric based upon ACTFL level descriptors.

For PLO2, two things: Research paper and Oral Presentation. We have created a rubric. This one is also based upon ACTFL guidelines.

Appendix

Rubrics, Assessment tools, Curriculum Map.

Level Descriptors: (Based upon ACTFL)

Intermediate Level:

Speakers at the intermediate level can initiate and maintain a conversation; they can create with the language [instead of just being able to respond to an interlocutor's questions. Responses are not limited to memorized vocabulary in phrases and words. These are markers of the Novice level. At this Novice level, speakers do not converse; they merely respond to the interlocutor who is, or has to be, dominant]. Intermediate level speakers can "survive" in a non-complicated survival situation in the target culture. This concept of survival means that without rich vocabulary, grammar, or phonology, these speakers can still ask and find out information for daily communicative informal contexts. They can, for example, but not limited to, ask for directions, time, make requests for services, express needs, converse about leisure activities, food, hospitals, bank, etc. Most of their communication is informal, anchored in the here and now. Survival is a non-compensatory feature: it does not matter

how good their grammar or pronunciation might be; they still need to show they can survive to be classified at the Intermediate Level.

Intermediate level speakers speak in sentences most of the time. The errors they display should not prevent the interlocutor's understanding of most of the sentences and the information they request. They tend to speak in the present tenses. They are understood by a native speaker who is used to speaking to foreigners or by a native speaker who is patient and expends effort to decipher the meaning. However, diction, vocabulary, grammar, etc., is not so flawed as to prevent a conversation with a native speaker.

Advanced Level

The non-compensatory requirements for this level are: the ability to narrate and describe in past, present and future time frames [not the same as present, past, and future tenses]; to use connected discourse; and to manage successfully a survival situation with a complication [not an uncomplicated simple survival situation, which is a marker of the Intermediate].

Advanced speakers are easily understood by a native speaker who is not used to speaking to foreigners. This does not mean that there are no flaws in grammar, pronunciation vocabulary, etc., but it does mean that the native speaker can get the message without any particular effort or repetition. The attention of the native speaker is the message, not its form.

Advanced speakers can tell a complete story with attention to detail while maintaining a good logical organization and displaying cohesion.

The context of their speech is most informal and some formal settings. The content topics range from personal to general interest.

The following is a developmental set of rubrics to assess Advisory OPI and Role plays.

Span 202 Oral Interpersonal Rubrics

	Exemplar (4 pts)	Target (3 pts)	Acceptable (2 pts)	Unacceptable (1 pt)	NA
FUNCTIONS ACTFL	Creates with the language; starts, maintains and ends a conversation by asking and answering simple questions. Displays a blooming control of the narration in its main frame and structure	Creates with the language; starts, maintains and ends a conversation by asking and answering simple questions.	Creates with the language; starts, maintains and ends a conversation by asking and answering a minimal number of simple questions. (4 or 5 in a 2 to 3 minute role play).	Does not communicate or communicates minimally with formulaic elements, memorized material, lists, or phrases.	
CONTEXT ACTFL	Performs in a high number of informal contexts and in a limited number of communicative transactions.	Performs in some informal contexts and in a limited number of communicative transactions.	Performs in a limited number of contexts and in very limited communicative transactions.	Performs only in informal contexts of immediate surroundings.	
CONTENT ACTFL	Communicates about predictable and familiar topics related to daily activities and personal situations. Displays some blooming communication about topics of general interest.	Communicates about predictable and familiar topics related to daily activities and personal situations.	Communicates about a minimal number of predictable and familiar topics related to daily activities and personal situations.	Communicates only about most common aspects of daily life	
PHONETIC ACCURACY	Might be understood with some repetition by speakers not used to dealing with non-native speakers.	Might be understood, with some repetition, by native speakers used to dealing with	Might be understood, with a good number of repetitions, by native speakers used to dealing with non-native	Might be difficult to understand, even by speakers used to dealing with non-native speakers.	

		non-native speakers.	speakers.		
TEXT TYPES ACTFL	Uses complete, separate sentences, but shows some control of cohesive devices to join sentences into paragraphs.	Uses complete, separate sentences.	Uses mostly complete, separate sentences, but uses some times only phrases.	Uses mainly phrases and separate words.	

APPENDIX III-A: Program Enrollment Data

<u>Academic Year</u>	<u>Number of Majors</u>	<u>Number of Graduates</u>
2013-2014	13	6
2014-2015	11	5
2015-2016	7	0
2016-2017	11	2
2017-2018	14	2

APPENDIX III-B: Course Enrollment Data

<u>Course</u>	<u>Academic Year</u>	<u>No. of Sections</u>	<u>Credit Hours</u>	<u>Enrollment</u>	<u>C.H.P.</u>
INTS 250	Fall 2013	1	3	10	30
INTS 210	Spring 2014	1	3	20	60
INST 399	Summer 2014	1	3	3	9
INTS 250	Fall 2014	1	3	18	54
INTS 210	Spring 2015	1	3	13	39
INTS 250	Spring 2015	1	3	9	27
INTS 399	Summer 2015	1	3	5	15
INTS 250	Fall 2015	1	3	9	27
INTS 210	Spring 2016	1	3	19	57
INTS 250	Spring 2016	1	3	11	33
INTS250	Fall 2016	1	3	12	36
INTS 210	Spring 2017	1	3	18	54
INTS 250	Spring 2017	1	3	8	24
INTS 250	Fall 2017	1	3	6	18
INTS 210	Spring 2018	1	3	17	51
INTS 250	Spring 2018	1	3	8	24

APPENDIX III-E: Service Courses

<u>Course</u>	<u>Other Program</u>
INTS 210 Introduction to International Studies	International Perspectives for General Education
INTS 250 Diversity in Africana Studies	International Perspectives for General Education

APPENDIX III-F: Off-Campus Courses

<u>Course</u>	<u>Enrollment</u>	<u>Location</u>	<u>Semester</u>
399 INTS Special Topics China Service Learning	3	Tsinghau University Beijing and Xian, China	Summer 2014
399 INTS Special Topics China Service Learning	5	Tsinghau University Beijing and Xian, China	Summer 2015
399 French Special Topics Study Canada (in conjunction with International Studies)	3	Universite du Quebec a Montreal, Montreal, Canada	Summer 2017
399 French Special Topics Study Canada (in conjunction with International Studies)	3	Universite du Quebec a Montreal, Montreal, Canada	Summer 2018

AGENDA
West Virginia State University Board of Governors
Audit Committee
Erickson Alumni Center, Grand Hall
December 7, 2018
10:00 a.m. – 10:55 a.m.

1. Call to Order and Roll Call – Chair, Ms. Gail E. Pitchford, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. University Recommendations and Reports
 - a. Presentation of audited financial statements from CliftonLarsonAllen (CLA)
6. Other Matters
7. Next Meeting Date – February 7, 2019
8. Adjournment

Agenda prepared by Ms. Natasha Tyson, Administrative Clerk for Audit Committee,
November 12, 2018

MEETING MINUTES
West Virginia State University Board of Governors
Audit Committee
Erickson, Weisberg Lounge
October 25, 2018
8:00 a.m. – 8:30 a.m.

1. Call to Order and Roll Call

Presiding Officer, Mr. James R. Buchanan called the meeting of the West Virginia State University Board of Governors to order at 8:10 a.m.

Present: Mr. James R. Buchanan, Mr. William Lipscomb, Dr. Frank Vaughan

Absent: Chair, Mrs. E. Gail Pitchford, Mr. Charles E. Jones, Jr.,

2. Verification of Appropriate Notice of Public Meeting

Presiding Officer, Buchanan announced the verification of appropriate notice of a public meeting.

3. Review and Approval of Meeting Agenda

Presiding Officer, Buchanan asked for a motion to approve the agenda. Mr. Lipscomb made a motion, and it was seconded by Mr. Vaughn. Motion carried.

4. Review and Approval of Minutes of the Previous Meeting

Presiding Officer, Buchanan asked for a motion to approve the meeting minutes. Mr. Lipscomb made a motion, and it was seconded by Mr. Vaughan. Motion carried.

5. Audit Updates

Mrs. Kristi Williams stated that the 2017 financial statements were included in the packet as a result of a request during the previous meeting as an informational item only for the members to review. The 2018 audit is wrapping up. On September 17, auditors were on campus for final field work. Correspondence has taken place between the university and the auditors regarding follow-up information. The initial draft was due to HEPC on October 15, and the auditors were unable to meet that deadline, but it will be completed by October 31 which is the final deadline to submit the audit to the state. Mrs. Williams spoke with the auditors yesterday and the audit was sent for a second level review; she anticipates receiving the report in the coming days and then presenting it to the Board during the December meeting. Mrs. Williams has communicated with CliftonLarsonAllen. Copies of the audit report can be emailed to the Board prior to the December 7 meeting to allow time to review.

6. Other Matters

No other matters at this time.

7. Next Meeting Date – December 7, 2018

8. Adjournment

Presiding Officer, Buchanan asked for a motion to adjourn. Mr. Lipscomb made the motion, and Mr. Vaughan seconded the motion. With there being no further business, the meeting adjourned at 8:17 a.m.

Respectfully Submitted by –Ms. Natasha Tyson, Audit Committee Clerk, October 30, 2018

West Virginia State University Board of Governors
Audit Committee
December 7, 2018
FY18 Audited Financial Statements

- I. Purpose
To provide the committee with a copy of the University's audited financial statements.

- II. Background
This is a report required annually to provide outside parties with crucial financial information for the University combined with R&D Corp and present the Foundation as well.

- III. Discussion
The auditing firm CliftonLarsonAllen (CLA) will make a full presentation to the Audit Committee. They will make a more brief presentation to the full Board and answer any questions.

- IV. Recommendation(s)
Information

West Virginia State University

Financial Statements as of and for the Years Ended
June 30, 2018 and 2017, and Independent Auditors'
Reports

WEST VIRGINIA STATE UNIVERSITY

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1–2
MANAGEMENT'S DISCUSSION AND ANALYSIS (RSI) (UNAUDITED)	3–10
FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017:	
Statements of Net Position	11–12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14–15
Component Unit — Statements of Net Assets	16
Component Unit — Statements of Activities	17–18
Notes to Financial Statements	19–69
REQUIRED SUPPLEMENTARY INFORMATION	
Schedules of Proportionate Share of Net Pension Liability and Contributions	71
Schedules of Proportionate Share of OPEB Liability and Contributions	72
OTHER INFORMATION	
Certificate Regarding Debt Service Coverage	73–74
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	75–76

INDEPENDENT AUDITORS' REPORT

Board of Governors
West Virginia State University
Institute, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of West Virginia State University and its discretely presented component unit, a component unit of the West Virginia Higher Education Policy Commission, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the West Virginia State University Foundation, a discretely presented component unit of West Virginia State University, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Additionally, we did not audit the financial statements of the West Virginia State University Research and Development Corporation, a blended component unit of West Virginia State University, which represent 4%, 4%, and 30%, respectively, of the assets, net position, and revenues of the statements of West Virginia State University. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for West Virginia State University and the discretely presented component unit, are based solely on the reports of the other auditors. We and the auditors of the West Virginia State University Research and Development Corporation, conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the West Virginia State University Foundation, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the financial statements of West Virginia State University and its discretely presented component unit as of June 30, 2018 and 2017 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the University implemented the provisions of Governmental Accounting Standards Board (GASB) Statements No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions for the year ended June 30, 2018, which represents a change in accounting principle. As of July 1, 2017, the University's net position was restated to reflect the impact of adoption. A summary of the restatement is presented in Note 2. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and contributions, and schedule of proportionate share of net OPEB liability and schedule of contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

The certificate of regarding debt service coverage as listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018, on our consideration of the West Virginia State University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Virginia State University's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 25, 2018

West Virginia State University
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2018

HISTORY OF WEST VIRGINIA STATE UNIVERSITY

West Virginia State University was founded under the provisions of the Second Morrill Act of 1890 as the West Virginia Colored Institute, one of 17 land-grant institutions authorized by Congress and designated by the states to provide for the education of black citizens in agriculture and the mechanical arts. West Virginia was one of the states that maintained segregated educational systems at that time.

From 1891 to 1915, the original Institute offered the equivalent of a high school education, vocational training and teacher preparation. In 1915 the West Virginia Collegiate Institute began to offer college degrees. Under the leadership of President John W. Davis, the academic program was expanded and new buildings were constructed, and in 1927 the institution was accredited by the North Central Association. In 1929, it became West Virginia State College (WVSC). Over the next decades, WVSC became recognized as one of the leading public institutions of higher education for blacks in the country.

In 1954 the United States Supreme Court gave its historic decision in *Brown vs. Board of Education* outlawing school segregation. The consequence of this decision for West Virginia State College was a rapid transition to an integrated institution serving a multiracial, multi-generational commuting student population. This shift in student population and mission occurred in part due to demographics and in part due to efforts made by the college administration to reverse a decline in enrollment during the early 1950's. Enrollment quadrupled during the following decades.

Meanwhile, by a decision of the West Virginia Board of Education, WVSC was compelled to surrender its land-grant status, the only one of the 1890 institutions to do so. Only after a 12-year quest was the college's land-grant status fully restored, in 2001 by act of Congress signed by President Bill Clinton.

In 2004, WVSC was granted university status by the West Virginia Legislature along with three other public four-year colleges and renamed West Virginia State University. The same piece of legislation (SB 448) also called for re-organization of community and technical colleges throughout the state which eventually led to WVSC's community and technical college component becoming a separate institution, Kanawha Valley Community and Technical College.

The first half-century of the history of WVSU epitomizes the long struggle of African-Americans for educational opportunity and political, social and economic equality. While desegregation changed the racial proportions of the student body, faculty and staff, WVSU still emphasizes the diversity of its people and derives important values and elements of its mission from its tradition as a historically black college. The motto "A Living Laboratory of Human Relations" is still a relevant depiction of West Virginia State University.

OVERVIEW OF THE FINANCIAL STATEMENTS AND FINANCIAL ANALYSIS

West Virginia State University (the “University”) is pleased to present the financial statements for the year ended June 30, 2018. The information also includes the West Virginia State University Research and Development Corporation (the “Corporation”). The West Virginia State University Foundation is included as a discretely presented component unit.

There are three financial statements presented: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows.

The required, supplementary information in the form of a narrative analysis or management discussion and analysis offers an overview of the financial activities for the fiscal year ended June 30, 2018.

The Governmental Accounting Standards Board (GASB) has issued directives for the presentation of financial statements for colleges and universities in the United States. Previously, the reporting had presented financial information in the format of fund groups. The revised GASB format focuses on reporting the overall economic resources of the University.

STATEMENTS OF NET POSITION

The purpose of the University’s Statements of Net Position is to take a snapshot of the financial statements at a point in time. This statement shows the assets, deferred outflows, liabilities, deferred inflows, and net position of the University as of June 30, 2018.

The year-end data regarding assets (current and noncurrent) and deferred outflows, liabilities (current and noncurrent) and deferred inflows of resources and net position (assets and deferred outflows minus liabilities and deferred inflows) is also presented in the financial statements. The difference between current and noncurrent assets, deferred outflows, liabilities, and deferred inflows of resources are discussed in the note section of the financial statements.

By reviewing the Statement of Net Position, the reader is able to ascertain the assets available to continue the operations of the University. Also, readers can see data presented in a way to discern how much the institution owes vendors, employees and lending institutions. In addition, the Statement of Net Position offers an overview picture of the net position (assets and deferred outflows of resources minus liabilities and deferred inflow of resources) and the availability of the assets to utilize for future expenditure by the University.

Net position is divided into four major types:

- Net Investment in Capital Assets: net book value of the University’s capital assets less any related debt.
- Restricted Net Position — The restricted component of net position consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets. This includes amounts restricted for use in capital projects and for loans to students by various agreements, as well as amounts required to be held for use in debt service on outstanding bonds as outlined in Bond Trust Indenture.
 - a. Nonexpendable — The nonexpendable component of net position is permanently restricted, and only the income from such resources can be used. The University does not have such assets as of June 30, 2018 or 2017.
 - b. Expendable — The expendable component of net position is available for expenditures as determined by donors and/or external entities in regard to time or purpose.
- Unrestricted: The unrestricted component of net position is the net amount of assets available to this institution to utilize for any lawful purpose.

Condensed Schedules of Net Position

	FY 2018	FY 2017	Difference	FY 2016
Assets				
Total current assets	\$5,453,349	\$5,474,608	\$ (21,259)	\$4,831,243
Total non-current assets	<u>81,036,442</u>	<u>79,869,615</u>	<u>1,166,827</u>	<u>78,914,853</u>
Total assets	\$86,489,791	\$85,344,223	\$ 1,145,568	\$83,746,096
Deferred Outflows	<u>910,352</u>	<u>328,061</u>	<u>582,291</u>	<u>121,518</u>
Total Assets and Deferred Outflows	<u>\$87,400,143</u>	<u>\$85,672,284</u>	<u>\$ 1,727,859</u>	<u>\$83,867,614</u>
Liabilities				
Total current liabilities	\$10,351,068	\$12,019,732	\$ (1,668,664)	\$7,647,390
Total non-current liabilities	<u>42,920,663</u>	<u>48,635,527</u>	<u>(5,714,864)</u>	<u>48,743,200</u>
Total liabilities	\$ 53,271,731	\$60,655,259	\$ (7,383,528)	\$56,390,590
Deferred Inflows	<u>1,966,901</u>	<u>162,505</u>	<u>1,804,396</u>	<u>253,543</u>
Total Liabilities and Deferred Inflows	<u>\$ 55,238,632</u>	<u>\$60,817,764</u>	<u>\$ (5,579,132)</u>	<u>\$56,644,133</u>
Net Position				
Net investment in capital assets	\$44,446,116	\$44,263,400	\$ 182,716	\$44,727,317
Restricted expendable-debt service	365,052	357,354	7,698	354,355
Restricted expendable-other	(379,513)	(343,539)	(35,984)	22,315
Unrestricted (deficit)	<u>(12,270,146)</u>	<u>(18,868,477)</u>	<u>6,598,331</u>	<u>(17,880,506)</u>
Total net position	<u>\$32,161,509</u>	<u>\$24,854,517</u>	<u>\$ 7,306,992</u>	<u>\$27,223,481</u>
Total liabilities and net position	<u>\$87,400,143</u>	<u>\$85,672,280</u>	<u>\$ 1,727,863</u>	<u>\$83,867,614</u>

Assets:

Total assets for fiscal year 2018 increased from fiscal year 2017 by \$1.1 million. This was caused by the increase in investment of capital assets, net, of \$1.2 million. Total current liabilities of resources of \$10.3 million exceeded total current assets of \$5.5 million, for a net working capital of \$(4.8) million.

Total assets for fiscal year 2017 increased from fiscal year 2016 by \$1.6 million. This was caused by the increase in in accounts receivable of \$1.8 million. Total current liabilities of resources of \$11.9 million exceeded total current assets of \$5.5 million, for a net working capital of \$(6.4) million.

Liabilities:

Total liabilities for fiscal year 2018 increased by \$7.4 million over fiscal year 2017. Most of the difference is a decrease in OPEB Liability of \$10.3 million and an increase of Net Pension Liability of \$5.4 million.

Total liabilities for fiscal year 2017 increased by \$4.3 million over fiscal year 2016. Most of the difference is an increase in current liabilities of \$4.2 million and a decrease of \$0.4 million in noncurrent liabilities, which is mainly related to a \$2.8 million increase in accounts payable, a \$1 million increase in Notes Payable Current, and a \$.5 million increase in deferred revenue.

Net Position:

The largest difference in net position for fiscal year 2018 is the Unrestricted Net Assets category as a result of decrease for OPEB Liability and increase in Net Pension Liability compared to 2017.

The largest difference in net position for fiscal year 2017 is the net investment in capital assets category as a result of depreciation expense and decrease of cash compared to 2016.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

The purpose of the Statements of Revenues, Expenses and Changes in Net Position is to present the operating and non-operating revenues earned and expenses incurred by the University and any other revenues, expenses, gains and losses of the University.

Operating revenues are earned by providing goods and services to the various customers and constituencies of the University. Operating expenses are those incurred to acquire or produce the goods and services provided in return for the operating revenues and to fulfill the mission of the University.

Revenues for which goods and services are not provided are reported as non-operating revenues. For example, State of West Virginia (the "State") appropriations are non-operating revenues because they are provided by the Legislature to the University without the Legislature directly receiving commensurate goods and services for those revenues.

Condensed Schedules of Revenues, Expenses and Changes in Net Position

	FY 2018	FY 2017	Difference	FY 2016
Operating Revenues	\$28,955,372	\$28,262,960	\$ 692,412	\$30,209,543
Operating Expenses	44,644,891	51,016,383	(6,371,492)	49,777,732
Operating Loss	(15,689,519)	(22,753,423)	7,063,904	(19,568,189)
Nonoperating Revenues Net	13,877,540	16,001,487	(2,123,947)	14,505,119
Income before other revenue, expenses, gains or losses	(1,811,979)	(6,751,936)	4,939,957	(5,063,070)
Capital gifts and Grants	4,905,013	3,916,627	988,386	273,894
Capital Payments Behalf	976,089	466,348	509,741	480,877
(Decrease) Increase in Net Position	4,069,123	(2,368,961)	6,438,094	(3,970,016)
Net Position, beginning of year	24,854,520	27,223,481	(2,368,961)	31,193,497
Restatement/change in accounting principal	3,237,866	-	3,237,866	-
Net Position, beginning of year as restated	28,092,386	27,223,481	868,905	31,193,497
Net position, end of year	\$32,161,509	\$24,854,520	\$ 7,306,989	\$27,223,481

Operating Revenues:

Operating revenues increased by \$0.7 million for fiscal year 2018 as a result of increase federal grants by \$0.5 million and auxiliary revenue increased by \$0.2 million.

Operating revenues decreased by \$(1.9) million for fiscal year 2017 as a result of decreased federal grants by \$(1.5) million and state grant revenue decreased by \$(0.3) million.

Operating Expenses:

Operating expenses decreased in 2018 by about \$(6.4) million. The decrease in fiscal year 2017 salaries and benefits of \$(1.3) million, and student financial aid decrease of \$(1.9) million and decrease in supplies and other expense of \$(3.0) million, were the significant changes for operating expenses.

Operating revenues in fiscal year 2018 of \$28.9 million compared to operating expenses of \$44.6 million resulted in an operating loss of \$15.7 million. Although State Appropriations of \$11.1 million are counted as non-operating revenues, we should point out that they should be added to the operating revenues when comparing operating revenues against operating expenses.

Operating expenses increased in 2017 by about \$1.2 million. The decrease in fiscal year 2017 salaries and benefits of \$(0.7) million, and student financial aid increase of \$1.6 million and increase in depreciation of \$0.6 million, were the significant changes for operating expenses.

Operating revenues in fiscal year 2017 of \$28.3 million compared to operating expenses of \$51.0 million resulted in an operating loss of \$22.7 million. Although State Appropriations of \$11.3 million are counted as non-operating revenues, we should point out that they should be added to the operating revenues when comparing operating revenues against operating expenses.

STATEMENTS OF CASH FLOWS

The final statement presented by the University is the Statements of Cash Flows. The statement of cash flows presents detailed information about the cash activity of the University during the year. The statement is divided into five parts. The first part deals with operating cash flows and shows the net cash used by the operating activities of the University. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for non-operating, non-investing, and noncapital financing purposes. The third section reflects the cash flows from investing activities and shows the purchases, proceeds and interest received from investing activities. The fourth section deals with the cash used for the acquisition and construction of capital and related items. The fifth section reconciles the net cash used to the operating loss reflected on the Statement of Revenues, Expenses and Changes in Net Position.

Condensed Schedules of Cash Flows

	FY 2018	FY 2017	Difference	FY 2016
Cash provided by (used in):				
Operating activities	\$(13,633,642)	\$(17,510,510)	\$3,876,868	\$(14,947,837)
Noncapital financing activities	15,985,863	18,141,699	(2,155,836)	16,674,067
Capital financing activities	(1,859,261)	(1,862,066)	2,805	(2,460,830)
Interest on investments	40,870	26,928	13,942	20,916
Increase (decrease) in cash and cash equivalents	533,830	(1,203,949)	1,737,779	(713,684)
Cash — beginning of year	1,642,274	2,846,223	(1,203,949)	3,559,907
Cash — end of year	\$2,176,104	\$1,642,274	\$533,830	\$2,846,223

The major difference between fiscal year 2018 and fiscal year 2017 included in operating activities consists of student tuition and fees of \$2.3 million, grants and contracts of \$0.3 million, payments to and on behalf of employees of \$1.4 million.

The major difference between fiscal year 2017 and fiscal year 2016 included in operating activities consists of student tuition and fees of \$(1.1) million, grants and contracts of \$(1.8) million, payments to and on behalf of employees of \$0.3.

Major difference between fiscal year 2018 and fiscal year 2017 in funding included is noncapital financing is primarily decrease in state appropriations of \$(0.2) million compared to last year's receipts and decrease in Pell Grant receipts of \$(1.9) million.

Major difference between fiscal year 2017 and fiscal year 2016 in funding included is noncapital financing is primarily decrease in state appropriations of \$(0.1) million compared to last year's receipts and increase in Pell Grant receipts of \$1.5 million.

There were no major differences between fiscal year 2018 and fiscal year 2017 in capital finance activities.

Major differences between fiscal year 2017 and fiscal year 2016 in capital finance activities included, capital gifts and grants received \$3.3 million and purchase of capital assets \$(3.5).

CAPITAL ASSETS

In FY 2018, West Virginia State University exercised frugal management in regard to capital improvements. The purchase, renovation and restoration of capital assets, such as land and/or buildings, educational and scientific equipment, renovation of classroom and research facilities remain essential for the forward movement of the University.

Some of the capital projects for FY 2018 include the following.

- Renovation of F. Ray Power Building for research.
- Cooling tower for Drain Jordan Library.
- HVAC upgrades complete in Cole Complex.

ECONOMIC OUTLOOK

Under the leadership of the President, Dr. Anthony L. Jenkins, the University continues to seek external and internal resources for the conduct of its institutional mission: research, instruction and outreach programming. Furthermore, new academic offerings including additional graduate and undergraduate programs, along with their associated research and public service, have been established. The University is also positioning itself as an active participant in statewide initiatives, along with other state Universities, related to research infrastructure improvements which in turn translate into regional economic development. Efforts to increase recruitment and retention while maintaining an affordable education are the leading forces in establishing WVSU as the number one university in West Virginia.

During FY2018 the WVSU Foundation received \$2,469,260 in new gifts and pledges, more than double the previous year. Of this total, \$1,004,910 was in the form of outright cash gifts, the second highest total on record. Alumni participation in giving reached 4.5%, the highest participation on record. The Foundation is on track to continue increasing both the number of donors and the total new gifts each year as we seek to build a foundation for the next capital campaign.

Since the general economic climate of the Kanawha Valley is showing challenges during the transitional stages of the national economy, it is believed WVSU will continue to be a dynamic higher education force in West Virginia. WVSU now offers a Bachelor of Fine Arts Degree, a Master of Public Administration Degree and completely online degrees of English with concentration in Technical Writing, Criminal Justice, and Business Administration with a concentration in Management, Business Administration with a concentration in Accounting, Regents Bachelor of Arts, and B.S. in Health Sciences.

Due to the loss of revenue from the state mandated separation of the Kanawha Valley Community and Technical College in 2009, WVSU has appealed for funding support from the State legislature for \$1,000,000 in FY's 2014, 2015, 2016, 2017 and 2018. Additional funding was placed in the budget legislation that passed both the House of Delegates and Senate in FY's 2015 and 2016 but was vetoed by the Governor. WVSU is continuing the effort to obtain this needed funding during the upcoming State Legislative session particularly since other institutions in a similar situation has received additional funding for their respective Community and Technical College separation.

In federal fiscal year 2017, the University did not receive U.S. Department of Education Upward Bound funding for the first time over a minor budget technicality. The University, to that point, had received this funding continuously in an uninterrupted manner for 25 years. The University was not alone in being rejected for funding over an insignificant technicality. More than 100 colleges and universities were rejected for similar technicalities, including West Virginia University, WVSU's sister land-grant institution. This resulted in a lost for the University of \$522,363. Thanks to the support of the collective congressional delegations of most of the institutions that did not receive funding over these technicalities, the upward bound/Trio funding was recently restored for 2018. These funds are managed by the Corporation and play a significant role in the institutional efforts geared towards STEM outreach for youth.

For the first time in nearly six years, the State of West Virginia did not significantly cut funding to its higher education system. State match funding dedicated to research and outreach activities remained flat, as opposed to the decrease experienced during previous fiscal years. In an effort to offset the funding cuts from previous years, the University, via the Corporation, actively pursued alternative funding streams and sources for program development, growth and sustainability.

The University continues to grow academically, which is reflected by the approval of the MS in Computer Science by the University's Board of Governors and the West Virginia Higher Education Policy Commission. On June 12, 2018, The Higher Learning Commission, the University's regional accrediting body, approved the institutions request to offer the Master of Science in Computer Science. With all of the necessary approvals in place, the University will begin its first cohort for the Master of Science in Computer Science in the Spring Fall of 2019. This represents the University's second Master's program in a Science, Technology, Engineering and Mathematics (STEM) discipline.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF NET POSITION AS OF JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,176,104	\$ 1,642,274
Accounts receivable — net	2,566,472	3,229,127
Loans to students — current portion	84,595	86,528
Inventories	323,372	327,152
Prepaid expenses	<u>302,806</u>	<u>189,527</u>
Total current assets	<u>5,453,349</u>	<u>5,474,608</u>
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	365,052	357,354
Other Receivables	104,155	119,286
Loans to students — net of allowance of \$306,538 and \$318,082 in 2018 and 2017, respectively	5,416	41,544
Capital assets — net	<u>80,561,819</u>	<u>79,351,431</u>
Total noncurrent assets	<u>81,036,442</u>	<u>79,869,615</u>
Deferred Outflows of Resources:		
Deferred outflows related to OPEB	590,940	-
Deferred outflows related to pensions	<u>319,412</u>	<u>328,061</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 87,400,143</u>	<u>\$ 85,672,284</u>

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF NET POSITION AS OF JUNE 30, 2018 AND 2017

	2018	2017
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,989,652	\$ 5,559,603
Accrued liabilities	2,443,300	2,517,260
Unearned revenue	1,633,719	1,620,613
Compensated absences — current portion	890,397	758,256
Leases payable - current portion	180,000	120,000
Bonds payable — current portion	375,000	360,000
Notes payable — current portion	839,000	1,084,000
	<u>10,351,068</u>	<u>12,019,732</u>
NONCURRENT LIABILITIES:		
Deposits	89,150	78,004
Compensated absences	173,763	338,353
Bonds payable	9,620,000	9,995,000
Notes payable	2,272,999	2,362,000
Capital leases payable	20,987,032	21,167,032
Advances from federal sponsors	579,122	579,122
Net pension liability	938,439	1,288,208
Other post employment benefits liability	8,260,158	12,827,808
	<u>42,920,663</u>	<u>48,635,527</u>
TOTAL LIABILITIES	<u>53,271,731</u>	<u>60,655,259</u>
Deferred Inflows of Resources:		
Deferred inflows related to OPEB	1,397,282	-
Deferred inflows related to pensions	569,621	162,505
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>55,238,634</u>	<u>60,817,764</u>
NET POSITION:		
Net investment in capital assets	44,446,116	44,263,400
Restricted - Expendable Loans	(379,513)	(343,539)
Restricted - Expendable Debt service	365,052	357,354
	<u>(14,461)</u>	<u>13,815</u>
Unrestricted (deficit)	(12,270,146)	(19,422,695)
TOTAL NET POSITION	<u>\$ 32,161,509</u>	<u>\$ 24,854,520</u>

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of \$6,239,611 and \$5,957,004 in 2018 and 2017, respectively	\$ 10,850,974	\$ 10,494,956
Contracts and grants:		
Federal	9,141,392	8,622,075
State	2,880,045	2,962,759
Private	273,348	346,713
Sales and services of educational activities	-	2,338
Auxiliary enterprise revenue — net of scholarship allowance of \$2,549,291 and \$2,515,759 in 2018 and 2017, respectively	4,553,336	4,377,225
Miscellaneous — net	1,116,851	1,295,838
Fees charged to the students of Kanawha Valley Community and Technical College	<u>139,426</u>	<u>161,056</u>
 Total operating revenues	 <u>28,955,372</u>	 <u>28,262,960</u>
OPERATING EXPENSES:		
Salaries and wages	20,705,544	21,741,337
Benefits	5,322,636	5,582,466
Supplies and other services	10,076,102	13,099,428
Utilities	2,051,356	1,982,432
Student financial aid — scholarships and fellowships	2,990,171	4,896,768
Depreciation and amortization	3,499,082	3,603,447
Fees assessed by the Commission for operations	<u>-</u>	<u>110,505</u>
 Total operating expenses	 <u>44,644,891</u>	 <u>51,016,383</u>
 OPERATING LOSS	 <u>(15,689,519)</u>	 <u>(22,753,423)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	11,099,907	11,356,258
Federal Pell Grants	4,901,128	6,800,551
Investment income	40,870	26,928
Interest on indebtedness	(2,149,194)	(2,166,662)
Loss on fixed asset disposal	-	(478)
Fees assessed by the Commission	<u>(15,171)</u>	<u>(15,110)</u>
 Net nonoperating revenues	 <u>13,877,540</u>	 <u>16,001,487</u>
 LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	 (1,811,979)	 (6,751,936)
 PAYMENTS MADE ON BEHALF OF WV STATE UNIVERSITY	 976,089	 466,348
 CAPITAL GRANTS AND GIFTS	 <u>4,905,013</u>	 <u>3,916,627</u>
 CHANGE IN NET POSITION	 4,069,123	 (2,368,961)
 NET POSITION — Beginning of year	 24,854,520	 27,223,481
Restatement/change in accounting principal	<u>3,237,866</u>	<u>-</u>
 NET POSITION — Beginning of year as restated	 <u>28,092,386</u>	 <u>27,223,481</u>
 NET POSITION — End of year	 <u>\$ 32,161,509</u>	 <u>\$ 24,854,520</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	\$ 11,541,864	\$ 9,253,094
Contracts and grants	12,294,785	11,931,547
Payments to and on behalf of employees	(26,592,036)	(27,220,026)
Payments to suppliers	(11,695,552)	(10,345,694)
Payments to utilities	(2,051,356)	(1,982,432)
Payments for scholarships and fellowships	(2,990,171)	(4,896,768)
Collection of loans to students	38,063	18,268
Sales and service of educational activities	-	2,338
Auxiliary enterprise charges	4,564,482	4,382,775
Fees retained by the Commission	-	(110,505)
Fees charged to Kanawha Valley Community and Technical College students	139,426	161,056
Other receipts — net	<u>1,116,851</u>	<u>1,295,838</u>
Net cash used in operating activities	<u>(13,633,644)</u>	<u>(17,510,509)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	11,099,907	11,356,258
William D. Ford direct lending receipts	12,174,124	11,736,977
William D. Ford direct lending payments	(12,174,124)	(11,736,977)
Federal Pell grants	4,901,128	6,800,551
Fees assessed by the Commission	<u>(15,172)</u>	<u>(15,110)</u>
Net cash provided by noncapital financing activities	<u>15,985,863</u>	<u>18,141,699</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital grants and gifts received	4,905,013	3,916,627
Capital payments made on behalf of WVSU	976,089	466,348
Proceeds from disposal of assets	-	(478)
Purchases of capital assets	(4,709,470)	(4,575,902)
Principal paid on notes and bonds	(874,001)	501,000
Interest paid on notes, bonds, and leases	(2,149,194)	(2,166,662)
Withdrawals from non-current cash and cash equivalents	<u>(7,698)</u>	<u>(2,999)</u>
Net cash used in capital financing activities	<u>(1,859,261)</u>	<u>(1,862,066)</u>
CASH FLOWS FROM INVESTING ACTIVITY — Interest on investments	<u>40,870</u>	<u>26,928</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	533,828	(1,203,948)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>1,642,274</u>	<u>2,846,223</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 2,176,102</u>	<u>\$ 1,642,275</u>

(Continued)

WEST VIRGINIA STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (15,689,519)	\$ (22,753,423)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization expense	3,499,082	3,603,447
Effect of change operating assets and liabilities:		
Receivables — net	677,786	(1,789,947)
Loans to students — net	38,063	18,269
Prepaid expenses	(113,283)	(94,429)
Inventories	3,780	39,487
Accounts payable and accrued liabilities	(1,643,911)	2,805,870
Compensated absences	(32,449)	(144,044)
Leases payable	60,000	-
OPEB	(7,845,160)	292,299
Unearned revenue	13,106	548,084
Defined benefit pension plans	7,387,715	(41,672)
Deposits held in custody for others	11,146	5,550
	<u> </u>	<u> </u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (13,633,644)</u>	<u>\$ (17,510,509)</u>
NONCASH TRANSACTIONS		
Donated capital assets	<u>\$ -</u>	<u>\$ 3,078,254</u>

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENTS OF NET ASSETS AS OF JUNE 20, 2018 AND 2017

	2018	2017
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 452,900	\$ 439,906
Cash and cash equivalents - restricted funds	2,191,962	2,077,999
Unconditional promises to give (less allowance for doubtful accounts of \$52,000 and \$40,000 respectively)	2,599,476	2,381,600
Other receivables	36,416	26,048
Investments	9,378,525	8,429,661
Other Investments, bond reserve funds	3,082,494	3,039,688
Beneficial interest in trusts	270,955	263,176
Note Receivable	750,000	1,000,000
Lease Receivable	21,167,032	21,287,032
Deferred bond issuance cost	384,568	405,179
Property and equipment, net	<u>437,673</u>	<u>699,446</u>
TOTAL ASSETS	<u>\$ 40,752,001</u>	<u>\$ 40,049,735</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 50,057	\$ 27,891
Bonds payable	<u>24,837,602</u>	<u>24,871,368</u>
	<u>24,887,659</u>	<u>24,899,259</u>
NET ASSETS		
Unrestricted	767,787	807,817
Temporarily restricted	8,023,655	7,375,524
Permanently restricted	<u>7,072,900</u>	<u>6,967,135</u>
Total net assets	<u>15,864,342</u>	<u>15,150,476</u>
	<u>\$ 40,752,001</u>	<u>\$ 40,049,735</u>

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Contributions and gifts	\$ 195,509	\$ 1,565,452	\$ 109,812	\$ 1,870,773
Administrative fees (expenses)	149,500	(149,500)	-	-
Rental income	2,882	460	-	3,342
Investment income	3,783	426,681	-	430,464
Other Income	10,962	334,407	-	345,369
Net assets released from restrictions	<u>1,794,248</u>	<u>(1,794,248)</u>	<u>-</u>	<u>-</u>
	<u>2,156,884</u>	<u>383,252</u>	<u>109,812</u>	<u>2,649,948</u>
EXPENSES				
Salaries and wages	165,054	-	-	165,054
Bad debt expense (unrestricted pledges)	650	-	-	650
Bond amortization and discount	35,662	-	-	35,662
Conference/seminar fees	10,964	-	-	10,964
Depreciation	35,213	-	-	35,213
Maintenance	-	-	-	-
Meeting expense	54,718	-	-	54,718
Miscellaneous	32,478	-	-	32,478
Office expense	367	-	-	367
Printing	4,836	-	-	4,836
Professional fees	60,460	-	-	60,460
Advertising	10,000	-	-	10,000
Supplies	3,135	-	-	3,135
Taxes and licenses	4,094	-	-	4,094
Travel	11,162	-	-	11,162
Program expenses	<u>1,794,248</u>	<u>-</u>	<u>-</u>	<u>1,794,248</u>
	<u>2,223,041</u>	<u>-</u>	<u>-</u>	<u>2,223,041</u>
NET INCREASE (DECREASE)	(66,157)	383,252	109,812	426,907
CHANGE IN VALUE OF PERPETUAL TRUSTS	-	-	7,779	7,779
UNREALIZED GAIN ON INVESTMENTS	-	302,151	-	302,151
CAPITAL LEASE INTEREST INCOME	1,653,288	(57,854)	-	1,595,434
BOND INTEREST EXPENSE	(1,653,288)	-	-	(1,653,288)
GAIN ON SALE OF FIXED ASSETS	34,883	-	-	34,883
RECLASSIFICATIONS	<u>(8,756)</u>	<u>20,582</u>	<u>(11,826)</u>	<u>-</u>
INCREASE IN NET ASSETS	(40,030)	648,131	105,765	713,866
NET ASSETS AT BEGINNING OF YEAR	<u>807,817</u>	<u>7,375,524</u>	<u>6,967,135</u>	<u>15,150,476</u>
NET ASSETS AT END OF YEAR	<u>\$ 767,787</u>	<u>\$ 8,023,655</u>	<u>\$ 7,072,900</u>	<u>\$ 15,864,342</u>

WEST VIRGINIA STATE UNIVERSITY

THE WEST VIRGINIA STATE UNIVERSITY FOUNDATION, INCORPORATED, A COMPONENT UNIT OF WEST VIRGINIA STATE UNIVERSITY STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Contributions and gifts	\$ 286,049	\$ 530,118	\$ 198,251	\$ 1,014,418
Administrative fees (expenses)	133,445	(133,445)	-	-
Rental income	1,854	5,316	-	7,170
Investment income	3,782	280,024	-	283,806
Other Income	16,326	275,431	-	291,757
Net assets released from restrictions	<u>1,576,239</u>	<u>(1,576,239)</u>	<u>-</u>	<u>-</u>
	<u>2,017,695</u>	<u>(618,795)</u>	<u>198,251</u>	<u>1,597,151</u>
EXPENSES				
Salaries and wages	127,107	-	-	127,107
Bad debt expense (unrestricted pledges)	15,617	-	-	15,617
Bond amortization and discount	35,662	-	-	35,662
Conference/seminar fees	1,336	-	-	1,336
Depreciation	38,437	-	-	38,437
Maintenance	399	-	-	399
Meeting expense	40,652	-	-	40,652
Miscellaneous	28,122	-	-	28,122
Office Expense	1,235	-	-	1,235
Printing	10,090	-	-	10,090
Professional fees	51,053	-	-	51,053
Advertising	10,100	-	-	10,100
Supplies	7,799	-	-	7,799
Taxes and licenses	1,945	-	-	1,945
Travel	9,818	-	-	9,818
Program expenses	<u>1,576,239</u>	<u>-</u>	<u>-</u>	<u>1,576,239</u>
	<u>1,955,611</u>	<u>-</u>	<u>-</u>	<u>1,955,611</u>
NET INCREASE (DECREASE)	62,084	(618,795)	198,251	(358,460)
CHANGE IN VALUE OF PERPETUAL TRUSTS	-	-	16,351	16,351
UNREALIZED GAIN ON INVESTMENTS	-	795,480	-	795,480
UNREALIZED LOSS ON BOND INVESTMENTS	-	-	-	-
CAPITAL LEASE INTEREST INCOME	1,658,606	-	-	1,658,606
BOND INTEREST EXPENSE	(1,658,606)	-	-	(1,658,606)
GAIN ON SALE OF FIXED ASSETS	-	-	-	-
RECLASSIFICATIONS	<u>23,021</u>	<u>(11,047)</u>	<u>(11,974)</u>	<u>-</u>
INCREASE IN NET ASSETS	85,105	165,638	202,628	453,371
NET ASSETS AT BEGINNING OF YEAR	<u>722,712</u>	<u>7,209,886</u>	<u>6,764,507</u>	<u>14,697,105</u>
NET ASSETS AT END OF YEAR	<u>\$ 807,817</u>	<u>\$ 7,375,524</u>	<u>\$ 6,967,135</u>	<u>\$ 15,150,476</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

1. ORGANIZATION

West Virginia State University (the “University”) is governed by the West Virginia State University Board of Governors (the “Board”). The Board was established by Senate Bill 653 (“S.B. 653”).

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the University under its jurisdiction, the duty to develop a master plan for the University, the power to prescribe the specific functions and the University’s budget request, the duty to review, at least every five years, all academic programs offered at the University, and the power to fix tuition and other fees for the different classes or categories of students enrolled at the University.

S.B. 653 also created the West Virginia Higher Education Policy Commission (the “Commission”), which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by Governmental Accounting Standards Board standards (GASB). The financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the University’s assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

Reporting Entity — The University is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the State of West Virginia (the “State”) that are not included in the State’s general fund. The University is a separate entity which, along with all the State institutions of higher education, the Commission (which includes West Virginia Network for Educational Telecomputing), and the West Virginia Council of Community and Technical College Education form the Higher Education Fund of the State. The Higher Education Fund is considered a component unit of the State, and its financial statements are discretely presented in the State’s comprehensive annual financial report.

The accompanying financial statements present all funds under the authority of the University, including its blended component unit, the West Virginia State University Research and Development Corporation (the “Research and Development Corporation”), a nonprofit, nonstock corporation. The basic criteria for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the University’s ability to significantly influence operations and accountability for fiscal matters of the Research and Development Corporation.

The related organization, Alumni Association, is not part of the University reporting entity and is not included in the accompanying financial statements, as the University has no ability to designate management, cannot significantly influence operations of these entities, and is not accountable for the fiscal matters of the West Virginia State University Alumni Association under GASB.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In accordance with GASB, the audited financial statements of the “Foundation” are discretely presented here with the University’s financial statements. The Foundation is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation’s audited financial information, as it is presented herein (see also Note 20).

Financial Statement Presentation — GASB establishes standards for external financial reporting for public colleges and universities and requires that financial statements be presented on a basis to focus on the University as a whole. The University’s net position is classified into three categories according to external donor restrictions or availability of resources for satisfaction of University obligations. The components of the University’s net position are classified as follows:

- *Net Investment in Capital Assets* — This represents the University’s total investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.
- *Restricted Net Position* — This includes amounts restricted for use in capital projects and for loans to students by various agreements, as well as amounts required to be held for use in debt service on outstanding bonds as outline in Bond Trust Indenture. See Footnote 2 for details on debt service deposits.
 - *Restricted — Expendable* — This includes resources in which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. The West Virginia State Legislature (the “State Legislature”), as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education* of the West Virginia State Code. House Bill No. 101 passed in March 2004 simplified the tuition and fee restrictions to auxiliaries and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the State Legislature.
 - *Restricted — Nonexpendable* — This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The University does not have any nonexpendable funds or components of net position of this type as of June 30, 2018 and 2017.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Unrestricted* — This represents resources derived from student tuition and fees, state appropriations, and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the University, and may be used at the discretion of the Board to meet current expenses for any purpose. These resources also include resources of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty, and staff.

Basis of Accounting — For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and expenses are reported when materials or services are received. All interinstitution accounts and transactions have been eliminated.

Cash and Cash Equivalents — For purposes of the statements of net position, the University considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Cash on deposit with the West Virginia Treasurer's Office (the "Treasurer") is deposited into the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool with the West Virginia Board of Treasury Investments (BTI). The amounts on deposit are available for immediate withdrawal and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

Cash and cash equivalents also include cash in bank accounts and cash on hand.

Accounts Receivable — Accounts receivable include primarily amounts due from students for tuition and fees, amounts due from sponsoring agencies for grants and contracts, and other miscellaneous receivables.

Allowance for Doubtful Accounts — It is the University's policy to provide for future losses on uncollectible accounts, contracts, grants, and loans receivable based on an evaluation of the underlying account, contract, grant, and loan balances, the historical collectability experienced by the University on such balances, and such other factors which, in the University's judgment, require consideration in estimating doubtful accounts.

Inventories — Inventories are stated at the lower of cost or market, cost being determined on the first-in, first-out method.

Noncurrent Cash, Cash Equivalents, and Investments — Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments, long-term loans to students or to maintain sinking or reserve funds, (2) to purchase capital or other noncurrent assets, or (3) permanently restricted components of net position, are classified as a noncurrent assets in the statements of net position.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets — Capital assets include property, plant, equipment, books and materials that are part of a catalogued library, and infrastructure assets. Capital assets are stated at cost at the date of acquisition or construction, or acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements and library books, and 3 to 10 years for furniture and equipment. Land is not depreciated as it is considered to have an indefinite useful life. The University's threshold for capitalizing capital assets is \$5,000. The financial statements reflect all adjustments required by GASB.

Impairment of Capital Assets — Management reviews capital assets for impairment whenever events or changes in circumstances indicate that the service utility of an asset has declined significantly and unexpectedly. Any writedowns due to impairment are charged to operations at the time of the impairment is identified. No writedown of capital assets was required for the years ended June 30, 2018 or 2017.

Unearned Revenue — Revenues received for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as tuition and fees, football ticket sales, and room and board. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Post Employment Benefits — GASB provides standards for the measurement, recognition, and display of other postemployment benefit (OPEB) expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for postemployment benefits for the State. Effective July 1, 2007, the University was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. Details regarding this plan and its stand-alone financial statements can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or <http://www.wvpeia.com>.

These statements require entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage and three days extend health insurance for one month of family coverage. For employees hired after 1988, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later, will no longer receive sick leave credit toward insurance premiums when they retire. This liability is now provided for under the multiple employer cost-sharing plans sponsored by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally 3-1/3 years of teaching service extend health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009 will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010 receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010; and 2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

The estimated expense and expense incurred for the vacation leave or OPEB benefits are recorded as a component of benefits expense on the statement of revenues, expenses, and changes in net position.

Other Post Employment Benefits — For purposes of measuring the net other postemployment benefits (“OPEB”) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the West Virginia Postemployment Benefit Plan (the “OPEB plan”), which is administered by a combination of the West Virginia Public Employees Insurance Agency (“PEIA”) and the West Virginia Health Benefit Plan (the “RHBT”), additions to/reductions from the OPEB plan’s fiduciary net position have been determined on the same basis as they are reported in the RHBT’s financial statements which can be found at www.peia.gov. The OPEB plan schedules are prepared using the accrual basis of accounting in accordance with U.S. GAAP as prescribed by GASB.

Net Pension Liability — For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers’ Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at <https://www.wvretirement.com/Publications.html#CAFR>. The plan schedules of TRS are prepared using the accrual basis of accounting and economic resources measurement focus in accordance with U.S. GAAP as prescribed by GASB. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Investments are reported at fair value. Detailed information on investment valuation can be found in the TRS financial statements. Management of TRS has made certain estimates and assumptions relating to employer allocation schedules, and actual results could differ. (See Note 13.)

Deferred Outflows of Resources — Consumption of net position by the University that is applicable to a future fiscal year is reported as a deferred outflow of resources on the Statement of Net Position. As of June 30, 2018 and 2017, the University had deferred outflows of resources related to pensions of \$319,412 and \$328,061, respectively (see Note 13). As of June 30, 2018 the University had deferred outflows of resources related to OPEB of \$590,940 and \$0 respectively.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows of Resources — Acquisition of net position by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the Statement of Net Position. As of June 30, 2018 and 2017, the University had deferred inflows related to pensions of \$569,621 and \$162,505 respectively (see Note 13). As of June 30, 2018 and 2017, the University had deferred inflows related to OPEB of \$1,397,282 and \$0 respectively.

Risk Management — The State's Board of Risk and Insurance Management (BRIM) provides general, property, and casualty liability coverage to the University and its employees. Such coverage may be provided to the University by BRIM through self-insurance programs maintained by BRIM or policies underwritten by BRIM that may involve experience-related premiums or adjustments to BRIM.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the University or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the University is currently charged by BRIM and the ultimate cost of that insurance based on the University's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the University and the University's ultimate actual loss experience, the difference will be recorded, as the change in estimate becomes known.

In addition, through its participation in the West Virginia PEIA and third-party insurers, the University has obtained health, life, prescription drug coverage, and coverage for job-related injuries for its employees. In exchange for payment of premiums to PEIA and the third-party insurer, the University has transferred its risks related to health, life, prescription drug coverage, and job-related injuries.

Classification of Revenues — The University has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- *Operating Revenues* — Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances, (3) most federal, state, local, and nongovernmental grants and contracts, and (4) sales and services of educational activities.
- *Nonoperating Revenues* — Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, Federal Pell Grants, investment income, and sale of capital assets (including natural resources). Nonoperating revenues also exclude student fees which were billed for capital improvements.
- *Other Revenues* — Other revenues consist primarily of capital grants and gifts.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted Component of Net Position — The University has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Generally, the University attempts to utilize restricted resources first when practical.

Alternative Loans — Students apply for Alternative Loans through lenders who participate in the Alternative Loan Program when they have exhausted their Federal Loan Eligibility or need extra money to fill the gap of their cost of attendance. The University will certify these loans and, if approved by the lender, will receive the funds to disburse to the student accounts. Under this program, banks and loan companies make loans directly to students, via a guarantor. The University uses Sallie Mae as its guarantor. Student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the bank or loan company. For the years ended June 30, 2018 and 2017, the University received and disbursed approximately \$287,377 and \$211,000, respectively, which is not included as revenue and expense in the statement of revenues, expenses, and changes in net position.

Direct Lending — The University facilitates loans to students under the Direct Lending Program (DL). Under this program, the U.S. Department of Education makes interest-subsidized and nonsubsidized loans directly to students, via a guarantor. The University uses Sallie Mae as its guarantor. Direct Lending student loan receivables are not included in the University's statements of net position, as the loans are repayable directly to the U.S. Department of Education. In the years ended June 30, 2018 and 2017, the University received and disbursed approximately \$12.2 million and \$11.4 million, respectively, on behalf of the U.S. Department of Education, which is not included as revenue and expense in the statement of revenues, expenses, and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Supplemental Educational Opportunity Grant, and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In the years ended June 30, 2018 and 2017, the University received and disbursed approximately \$5.1 million and \$4.6 million, respectively, under these federal student aid programs.

Scholarship Allowances — Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances in the statement of revenues, expenses, and changes in net position. Scholarship allowances are the difference between the stated charge for goods and services provided by the University, and the amount that is paid by students and/or third parties making payments on the student's behalf.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and University Business Officers. Certain aid such as loans, funds provided to students as awarded by third parties and Federal Direct Lending are accounted for as a third-party payment (credited to the student's account as if the student made the payment). All other aid is reflected in the financial statements as operating expenses or scholarship allowances, which reduce revenues. The amount reported as operating expense represents the portion of aid that was provided to the student in the form of cash. Scholarship allowances represent the portion of aid provided to the student in the form of reduced tuition. Under the alternative method, these amounts are computed on a University basis by allocating the cash payments to students, excluding payments for services, on the ratio of total aid to the aid not considered to be third-party aid.

Government Grants and Contracts — Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to an audit. The University recognizes revenue associated with direct costs as the related costs are incurred. Recovery of related indirect costs is generally recorded at fixed rates negotiated for a period of one to five years.

Service Concession Arrangements — The University has a service concession arrangement for the operation of food services.

Income Taxes — The University is exempt from income taxes as a governmental entity. The component units are exempt from income taxes, except for unrelated business income, as nonprofit organizations under federal income tax laws and regulations of the Internal Revenue Service.

Cash Flows — Any cash and cash equivalents escrowed, restricted, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statement of cash flows.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Risk and Uncertainties — Investment securities are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in risk and values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Newly Adopted Statements Issued by the Governmental Accounting Standards Board (GASB)

The Commission has implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Statement No. 75 requires the Commission to report its share of the defined benefit other postemployment benefits (OPEB) and expense, as well as the related deferred outflows of resources and deferred inflows of resources, allocated to it by the RHBT. The July 1, 2017, balance of the OPEB liability and related deferred outflows of resources is reported in the statement of revenues, expenses, and changes in net position as a restatement to the 2017 net position – beginning of the year. The RHBT was not able to provide sufficient information to restate the June 30, 2017 financial statements.

Net position - beginning of year, as previously stated	\$ 24,854,520
Balance of the net OPEB liability and related deferred outflows of resources and deferred inflows of resources	<u>3,237,866</u>
Net position - beginning of year, as restated	<u>\$ 28,092,386</u>

The Commission has adopted Statement No. 85, Omnibus 2017. Statement No. 85 addresses practice issues that have been identified during implementation of certain GASB statements. The Commission has not yet determined the effect that the adoption of GASB Statement No. 85 may have on its financial statements. The adoption of this standard had no effect on the Commission's financial statements.

Recent Statements Issued by the Governmental Accounting Standards Board (GASB)

The GASB has also issued Statement No. 83, Certain Asset Retirement Obligations, which is effective for fiscal years beginning after June 15, 2018. Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for legally enforceable liabilities associated with the retirement of tangible capital assets. Examples of asset retirements covered under this standard are the decommissioning of a nuclear reactor or the dismantling and removal of sewage treatment plants as required by law. The Commission has not yet determined the effect that the adoption of GASB Statement No. 83 may have on its financial statements.

The GASB has also issued Statement No. 84, Fiduciary Activities, which is effective for fiscal years beginning after December 15, 2018. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments to determine whether an activity should be reported in a fiduciary fund in the financial statements. The Commission has not yet determined the effect that the adoption of GASB Statement No. 84 may have on its financial statements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The GASB has also issued Statement No. 87, Leases, which is effective for fiscal years beginning after December 15, 2019. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In other words, most leases currently classified as operating leases will be accounted for and reported in the same manner as capital leases. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

In April 2018, the GASB issued Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements, which is effective for fiscal years beginning after June 15, 2018. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

In June 2018, the GASB issued Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which is effective for fiscal years beginning after December 15, 2019. The objective of this Statement is to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement also establishes accounting requirements for interest cost incurred before the end of a construction period. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

In August 2018, the GASB issued Statement No. 90, Major Equity Interests, which is effective for fiscal years beginning after December 15, 2018. This Statement modifies previous guidance for reporting a government's majority equity interest in a legally separate organization. This Statement also provides guidance for reporting component unit if a government acquires a 100% equity interest in that component unit. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measureable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measureable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The Commission has not yet determined the effect that the adoption of GASB Statement No. 87 may have on its financial statements.

Reclassifications — Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. These reclassifications did not have any impact on net position or changes in net position.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents at June 30, 2018 and 2017, was held as follows:

	2018		
	Current	Noncurrent	Total
State Treasurer	\$ 1,309,580	\$ -	\$ 1,309,580
Trustee	-	365,052	365,052
In bank	<u>866,524</u>	<u>-</u>	<u>866,524</u>
	<u>\$ 2,176,104</u>	<u>\$ 365,052</u>	<u>\$ 2,541,156</u>

	2017		
	Current	Noncurrent	Total
State Treasurer	\$ 1,295,885	\$ -	\$ 1,295,885
Trustee	-	357,354	357,354
In bank	<u>346,389</u>	<u>-</u>	<u>346,389</u>
	<u>\$ 1,642,274</u>	<u>\$ 357,354</u>	<u>\$ 1,999,628</u>

Cash on deposit with trustee escrow consists of Huntington National Bank for Bond Series 2012 and 2013 and it will hold funds for principal, and interest payments as described in Note 7. The deposits with trustee escrows were covered by federal depository insurance as noted below. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Custodial credit risk for deposits is the risk that, in the event of the failure of the counterparty to a transaction, the University will not be able to recover the value of the deposits that are in the possession of an outside party. The combined carrying amount of cash in bank at June 30, 2018 and 2017 was \$2,538,674 and \$1,999,628 as compared with the combined bank balance of \$1,331,215 and \$704,596, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts with the State Treasurer as of June 30, 2018 and 2017, are comprised of three investment pools, the WV Money Market Pool, the WV Government Money Market Pool and the WV Short Term Bond Pool.

Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The following table provides information on the Standard & Poor’s rating of the investment pools as of June 30:

External Pool	2018		2017	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 1,171,641	AAAm	\$ 1,231,565	AAAm
WV Short Term Bond Pool	<u>27,182</u>	Not Rated	<u>28,348</u>	Not Rated
	<u>\$ 1,198,823</u>		<u>\$ 1,259,913</u>	

A Fund rated “AAAm” has extremely strong capacity to maintain principal stability and to limit exposure to principal losses due to credit, market, and/or liquidity risks. “AAAm” is the highest principal stability fund rating assigned by Standard & Poor’s.

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk. The following table provides information on the weighted-average maturities for the WV Money Market Pool and the WV Government Money Market Pool:

External Pool	2018		2017	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 1,171,641	34	\$ 1,231,565	36

The following table provides information on the effective duration for the WV Short Term Bond Pool:

External Pool	2018		2017	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	\$ 27,182	370	\$ 28,348	371

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Other Investment Risks — Other investment risks include concentration of credit risk, custodial credit risk, and foreign currency risk. None of the BTT's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 and 2017, are as follows:

	2018	2017
Student tuition and fees — net of allowance for doubtful accounts of \$941,580 and \$1,370,897 in 2018 and 2017, respectively	\$ 407,094	\$ 455,454
Grants and contracts receivable	2,144,660	2,766,367
Due from the Commission	2,078	1,156
Due from other State agencies	706	3,106
Other accounts receivable	<u>11,934</u>	<u>3,044</u>
	<u>\$ 2,566,472</u>	<u>\$ 3,229,127</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

5. CAPITAL ASSETS

Summary of capital asset transactions for the University for the years ended June 30, 2018 and 2017 are as follows:

	2018			
	Beginning Balance	Ending Additions	Reductions	Balance
Capital assets not being depreciated:				
Land	\$ 8,628,563	\$ -	\$ -	\$ 8,628,563
Construction in progress	3,048,684	4,240,721	(282,352)	7,007,053
Total capital assets not being depreciated	<u>\$ 11,677,247</u>	<u>\$ 4,240,721</u>	<u>\$ (282,352)</u>	<u>\$ 15,635,616</u>
Capital assets being depreciated:				
Land improvements	\$ 1,651,479	\$ -	\$ -	\$ 1,651,479
Infrastructure	5,274,451	-	-	5,274,451
Buildings	90,175,855	50,679	-	90,226,534
Equipment	8,931,949	374,154	-	9,306,103
Motor vehicles	631,212	202,889	(41,293)	792,808
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	5,177,548	123,380	-	5,300,928
Total capital assets being depreciated	<u>112,201,313</u>	<u>751,102</u>	<u>(41,293)</u>	<u>112,911,122</u>
Less accumulated depreciation for:				
Land improvements	970,522	37,144	-	1,007,666
Infrastructure	3,799,855	138,003	-	3,937,858
Buildings	28,930,520	2,463,811	-	31,394,331
Equipment	5,270,460	687,088	(41,293)	5,916,255
Motor vehicles	553,771	26,612	-	580,383
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	4,643,182	146,424	-	4,789,607
Total accumulated depreciation	<u>44,527,129</u>	<u>3,499,082</u>	<u>(41,293)</u>	<u>47,984,919</u>
Capital assets being depreciated — net	<u>\$ 67,674,184</u>	<u>\$ (2,747,980)</u>	<u>\$ (82,586)</u>	<u>\$ 64,926,203</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 11,677,247	\$ 4,240,721	\$ (282,352)	\$ 15,635,616
Capital assets being depreciated	112,201,313	751,102	(41,293)	112,911,122
Total cost of capital assets	123,878,560	4,991,823	(323,645)	128,546,738
Less accumulated depreciation	44,527,129	3,499,082	(41,293)	47,984,919
Capital assets — net	<u>\$ 79,351,431</u>	<u>\$ 1,492,741</u>	<u>\$ (282,352)</u>	<u>\$ 80,561,819</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

5. CAPITAL ASSETS (CONTINUED)

	2017			
	Beginning Balance	Ending Additions	Reductions	Balance
Capital assets not being depreciated:				
Land	\$ 8,611,045	\$ 17,518	\$ -	\$ 8,628,563
Construction in progress	454,684	3,139,888	(545,888)	3,048,684
Total capital assets not being depreciated	<u>\$ 9,065,729</u>	<u>\$ 3,157,406</u>	<u>\$ (545,888)</u>	<u>\$ 11,677,247</u>
Capital assets being depreciated:				
Land improvements	\$ 1,651,479	\$ -	\$ -	\$ 1,651,479
Infrastructure	5,274,451	-	-	5,274,451
Buildings	89,480,597	695,258	-	90,175,855
Equipment	8,615,680	1,119,110	(802,841)	8,931,949
Motor vehicles	594,186	37,026	-	631,212
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	5,064,080	113,468	-	5,177,548
Total capital assets being depreciated	<u>111,039,292</u>	<u>1,964,862</u>	<u>(802,841)</u>	<u>112,201,313</u>
Less accumulated depreciation for:				
Land improvements	933,378	37,144	-	970,522
Infrastructure	3,665,231	134,624	-	3,799,855
Buildings	26,488,560	2,441,960	-	28,930,520
Equipment	5,260,998	811,825	(802,363)	5,270,460
Motor vehicles	512,063	41,708	-	553,771
Software	340,069	-	-	340,069
License	18,750	-	-	18,750
Library books	4,506,996	136,185	-	4,643,182
Total accumulated depreciation	<u>41,726,045</u>	<u>3,603,446</u>	<u>(802,363)</u>	<u>44,527,129</u>
Capital assets being depreciated — net	<u>\$ 69,313,247</u>	<u>\$ (1,638,584)</u>	<u>\$ (1,605,204)</u>	<u>\$ 67,674,184</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 9,065,729	\$ 3,157,406	\$ (545,888)	\$ 11,677,247
Capital assets being depreciated	<u>111,039,292</u>	<u>1,964,862</u>	<u>(802,841)</u>	<u>112,201,313</u>
Total cost of capital assets	120,105,021	5,122,268	(1,348,729)	123,878,560
Less accumulated depreciation	<u>41,726,045</u>	<u>3,603,446</u>	<u>(802,363)</u>	<u>44,527,129</u>
Capital assets — net	<u>\$ 78,378,976</u>	<u>\$ 1,518,822</u>	<u>\$ (546,366)</u>	<u>\$ 79,351,431</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

7. BONDS PAYABLE

In December 2012, the West Virginia State University Board of Governors (the “Board”) sold \$8,930,000 of University Refunding and Improvement Revenue Bonds, Series 2012 (the “2012 Bonds”), with interest rates from 2.5% to 4.50% and maturing October 2037. The 2012 Bonds were issued under the authority contained in Article 10, Chapter 18B of the Code of West Virginia, 1931, as amended, and the 2012 Bonds will be secured pursuant to an Indenture dated as of December 1, 2012, by and between the University and Huntington National Bank, as the Trustee. The 2012 Bonds are secured by and payable from auxiliary fees and auxiliary capital fees as defined in the Indenture. The proceeds from the 2012 Bonds were used to (1) refund the Eddie Mac Note, (2) fund the design, acquisition, construction and equipping of various capital projects and (3) pay the costs of issuance of the 2012 Bonds.

In March 2013, the Board sold \$2,815,000 of University Refunding Revenue Bonds, Series 2013 (the “2013 Bonds”), with interest rates of 1.50% to 3.00%, maturing October 2021. The 2013 Bonds were issued under the authority contained in Article 10, Chapter 18B of the Code of West Virginia, 1931, as amended, and the 2013 Bonds will be secured pursuant to an Indenture dated as of March 1, 2013, by and between the University and Huntington National Bank, as the Trustee. The 2013 Bonds are secured by and payable from auxiliary fees and auxiliary capital fees as defined in the Indenture. The proceeds from the 2013 Bonds were used to (1) refund the 2002 Series A Bonds and (2) pay the costs of issuance of the 2013 Bonds.

It is estimated that the refunding of the 2002 Bonds will result in a reduction in the University’s total debt service payments over the next 10 years of approximately \$500,000. The refunding resulted in an economic gain (the difference between the present values of the debt service payments on the old debt and new debt) of approximately \$450,000.

Principal maturities for the year ending after June 30, 2018, are as follows:

Years Ending June 30	Bond HNB 2012 Principal	Bond HNB 2012 Interest	Bond HNB 2013 Principal	Bond HNB 2013 Interest	Bonds Combined Principal	Bonds Combined Interest
2019	\$ 50,000	\$ 297,648	\$ 320,000	\$ 30,670	\$ 370,000	\$ 328,318
2020	55,000	296,073	325,000	22,295	380,000	318,368
2021	55,000	294,423	335,000	13,695	390,000	308,118
2022	60,000	292,893	340,000	4,335	400,000	297,228
2023	405,000	287,125	-	-	405,000	287,125
2024-2028	2,205,000	1,250,066	-	-	2,205,000	1,250,066
2029-2033	2,680,000	767,406	-	-	2,680,000	767,406
2034-2038	3,165,000	273,934	-	-	3,165,000	273,934
Future payments	<u>\$ 8,675,000</u>	<u>\$ 3,759,568</u>	<u>\$ 1,320,000</u>	<u>\$ 70,995</u>	<u>\$ 9,995,000</u>	<u>\$ 3,830,563</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

8. NOTE PAYABLE

During fiscal year 1997, the University signed an agreement with the Educational Direct Loan Mortgage Corporation (“Eddie Mac”) to have available a line of credit of \$3,500,000 to be used to renovate dormitories.

In December 2012, a portion of the proceeds from Huntington National Bank Revenue Bond Series 2012 were used to refund 1996-1Eddie Mac note, thus the note is paid in full. See footnote #7 for more details. In September 2015, the remaining funds in escrow were returned to WVSU and are now in the Revenue Clearing Account. A portion of the original escrow funds in the amount of \$61,928, were used for Barber-Scotia College’ default payments as part of HBCU partnership agreement. No steps have been taken to recover these funds at this time.

During February 2014, the University signed a promissory note with Capital One Equipment Finance Corp borrowing \$2,700,000 at an interest rate of 6.65% to be used to partially finance the construction of a new athletic complex. The note matures in 2033, with principal payments due annually on October 1 starting in 2014. Interest payments are due annually on April 1 and October 1 starting April 2014. In February 2016, the Board of WVSU Foundation voted to submit \$55,000 for an extra payment of principal.

Principal and interest maturities for the year ending after June 30, 2018, are as follows:

Years Ending June 30	Principal	Interest	Total
2019	\$ 839,000	\$ 154,114	\$ 993,114
2020	95,000	147,996	242,996
2021	102,000	141,446	243,446
2022-2026	618,000	592,781	1,210,781
2027-2031	853,000	350,156	1,203,156
2032-2036	<u>605,000</u>	<u>58,552</u>	<u>663,552</u>
Future payments	<u>\$ 3,112,000</u>	<u>\$ 1,445,045</u>	<u>\$ 4,557,045</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS

Employees of West Virginia State University are enrolled in West Virginia Other Postemployment Benefit Plan (the “OPEB plan”) which is administered by the West Virginia Public Employees Insurance Agency (“PEIA”) and the West Virginia Retiree Health Benefit Trust Fund (the “RHBT”).

Following is the University’s other postemployment benefits liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, revenues, and other postemployment benefits expense and expenditures for the fiscal year ended June 30, 2018:

2018	
Net OPEB Liability	\$ 8,260,158
Deferred Outflows of Resources	590,940
Deferred Inflows of Resources	1,397,282
Revenues	422,859
OPEB Expense	704,809
Contributions made by the University	560,181

Plan Description

The OPEB plan is a cost-sharing, multiple employer, defined benefit other post-employment benefit plan that covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in West Virginia Code Section 5-16D-2 (the “Code”). Plan benefits are established and revised by PEIA and the RHBT with approval of the Finance Board. The Finance Board is comprised of nine members. Finance Board members are appointed by the Governor, serve a term of four years and are eligible for reappointment. The State Department of Administration secretary serves as Chairman of the Board. Four members represent the public-at-large.

Active employees who retire are eligible for PEIA health and life benefits, provided they meet the minimum eligibility requirements of the applicable State retirement system and if their last employer immediately prior to retirement: is a participating employer under the Consolidated Public Retirement Board (“CPRB”) and, as of July 1, 2008 forward, have ten years or more of credited service in the CPRB and whose employer at the time of their retirement does participate with CPRB, but does not participate with PEIA will be eligible for PEIA retire coverage provided: they otherwise meet all criteria under this heading and their employer agrees, in writing, upon a form prescribed by PEIA, that the employer will pay to PEIA the non-participating retiree premium on behalf of the retiree or retirees, or that the retiree agrees to pay the entire unsubsidized premium themselves. Employees who participate in non-State retirement systems but that are CPRB system affiliated, contracted, or approved (such as TIAA-CREF and Empower Retirement), or are approved in writing, by the PEIA Director, must in the case of education employees, meet the minimum eligibility requirements of the State Teachers Retirement System

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

("STRS"), and in all other cases meet the minimum eligibility requirements of the Public Employees Retirement System to be eligible for PEIA benefits as a retiree.

The financial activities of the OPEB plan are accounted for in the RHBT, a fiduciary fund of the State of West Virginia. The RHBT audited financial statements and actuarial reports can be found on the PEIA website at www.peia.wv.gov.

Benefits Provided

The OPEB plan provides the following benefits: medical and prescription drug insurance and life insurance. The medical and prescription drug insurance is provided through two options: the self-insured preferred provider benefits plan option, which is primarily for non-Medicare-eligible retirees and spouses; and the external managed care organization option, which is primarily for Medicare-eligible retirees and spouses.

Contributions

Pay as you go premiums ("paygo") are established by the Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The active premiums subsidize the retirees' health care.

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate depending on the member's years of service. Members hired on or after July 1, 2010, pay retiree healthcare contributions with no sponsor provided implicit or explicit subsidy.

Retiree leave conversion contributions from the employer depend on the retiree's date of hire and years of service at retirement as described below:

Members hired before July 1, 1988 may convert accrued sick leave or vacation leave days into 100% of the required retiree healthcare contribution.

Members hired from July 1, 1988 to June 30, 2001 may convert sick or vacation leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and vacation leave days per month for single healthcare coverage and three days of unused sick and vacation leave days per month for family healthcare coverage. Employees hired on or after July 1, 2001 no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Certain faculty employees (generally those with less than a 12 month contract) earn a similar extended health or life insurance coverage retirement benefits based on years of service. Generally, 3 1/3 years of teaching service extend health insurance coverage for one year of family coverage. Faculty hired after July 1, 2009 no longer receive years of service credit toward insurance premiums when they retire. Faculty hired on or after July 1, 2010 receive no health insurance premium subsidy when they retire. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, and 2) retired employees who had an original hire date prior to July 1, 2010 may return to active employment. In those cases, the original hire date may apply.

Assumptions

The net OPEB liability for financial reporting purposes was determined by an actuarial valuation as of June 30, 2016, rolled forward to June 30, 2017. The following actuarial assumptions were used and applied to all periods included in the measurement:

Actuarial cost method: Entry age normal cost method.

Amortization method and period: Level percentage of payroll over 21 years; closed as of June 30, 2016.

Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.

Projected salary increases: dependent on pension system ranging from 3.00% to 6.50%, including inflation.

Healthcare cost trend rates: Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.5% and 9.75% for pre- and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.5%. Excess trend rate of 0.14% and 0.29% for pre- and post-Medicare, respectively, is added to healthcare trend rates pertaining to per capita claims costs beginning in 2020 to account for the Excise Tax.

Inflation rate: 2.75%.

Discount rate: 7.15%

Mortality rates: based on RP-2000 Mortality Tables.

The long-term investment rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.5% for long-term assets invested with the West Virginia Investment Management Board ("IMB") and an expected short-term rate of return of 3.0% for assets invested with the WV Board of Treasury Investments ("BIT").

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consist of 55% equity, 15% fixed income, 10% private equity, 10% hedge fund and 10% real estate invested. Short-term assets used to pay current year benefits and expenses are invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block methods in which estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of the long-term geometric rates for each major asset class are summarized below.

The actuarial assumption used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015

2018

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap Domestic	17.0%
Non-Large Cap Domestic	22.0%
International Qualified	24.6%
International Non-Qualified	24.3%
International Equity	26.2%
Short-Term Fixed	0.5%
Total Return Fixed Income	6.7%
Core Fixed Income	0.1%
Hedge Fund	5.7%
Private Equity	19.6%
Real Estate	8.3%
Opportunistic Income	4.8%

Discount rate. The discount rate used to measure the OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions will be made at rates equal to the actuarially determined contribution rates, in accordance with prefunding and investment policies. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. Discount rates are subject to change between measurement dates.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net pension liability to changes in the discount rate. The following presents the University's proportionate share of the net OPEB liability as of June 30, 2016 calculated using the discount rate of 7.15%, as well as what the University's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB Liability	\$ 9,618,004	\$ 8,260,158	\$ 7,131,406

Sensitivity of the net OPEB liability to changes in healthcare cost trend rates. The following presents the University's proportionate share of the net OPEB liability as of June 30, 2016 calculated using the current healthcare cost trend rates, as well as what the University's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB Liability	\$ 6,938,649	\$ 8,260,158	\$ 9,876,434

OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability at June 30, 2018 was measured as of June 30, 2016 rolled forward to June 30, 2017, which was the measurement date. The total OPEB liability at June 30, 2018 was determined by an actuarial valuation as of June 30, 2016 and rolled forward to the measurement date. At June 30, 2018, the amount recognized as the University's proportionate share of the net OPEB liability was \$8,260,158.

For the year ended June 30, 2018, the University recognized OPEB expense of \$ 704,809. Of this amount, \$281,950 was recognized as the University's proportionate share of the OPEB expense, and \$422,859 as the amount of OPEB expense attributed to special funding. The University also recognized revenue of \$422,859 for the support provided by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

2018	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ -	\$ 1,267,788
Net differences between projected and actual investment earnings	-	107,038
Difference between expected and actual experience	-	22,456
Contributions after the measurement date	590,940	-
Total	<u>\$ 590,940</u>	<u>\$ 1,397,282</u>

The University will recognize the \$590,940 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amortization</u>
2019	\$ (374,160)
2020	(374,160.00)
2021	(374,160.00)
2022	<u>(274,803.00)</u>
Total	<u>\$ (1,397,283)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

10. OPERATING LEASES

Future scheduled annual lease payments for years subsequent to June 30, 2018, are as follows:

Years Ending June 30	
2019	\$ 108,948
2020	66,961
2021	28,759
2022	9,600
2023	9,600
Total	<u>\$ 223,868</u>

Total rental expense for the years ended June 30, 2018 and 2017, was \$270,703 and \$241,991, respectively. The University does not have any non-cancelable leases.

11. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The University is a State institution of higher education, and the University receives a State appropriation to finance its operations. In addition, it is subject to the legislative and administrative mandates of the State government. Those mandates affect all aspects of the University's operations, its tuition and fee structure, its personnel policies, and its administrative practices.

The State has chartered the Commission with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and College Systems (the "Boards").

Students of the State's universities and colleges, including students of the University, are assessed certain tuition charges and fees, which must be remitted by the universities and the colleges to the Commission for use in repayment of the bonds so issued. Any shortfalls between such tuition and fees remitted and actual debt service obligations are the responsibility of the Boards. To the extent that tuition charges and fees so collected by the Commission exceed debt service obligations, the Commission may remit funds back to the universities and colleges for renewal and replacement or maintenance and repair of the facilities so financed. These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

11. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former State University System are generally pledged as collateral for the Commission's bond indebtedness. Student fees collected by the institution in excess of the debt service allocation are retained by the institution for internal funding of capital projects and maintenance. Although the bonds remain as capital obligations of the Commission, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by the Commission. During 2014, the University paid \$0, to the Commission against the debt obligation. The amount due to the Commission at June 30, 2018 and 2017 is \$0 and \$0, respectively.

During the year ended June 30, 2005, the Commission issued \$167 million of 2004 Series B 30-year Revenue Bonds to fund capital projects at various higher education institutions in the State. The University has been approved to receive \$1,350,000 of these funds. The University had drawn the entire allotment by June 30, 2010. State lottery funds will be used to repay the debt, although University revenues are pledged if lottery funds prove insufficient.

During December 2010, the West Virginia Higher Education Policy Commission (HEPC) issued \$76,865,000 of the State of West Virginia Higher Education Policy Commission Revenue Series 2010 Bonds to fund HEPC Bond projects approved by the Commission. The University has been authorized to receive \$1,135,000 of these proceeds to be specifically used for upgrades to Wallace Hall roof, windows and HVAC system. As of June 30, 2015, \$892,887 of such proceeds have been received. The University began drawing the bond proceeds for this project in FY 2012; eighty-five percent of these bond proceeds must be spent by December 2013. The West Virginia Higher Education Policy Commission is responsible for repayment of this debt.

12. UNRESTRICTED COMPONENTS OF NET POSITION

At June 30, 2018 and 2017, the University has no designated components of net position.

	2018	2017
Total unrestricted net position before OPEB liability and pension items	\$ (2,014,998)	\$ (5,472,235)
Less: OPEB liability	8,260,158	12,827,808
Less: Net Pension Liability	938,439	1,288,208
Less: Deferred Inflows of Resources	1,966,903	162,505
Add: Deferred Outflows of Resources	<u>(910,352)</u>	<u>(328,061)</u>
Total unrestricted net position	<u>\$ (12,270,146)</u>	<u>\$ (19,422,695)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS

Substantially, all full-time employees of the University participate in either the West Virginia Teachers' Retirement System (the STRS) or the Teachers' Insurance and Annuities Association — College Retirement Equities Fund (the TIAA-CREF). Previously, upon full-time employment, all employees were required to make an irrevocable selection between the STRS and TIAA-CREF. Effective July 1, 1991, the STRS was closed to new participants. Current participants in the STRS are permitted to make a one-time election to cease their participation in that plan and commence contributions to the West Virginia Teachers' Defined Contribution Plan. Contributions to and participation in the West Virginia Teachers' Defined Contribution Plan by University employees have not been significant to date.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan. New hires have the choice of either plan. As of June 30, 2017 and 2016, respectively, two and three employees were enrolled in the Educator's Money 401(a) basic retirement plan.

Total contributions to the Educators Money 401(a) for the years ended June 30, 2018, 2017 and 2016, were \$11,917, \$12,302 and \$10,680, respectively, which consisted of \$5,958, \$6,151 and \$5,340, respectively from the University, and \$5,958, \$6,151 and \$5,340, respectively from the covered employees for 2018, 2017 and 2016.

The TIAA-CREF is a defined-contribution benefit plan in which benefits are based solely upon amounts contributed plus investment earnings. Employees who elect to participate in this plan are required to make a contribution equal to 6% of total annual compensation. The University matches the employees' 6% contribution. Contributions are immediately and fully vested. In addition, employees may elect to make additional contributions to TIAA-CREF, which are not matched by the University.

Total contributions to the TIAA-CREF for the years ended June 30, 2018, 2017 and 2016, were \$2,156,081, \$2,206,886 and \$2,281,149, respectively which consisted of contributions of \$1,078,040, \$1,103,443 and \$1,140,574, respectively, from the University and \$1,078,040, \$1,103,443 and \$1,140,574, respectively from the covered employees in 2018, 2017 and 2016.

The University's total payroll for the years ended June 30, 2018, 2017 and 2016, was \$20,882,082, \$21,721,199 and \$20,580,486, respectively; total covered employees' salaries in the STRS, Educator's Money, and TIAA-CREF were \$686,888, \$99,308, and \$17,868,544; \$747,829, \$102,514, and \$18,390,715; \$810,120, \$88,997, and \$18,807,059, respectively, in 2017, 2016 and 2015.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan

Some employees of the University are enrolled in a defined benefit pension plan, the West Virginia Teachers' Retirement System (TRS), which is administered by the West Virginia Consolidated Public Retirement Board (CPRB).

Following is the University's pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal year ended June 30 (dollars in thousands):

	2018	2017
Net Pension Liability	\$ 938,439	\$ 1,288,208
Deferred Outflows of Resources	\$ 193,211	\$ 328,061
Deferred Inflows of Resources	\$ 280,764	\$ 162,505
Revenues	\$ 201,215	\$ 217,805
Pension Expense	\$ 106,935	\$ 4,382
Contributions Made by WV	\$ 10,178	\$ 4,257

TRS

Plan Description

TRS is a multiple employer defined benefit cost sharing public employee retirement system providing retirement benefits as well as death and disability benefits. It covers all full-time employees of the 55 county public school systems in the State of West Virginia (the State) and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991.

TRS is considered a component unit of the State of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the State of West Virginia's Comprehensive Annual Financial Report. TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the plan. A copy of the report may be obtained from the TRS website at <https://www.wvretirement.com/Publications.html#CAFR>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is the average of the 5 highest fiscal years of earnings during the last 15 fiscal years of earnings. Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

Contributions

The funding objective of the CPRB pension trust funds is to meet long-term benefit requirements through contributions, which remain relatively level as a percent of member payroll over time, and through investment earnings. Contribution requirements are set by CPRB. A member who withdraws from service for any cause other than death or retirement may request that the accumulated employee contributions plus interest be refunded.

Member Contributions: TRS funding policy provides for member contributions based on 6% of members' gross salary. Contributions as a percentage of payroll for members and employers are established by State law and are not actuarially determined.

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll of members of the TDCRS;
4. a certain percentage of fire insurance premiums paid by State residents; and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2015, the University's proportionate share attributable to this special funding subsidy was \$121,518.

The University's contributions to TRS for the years ended June 30, 2018, 2017, and 2016, were approximately \$193,211, \$328,061, and \$121,518, respectively.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

Assumptions

For the year ended June 30, 2018, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2016 and rolled forward to June 30, 2017. For the year ended June 30, 2017, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2015 and rolled forward to June 30, 2016. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.50%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 3.75–5.25% and non-teachers 3.40–6.50%, based on age.
- Inflation rate of 2.2%.
- Discount rate of 7.50%
- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: Teachers 1.2-30% and non-teachers 1.4-22.5%.
- Disability rates: 0-0.8%
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15-100%
- Ad hoc cost-of-living increases in pensions are periodically granted by the State Legislature. However, the retirement system makes no automatic provision for such increases.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2005 to June 30, 2010. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2018 and June 30, 2017, are summarized below.

2018		
Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	7.0%	27.5%
International equity	7.7%	27.5%
Core fixed income	2.7%	15.0% *
High-yield fixed income	5.5%	
TIPS	2.7%	0.0%
Real estate	7.0%	10.0%
Private equity	9.4%	10.0%
Hedge funds	4.7%	10.0%

* Core and high-yield fixed income securities have a combined target allocation of 15.0%.

2017		
Asset Class	Long-term Expected Real Rate of Return	Target Allocation
Domestic equity	7.0%	27.5%
International equity	7.7%	27.5%
Core fixed income	2.7%	15.0% *
High-yield fixed income	5.5%	
TIPS	2.7%	0.0%
Real estate	7.0%	10.0%
Private equity	9.4%	10.0%
Hedge funds	4.7%	10.0%

* Core and high-yield fixed income securities have a combined target allocation of 15.0%.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

Discount rate. The discount rate used to measure the total TRS pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that State contributions will continue to follow the current funding policy. Based on those assumptions, TRS' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on TRS' investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the College's proportionate share of the TRS net pension liability as of June 30, 2018 and June 30, 2017 calculated using the discount rate of 7.50%, as well as what the College's TRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability- 2018	\$ 1,235,496	\$ 938,439	\$ 684,624
Net Pension Liability- 2017	1,629,716	1,288,208	996,337

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The June 30, 2018 TRS net pension liability was measured as of June 30, 2017, and the total pension liability was determined by an actuarial valuation as of July 1, 2016, rolled forward to the measurement date of June 30, 2017. The June 30, 2017 TRS net pension liability was measured as of June 30, 2016, and the total pension liability was determined by an actuarial valuation as of July 1, 2015, rolled forward to the measurement date of June 30, 2016.

At June 30, 2018, the University's proportionate share of the TRS net pension liability was \$3,013,719. Of this amount, the University recognized approximately \$938,439 as its proportionate share on the Statement of Net Position. The remainder of \$2,075,280 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2017, the University's proportionate share of the TRS net pension liability was \$3,741,901. Of this amount, the University recognized approximately \$1,288,208 as its proportionate share on the Statement of Net Position. The remainder of \$2,453,693 denotes the University's proportionate share of net pension liability attributable to the special funding.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on their proportionate share of employer and non-employer contributions to TRS for each of the fiscal years ended June 30, 2018 and 2017. Employer contributions are recognized when due. At June 30, 2018, the University's proportion was 0.027162%, a decrease of 0.004183% from its proportion of 0.031345% calculated as of June 30, 2017. At June 30, 2017, the University's proportion was 0.031345%, a decrease of 0.001555% from its proportion of 0.029790% calculated as of June 30, 2016.

For the year ended June 30, 2018, the University recognized TRS pension expense of \$211,393. Of this amount, \$21,280 was recognized as the University's proportionate share of the TRS expense and \$201,215 as the amount of pension expense attributable to special funding from nonemployer contributing entity. The University also recognized revenue of \$10,178 for support provided by the State.

For the year ended June 30, 2017, the University recognized TRS pension expense of \$311,679. Of this amount, \$82,743 was recognized as the University's proportionate share of the TRS expense and \$217,805 as the amount of pension attributable to special funding and \$11,161 as the pension related to a nonspecial funding form a nonemployer contributing entity. The University also recognized revenue of \$4,257 for support provided by the State.

As of June 30, 2018, deferred outflows of resources and deferred inflows of resources related to TRS pension are as follows:

2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion and difference between employer contributions and proportionate share of contributions	\$ 37,354	\$ 493,404
Net difference between projected and actual investment earnings	35,254	54,297
Difference between expected and actual experience	8,159	21,920
Contributions after the measurement date	<u>238,645</u>	<u>-</u>
Total	<u>\$ 319,412</u>	<u>\$ 569,621</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

13. RETIREMENT PLANS (CONTINUED)

The University will recognize the \$319,412 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows:

Fiscal Year Ended	Amortization
June 30, 2019	\$ 117,346
June 30, 2020	117,346
June 30, 2021	117,346
June 30, 2022	97,271
June 30, 2023	39,545
	<u>\$ 488,854</u>

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2018.

14. FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the State and has as its purpose "...to aid, strengthen, and further in every proper and useful way, the work and services of the University and its affiliated nonprofit organizations..." Oversight of the Foundation is the responsibility of a separate and independently elected board of directors, not otherwise affiliated with the University. In carrying out its responsibilities, the board of directors of the Foundation employs management, form policy, and maintain fiscal accountability over funds administered by the Foundation. Although the University does not control the timing or the amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, are restricted to the activities by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements in accordance with GASB. Based on the Foundation's audited financial statements as of June 30, 2018 and 2017, the Foundation's net position (including unrealized gains) totaled \$15,864,342 and \$15,150,476, respectively on the accrual basis of accounting.

During the years ended June 30, 2018 and 2017, the Foundation contributed \$608,402 and \$288,432, respectively to the University for scholarships. Program expenses of the Foundation are used to provide support to students of the University, for projects that benefit the University and for other activities that support the Foundations mission.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

15. AFFILIATED ORGANIZATION

The University has a separately incorporated affiliated organization, the Alumni Association. Oversight responsibility for this entity rests with an independent board and management not otherwise affiliated with the University. Accordingly, the financial statements of this organization are not included in the University's accompanying financial statements under the blended component unit requirements. They are not included in the University's accompanying financial statements under the discretely presented component unit requirements as they are not significant to the University.

16. CONTINGENCIES

The nature of the educational industry is such that, from time to time, claims will be presented against the University on account of alleged negligence, acts of discrimination, breach of contract, or disagreements arising from the interpretation of laws or regulations. While some of these claims may be for substantial amounts, they are not unusual in the ordinary course of providing educational services in a higher education system. In the opinion of management, all known claims are covered by insurance or are such that an award against the University would not seriously affect the financial position of the University.

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The University's management believes disallowances, if any, will not have a significant financial impact on the University's financial position.

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements as of June 30, 2018 and 2017.

The University owns various buildings, which are known to contain asbestos. The University is not required by federal, state, or local law to remove the asbestos from its buildings. The University is required under federal environmental, health, and safety regulations to manage the presence of asbestos in its buildings in a safe condition. The University addresses its responsibility to manage the presence of asbestos in its buildings on a case-by-case basis. Significant problems of dangerous asbestos conditions are abated as the condition becomes known. The University also addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing, or operating with the asbestos in a safe condition.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

17. SEGMENT INFORMATION

In fiscal year 2013 the University issued two revenue bond series (2012A and 2013) to refinance old bonds, to pay off a note, and to improve various capital projects. See footnote 7 on Bond Payables for details. As part of issuing these new bonds, the University has pledged student fees collected in three funds: University Student Union (formerly Wilson Student Union), Residence Life (Dawson Hall), and the Capital Improvement Fund. Investors in these bonds rely solely on the revenues generated by the activities of the auxiliaries and capital fund for repayment.

State of West Virginia, Board of Governors of West Virginia State University, Revenue Bonds, 2012 Series — On December 20, 2012, the University issued \$8,930,000 of Revenue Bonds, 2012 Series (the “2012 Bonds”). The 2012 Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the 2012 Bonds will be secured pursuant to the Bond Trust Indenture (the “Indenture”) dated as of December 1, 2012, by and between the Board and Huntington National Bank (the “Trustee”). The 2012 Bonds are secured by and payable from fees assessed to the students of the University held under the Indenture. The proceeds of the 2012 Bonds are being used to (1) refund 1996-1 note from Educational Direct Loan Mortgage Corporation (“Eddie Mac”) of \$2,515,267 for renovation of Dawson Hall, (2) fund various capital projects of \$6,260,033, and (3) pay the costs of issuance of the 2012 Bonds and related costs. Final payment date is October 1, 2037.

State of West Virginia, Board of Governors of West Virginia State University, Revenue Bonds, 2013 Series A — On February 20, 2013, the University issued \$2,815,000 of Revenue Bonds, 2013 Series A (the “2013 Bonds”). The 2013 Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the 2013 Bonds will be secured pursuant to the First Supplemental Bond Trust Indenture (the “Indenture”) dated as of March 1, 2013, by and between the Board and Huntington National Bank (the “Trustee”). The 2013 Bonds are secured by and payable from fees assessed to the students of the University held under the Indenture. The proceeds of the 2013 Bonds are being used to (1) to refund 2002 Series A Call (3-25-2013) for \$3,468,655, which were used to renovate the Student Union, acquire equipment, and pay costs of issuance of 2013 Bonds and its related costs. The difference in the amounts between the 2002 Bonds and the 2013 Bonds was refunded using the balance of the 2002 Bond’s escrow of \$685,471. A new escrow account was established and funded from operations in accordance with the Bond Trust Indenture for the 2013 Bonds. The final payment of 2013 Bonds will be on October 1, 2021.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

17. SEGMENT INFORMATION (CONTINUED)

The condensed schedules net position, condensed schedules of revenues, expenses and changes in net position and condensed statement cash flows of the segments pledged to support the debt service payments as of and for the years June 30, 2017 and 2016, are as follows:

Condensed Schedules of Net Position	Capital, Housing, Student Union 2018	Capital, Housing, Student Union 2017
Assets:		
Current assets	\$ 1,788,099	\$ 1,537,802
Noncurrent assets	<u>13,239,575</u>	<u>13,121,117</u>
Total	<u>\$ 15,027,674</u>	<u>\$ 14,658,919</u>
Liabilities:		
Current	\$ 1,858,145	\$ 1,806,100
Noncurrent liabilities	<u>9,635,000</u>	<u>9,995,000</u>
Total liabilities	<u>11,493,145</u>	<u>11,801,100</u>
Net position:		
Net investment in capital assets	9,393,447	9,606,940
Restricted — expendable debt service	472,011	464,314
Unrestricted	<u>(6,333,929)</u>	<u>(7,213,435)</u>
Total net position	<u>3,531,529</u>	<u>2,857,819</u>
Total	<u>\$ 15,024,674</u>	<u>\$ 14,658,919</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

17. SEGMENT INFORMATION (CONTINUED)

	Capital, Housing, Student Union	Capital, Housing, Student Union
Condensed Schedules of Revenues, Expenses, and Changes in Net Position	2018	2017
Operating:		
Operating revenues	\$ 1,669,625	\$ 1,689,436
Operating expenses	<u>(1,272,544)</u>	<u>(1,970,080)</u>
Net operating income	397,081	(280,644)
Nonoperating:		
Nonoperating revenues	1,983	786
Nonoperating expenses	<u>(700,890)</u>	<u>(699,288)</u>
Decrease in net position	(301,826)	(979,146)
Net position — beginning of year	<u>2,419,397</u>	<u>3,398,543</u>
Net position — end of year	<u>\$ 2,117,571</u>	<u>\$ 2,419,397</u>
Condensed Schedules of Cash Flows		
Net cash provided by operating activities	\$ 397,081	\$ (280,644)
Net cash used in capital and related financing activities	<u>(698,907)</u>	<u>(698,501)</u>
Increase (decrease) in cash and cash equivalents	(301,826)	(979,145)
Cash and cash equivalents — beginning of year	<u>(338,164)</u>	<u>640,981</u>
Cash and cash equivalents — end of year	<u>\$ (639,990)</u>	<u>\$ (338,164)</u>

18. EAST BONDS

The University has been approved to receive \$15,000,000 of Education, Arts, Science, and Tourism (EAST) bond proceeds issued by the West Virginia Development Office during August 2010. As of June 30, 2014, \$15,000,000 of such proceeds has been received. The West Virginia Development Office is responsible for repayment of the debt.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES

The following are the notes taken directly from the Foundation's financial statements as follows:

Summary of Significant Accounting Policies:

Organization and Nature of Activities — West Virginia State University Foundation, Inc. and Subsidiary (the "Foundation") was established to provide support for the private fundraising efforts of the West Virginia State University (the "University") and to manage privately donated funds on behalf of the University. The Foundation is a nonprofit corporation organized in accordance with the laws of the State of West Virginia and managed by a volunteer Board of Directors.

The private fundraising efforts of the University result in the Foundation receiving gifts and pledges for the benefit of the University. Such gifts and pledges include endowment gifts to be invested in perpetuity, remainder interests in charitable remainder trusts, gift annuities, and other gifts for the benefit of the University and its affiliates. The Foundation also receives gifts and pledges to be used to fund current Foundation activities.

Basis of Accounting — The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Consolidation Policy — The accompanying consolidated financial statements include the accounts of the Foundation and its wholly owned subsidiary, West Virginia State University Foundation Properties, Inc. Intercompany transactions and balances have been eliminated in the consolidation.

Basis of Presentation — The Foundation presents its net assets and all balances and transactions based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- **Unrestricted Net Assets** — Net assets not subject to donor-imposed stipulations.
- **Temporarily Restricted Net Assets** — Net assets subject to donor-imposed stipulations that will be met either by actions of the Foundation and/or the passage of time.
- **Permanently Restricted Net Assets** — Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Cash Equivalents — For purposes of the reporting on the Consolidated Statement of Cash Flows, the Foundation considers all liquid investments having initial maturities of three (3) months or less to be cash equivalents.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments — Investments are reported at fair value based on quoted prices in active markets. Investment income consists of interest and dividend income earned and realized gains or losses less any related fees, and is included in the Consolidated Statement of Activities.

Property and Equipment — The Foundation capitalizes all expenditures in excess of \$500 for property and equipment at cost. All donated assets are stated at the acquisition value at the time of donation. Depreciation is provided on the straight line method over the estimated useful lives of the assets as follows:

Buildings and improvements	31.5–39 years
Furniture and equipment	3–7 years

Contributions — Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenues when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Pledges for the support of future operations, programs and activities are recorded at the present value of the estimated future cash flows. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fundraising activity.

Outstanding Legacies — The Foundation is the beneficiary under various wills and trust agreements, the total realizable amounts of which are not presently determinable. The Foundation's share of such bequests is recorded when the probate court has declared the testamentary instrument valid and the proceeds are measurable.

Beneficial Interest in Trusts — The Foundation receives contributions of property in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by a trustee and distributions are made to the beneficiaries during the term of the agreement. These funds are invested in debt and equity securities or property, and the Foundation records its interest in these trusts at fair value based on estimated future cash receipts. Initial recognition and subsequent adjustments to the assets' carrying value are reported as a change in the value of split-interest trusts in the accompanying financial statements and are classified as permanently restricted, temporarily restricted, or unrestricted depending on the existence of donor-imposed purpose or time restrictions, if any.

In-Kind Contributions — The Foundation receives contributed services from a large number of volunteers who assist in fundraising efforts through their participation in a range of activities. The value of such services, which the Foundation considers not practicable to estimate, have not been recognized in the Consolidated Statement of Activities.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Spending Policy — Effective July 2004, the Foundation's Board of Trustees implemented a revised spending policy with the dual objectives of preserving the real (after inflation) value of its current and subsequently acquired assets and providing the maximum flow of funds for current Foundation activities.

The revised spending policy provides that the amount which the Foundation makes available for scholarships, operating expenses and fees will be calculated by multiplying a Percentage by a Base. This computation will be made at the beginning of each fiscal year.

The Base for scholarship distributions will be an average of the market value of the Foundation's investments. The Foundation recognizes that certain circumstances may call for a different Base to be used. In such instances, the President of the Foundation, after consultation with the Investment Committee, may adjust the period of time used for the Base.

The determination of the Percentage factor for scholarship distributions will be reviewed periodically in the light of evolving trends with respect to investment returns and the rate of inflation, and adjustment will be made when it is considered appropriate. Should the total market value of any fund fall below the initial corpus plus additional contributions to the corpus, no distributions will be made unless authorized by the fund agreement or the Board of Trustees.

The Foundation recognizes that extremely unusual circumstances with respect either to financial markets or the needs of the communities it serves may, in rare instances, require temporary departures from the strict application of these Investment and/or spending policies.

Use of Estimates — 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. In the opinion of the Foundation's management, such differences would not be significant.

Advertising and Promotional Expenses — Advertising and promotional costs are charged to expense as they are incurred.

Accounting for Uncertain Tax Positions — The Foundation has adopted the provisions of Accounting Standards Codification (ASC) Topic 740, *Income Taxes*, relating to unrecognized tax benefits. This standard requires an entity to recognize a liability for tax positions when there is a 50% or greater likelihood that the position will not be sustained upon examination. The Foundation is liable for taxes to the extent of any unrelated business income as defined by IRS regulations. The Foundation believes that it has not engaged in any unrelated business income as defined by IRS regulations and that it is more likely than not that this position would be sustained upon examination. As such, there were no liabilities recorded for uncertain tax positions as of June 30, 2017 and 2016.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Cash and cash equivalents at June 30, 2018 and 2017 consist of the following:

	2018	2017
Operating cash	\$ 452,900	\$ 439,906
Restricted cash - Donations	2,191,962	2,077,999
Total cash and cash equivalents	<u>\$ 2,644,862</u>	<u>\$ 2,517,905</u>

Concentrations of Credit Risk — The Foundation's investments consist primarily of financial instruments including cash equivalents, equity securities, fixed income securities, certificates of deposit, and money market funds. These financial instruments may subject the Foundation to concentrations of credit risk as, from time to time, cash balances may exceed amounts insured by the Federal Deposit Insurance Corporation. In addition, the market value of securities are dependent on the ability of the issuer to honor its contractual commitments, and the investments are subject to changes in market values. Certain receivables also subject the Foundation to concentrations of credit risk. Management believes that risk with respect to these balances is minimal, due to the high credit quality of the institutions used.

The Foundation maintains cash balances at a local financial institution. Accounts at the institution are insured by the Federal Deposit Insurance Corporation. Cash and cash equivalents exceeding federally insured limits totaled \$0 at June 30, 2018 and 2017.

Unconditional Promises to Give — Unconditional promises to give at June 30, 2018 and 2017 consist of the following:

	2018	2017
Pledge receivable - unrestricted		
Receivable in less than one year	\$ 18,275	\$ 15,650
Receivable in one to five years	18,800	25,000
Receivable in six to ten years	-	-
Pledge receivable - temporarily restricted		
Receivable in less than one year	757,163	658,687
Receivable in one to five years	1,888,991	1,629,362
Receivable in six to ten years	5,440	82,835
Pledge receivable - permanently restricted		
Receivable in less than one year	26,180	29,682
Receivable in one to five years	48,375	59,870
Receivable in six to ten years	6,500	9,714
Total unconditional promises to give	<u>2,769,724</u>	<u>2,510,800</u>
Less discounts to net present value	(118,248)	(77,200)
Less allowance for uncollectible receivables	(52,000)	(52,000)
Net unconditional promises to give	<u>\$ 2,599,476</u>	<u>\$ 2,381,600</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments — Investments are carried at market value at June 30, 2018 as follows:

	Cost	Fair Value	Unrealized Gain
Common Stock	\$ -	\$ -	\$ -
Mutual funds	5,023,428	6,488,353	1,464,925
Corporate obligations	2,186,382	2,144,974	(41,408)
Bonds	556,519	546,881	(9,638)
Cash equivalents	198,317	198,317	-
	<u>\$ 7,964,646</u>	<u>\$ 9,378,525</u>	<u>\$ 1,413,879</u>

Investments are carried at market value at June 30, 2017 as follows:

	Cost	Fair Value	Unrealized Gain
Common Stock	\$ -	\$ -	\$ -
Mutual funds	4,993,428	6,082,382	1,088,954
Corporate obligations	1,682,929	1,698,033	15,104
Bonds	557,611	565,281	7,670
Cash equivalents	83,965	83,965	-
	<u>\$ 7,317,933</u>	<u>\$ 8,429,661</u>	<u>\$ 1,111,728</u>

Investment return and fees for the years ended June 30, 2018 and 2017 is summarized as follows:

	<u>2018</u>	<u>2017</u>
Interest and dividends	\$ 180,713	\$ 139,618
Realized gains	220,274	144,188
Total investment income	<u>\$ 400,987</u>	<u>\$ 283,806</u>
Unrealized gain (loss)	<u>\$ 302,151</u>	<u>\$ 795,480</u>
Investment management fees	<u>\$ (46,950)</u>	<u>\$ (43,777)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

In August 2008, the Financial Accounting Standards Board (FASB) issued FASB Staff Position No. FAS 117-1, "*Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds*" (FSP FAS 117-1). FSP FAS 117-1 provides guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). FSP FAS 117-1 also requires additional disclosures about an organization's endowment funds (both donor restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of West Virginia enacted UPMIFA effective March 5, 2008, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors determined that the Foundation's permanently restricted net assets met the definition of endowment funds under UPMIFA and adopted FSP FAS 117-1.

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes donor-restricted funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation's Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investment Return Objectives, Risk Parameters and Strategies. The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4%, while growing the funds if possible. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's fair value. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal rate, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value Measurements — Fair values of assets measured on a recurring basis at June 30, 2018 and 2017 are as follows:

	<u>Fair Value Measurements at Reporting Date Using:</u>			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2018				
Common Stock	\$ -	\$ -	\$ -	\$ -
Mutual funds	6,488,353	6,488,353		
Corporate obligations	2,144,974	2,144,974	-	-
Bonds	546,881	546,881		
Bond Reserve Funds	3,082,494	3,082,494	-	-
Contribution receivable — beneficial interest in charitable trusts	<u>270,955</u>	<u>270,955</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 12,533,657</u>	<u>\$ 12,533,657</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2017				
Common Stock	\$ -	\$ -	\$ -	\$ -
Mutual funds	6,082,382	6,082,382		
Corporate obligations	1,698,033	1,698,033	-	-
Bonds	565,281	565,281		
Bond Reserve Funds	2,982,460	2,982,460	-	-
Contribution receivable — beneficial interest in charitable trusts	<u>263,176</u>	<u>263,176</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,591,332</u>	<u>\$ 11,591,332</u>	<u>\$ -</u>	<u>\$ -</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based on unobservable inputs. There were no Level 2 or Level 3 inputs for the years ended June 30, 2016 and 2015.

Beneficial Interest in Trusts — The Foundation was the beneficiary of certain charitable trusts. The value of such trusts at June 30, 2018 and 2017 are as follows:

	2018	2017
Charitable trust	\$ 270,955	\$ 263,176

The Foundation's leasing activity include property under a direct financing capital lease arrangement expiring over the next 30 years. The component of the Foundation's investment in the capital lease at June 30, 2018 and 2017 is as follows:

	2018	2017
Total lease receivable	\$ 21,167,032	\$ 21,287,032

Minimum lease payments to be received as of June 30, 2018 for the next five years are:

2019	\$ 1,824,663
2020	1,877,444
2021	1,931,344
2022	1,986,075
2023	2,012,213
Thereafter	<u>41,585,815</u>
Total minimum lease payments	51,217,554
Less amount representing interest	<u>30,050,522</u>
Present value of net minimum lease payments	21,167,032
Less current portion	<u>180,000</u>
Long-term portion	\$ 20,987,032

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Property and Equipment, Net — A summary of property and equipment as of June 30, 2018 and 2017 is as follows:

	2018	2017
Land	\$ -	\$ 166,000
Buildings and improvements	1,039,064	1,282,353
Furniture and equipment	<u>17,015</u>	<u>63,463</u>
	1,056,079	1,511,816
Less accumulated depreciation	<u>618,406</u>	<u>812,370</u>
	<u>\$ 437,673</u>	<u>\$ 699,446</u>

Bonds Payable — A summary of long term debt as of June 30, 2018 and 2017 is as follows:

	<u>2018</u>	<u>2017</u>
The County Commission of Kanawha County, West Virginia		
Student Housing Revenue Bonds Series 2013		
Series 2013 AR-1 (5.75%, matures 2023)	\$ 2,035,000	\$ 2,155,000
Series 2013 AR-2 (6.50%, matures 2033)	6,655,000	6,655,000
Series 2013 AR-3 (6.75%, matures 2045)	<u>16,300,000</u>	<u>16,300,000</u>
	24,990,000	25,110,000
Less unamortized bond discount	<u>(152,398)</u>	<u>(295,860)</u>
	24,837,602	24,814,140
Less current portion	<u>180,000</u>	<u>120,000</u>
Long-term debt	<u>\$ 24,657,602</u>	<u>\$ 24,694,140</u>

During the year ended June 30, 2014, the County Commission of Kanawha, Charleston, West Virginia issued revenue bonds and loaned the proceeds to West Virginia State University Foundation. The Series 2013 AR-1, AR-1, and AR-3 housing revenue bonds were issued to finance the cost of construction of the Judge Damon J. Keith Scholars Hall, a 291 bed residence hall on the campus of West Virginia State University. The University will manage and operate the residence hall for the Foundation, and the bond payments will be paid from the revenue generated from student housing fees.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

The bonds were issued in the aggregate principal amount of \$25,175,000. The bonds consist of “Student Housing Revenue Bonds 2013 AR-1” in the amount of \$2,220,000, “Student Housing Revenue Bonds 2013 AR-2” in the amount of \$6,655,000, and “Student Housing Revenue Bonds 2013 AR-3” in the amount of \$16,300,000. The Series 2013 AR-1 bonds will mature on July 1, 2023, the Series 2013 AR-2 bonds will mature on July 1, 2033, and the Series 2013 AR-3 bonds will mature on July 1, 2045.

The bonds were sold at a discount of \$356,062 and this discount will be amortized over the life of the bonds. For the year ended June 30, 2018, the Foundation recorded discount amortization in the amount of \$15,051.

Bond issuance cost amounted to \$487,625 and will amortize over the life of the bonds. For the years ended June 30, 2018, the Foundation recorded issuance cost amortization in the amount of \$20,611.

For the years ended June 30, 2018 and 2017, the Foundation recorded bond interest of \$1,653,288 and \$1,658,606, respectively. For the years ended June 30, 2018 and 2017, the Foundation recorded capitalized interest of \$0.

Minimum maturities on the bonds payable of the Foundation for the next five fiscal years are as follows:

2019	\$ 180,000
2020	245,000
2021	315,000
2022	390,000
2023	440,000
Thereafter	<u>23,420,000</u>
Total	<u>\$ 24,990,000</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Restrictions and Limitations on Net Asset Balances:

Temporarily Restricted:

Temporarily restricted net assets at June 30, 2018 and 2017 consisted of the following:

	2018	2017
Athletic participation	\$ 235,663	\$ 443,162
Students' special projects	28,487	35,213
Academic programs	249,527	145,048
General scholarships	2,430,680	2,608,804
WVSU Foundation programs	2,602,199	2,004,523
Investment income and net appreciation	<u>2,477,099</u>	<u>2,138,774</u>
	<u>\$ 8,023,655</u>	<u>\$ 7,375,524</u>

Permanently Restricted:

Permanently restricted net assets at June 30, 2018 and 2017 consisted of the following:

	2018	2017
Endowment principal	\$ 7,072,900	\$ 6,967,135

Compensated Absences — Compensated absences for sick pay and vacation time have not been accrued since they cannot be reasonably estimated. The Foundation's policy is to recognize these costs when actually paid.

Federal Income Taxes — The Foundation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The wholly owned subsidiary, West Virginia State University Foundation Properties, Inc., is exempt from Federal income taxes under Section 501(c)(2) of the Internal Revenue Code.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

20. NATURAL CLASSIFICATIONS WITHIN FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, 2018 and 2017, the following table represents operating expenses within both natural and functional classifications:

	2018								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Off	Fees Assessed by the Commission	Total
Instruction	\$ 8,363,937	\$ 2,184,771	\$ 357,227	\$ -	\$ 18,117	\$ -	\$ -	\$ -	\$ 10,924,052
Research	2,356,108	504,089	5,200,340	40,277	13,500	-	-	-	8,114,314
Public service	1,688,454	411,359	1,616,414	42,341	-	-	-	-	3,758,568
Academic support	769,194	98,756	368,052	51,608	4,107	-	-	-	1,291,717
Student services	1,290,894	335,583	485,481	47,984	900	-	-	-	2,160,842
General institutional support	3,797,962	1,101,217	1,292,506	46,961	(128,094)	-	-	-	6,110,552
Operations maintenance of plant	1,223,291	395,907	(3,089,564)	1,239,786	-	-	-	-	(230,580)
Scholarship and fellowship	-	-	-	-	3,075,957	-	-	-	3,075,957
Auxiliary enterprises	1,215,704	290,954	3,845,646	582,399	5,684	-	-	-	5,940,387
Depreciation and amortization expense	-	-	-	-	-	3,499,082	-	-	3,499,082

	2017								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation and Amortization	Loan Cancellations and Write-Off	Fees Assessed by the Commission	Total
Instruction	\$ 8,913,463	\$ 2,207,491	\$ 969,668	\$ 3,900	\$ 47,122	\$ -	\$ -	\$ -	\$ 12,141,644
Research	2,257,082	495,927	3,690,305	20,686	6,600	-	-	-	6,470,600
Public service	1,927,138	446,336	1,771,630	69,350	-	-	-	-	4,214,454
Academic support	739,992	368,841	505,101	25,411	1,140	-	-	-	1,640,485
Student services	1,356,551	382,388	675,908	35,271	2,050	-	-	-	2,452,168
General institutional support	4,108,357	978,530	2,735,492	70,267	-	-	-	-	7,892,646
Operations maintenance of plant	1,198,392	497,198	(148,150)	1,105,017	-	-	-	-	2,652,457
Scholarship and fellowship	-	-	2,500	-	4,839,856	-	-	-	4,842,356
Auxiliary enterprises	1,240,362	205,755	2,896,974	652,530	-	-	-	-	4,995,621
Depreciation and amortization exp	-	-	-	-	-	3,603,447	-	-	3,603,447
Fees assessed by the Commission	-	-	-	-	-	-	-	110,505	110,505
Total	\$ 21,741,337	\$ 5,582,466	\$ 13,099,428	\$ 1,982,432	\$ 4,896,768	\$ 3,603,447	\$ -	\$ 110,505	\$ 51,016,383

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

21. SERVICE CONCESSION ARRANGEMENTS

The University has adopted GASB Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements. The University has identified two contracts for services that meet the four criteria of a service concession arrangement (SCA). SCAs are defined as a contract between a government and an operator, another government or private entity, in which the operator provides services, the operator collects and is compensated by fees from third parties, the government still has control over the services provided and the government retains ownership of the assets at the end of the contract.

During the entire year ended June 30, 2013 and for the period ending July 31, 2013 of the fiscal year ended June 30, 2014, the University had a contract with AVI Foodsystems, Inc. (AVI) who managed its dining services. The contract began on August 1, 2003 and allowed for nine annual renewals. AVI provided meal plans to students through the University as well as offering cash sales to the University community. The University received annual commission payments from AVI calculated as a contractually agreed percentage of cash sales and the University Paid AVI for the meal plans from fees collected by the University from students. In FY 2014 and 2013, the University received \$40,079 respectively, in commissions.

For the period starting August 1, 2014 of the fiscal year ended June 30, 2014, the University has a contract with Thompson Hospitality who manages its dining services. The contract started August 1, 2013 and allows for six (6) one-year renewals. Thompson Hospitality provides meal plans to student through the University as well as offering cash sales to the University community. The University receives annual commission payments from Thompson calculated as a contractually agreed percentage of cash and credit sales and the University pays Thompson Hospitality for the meal plans based on contractually agree rates from fees collected by the University from students. In FY 2018 and 2017, the University received \$13,128 and \$18,363, respectively in commissions. Initial capital investment and contributions totaling \$1,043,204 were made by Thompson Hospitality and will be billed to the University over the contract periods.

22. DONATION OF ASSETS

The University received a donation of assets (land and buildings) from the WV Department of Administration on June 28, 2013. The net book value of the assets totaled \$52,000 – the historical cost of the land. The buildings donated to the University were condemned by the WV Department of Rehabilitation Services before being turned over to the Department of Administration in FY 2012.

There were no donated assets during the year ended June 30, 2018.

23. OIL & GAS LEASE

The University entered into a lease agreement with Reserve Oil and Gas Company in August 2013. The lease allows for the company to drill up to three wells on campus with 15% royalty to be paid to the University. Royalties in the amount of \$7,978 and \$6,198 were received by the University in FY18 and FY17, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND
CONTRIBUTIONS**

Schedule of Proportionate Share of TRS Net Pension Liability

Measurement Date	University's	University's	State's	Total	University's	University's	University's
	Proportionate					Proportionate	Proportionate
	Share as a	Proportionate	Proportionate	Proportionate	Covered	Share as a	Net Position as a
	Percentage of	Share	Share	Share	Employee	Percentage of	Percentage of
Net Pension Liability					Payroll	Covered Payroll	Total Pension
June 30, 2017	0.03%	\$ 936,039	\$ 2,075,280	\$ 3,011,319	\$ 747,829	125.17%	68%
June 30, 2016	0.03%	1,288,208	2,453,693	3,741,901	810,120	159.01%	61%
June 30, 2015	0.03%	1,032,299	2,355,461	3,387,760	903,085	114.31%	66%
June 30, 2014	0.03%	1,198,042	2,706,856	3,904,898	903,085	132.66%	65%

Schedule of Employer Contributions

Measurement Date	Actuarial	Actual	Contribution	Covered	Actual Contribution
	Determined		Deficiency		as a percentage of
	Contribution	Contribution	(Excess)	Payroll	Covered Payroll
June 30, 2017	\$ 112,174	\$ 112,174	\$ -	\$ 747,829	0.149999532
June 30, 2016	112,518	112,518	-	810,120	13.89%
June 30, 2015	135,463	135,463	-	903,085	15.00%
June 30, 2014	159,923	159,964	(41)	1,066,427	15.00%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2018**

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only one year reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF OPEB LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of Net OPEB Liability

Measurement Date	University's Proportionate Share as a Percentage of Net OPEB Liability	University's Proportionate Share	State's Proportionate Share	Total Proportionate Share	University's Covered Employee Payroll	University's Proportionate Share as a Percentage of Covered Payroll	University's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
June 30, 2017	0.272728825%	\$ 8,260,158	\$ 2,075,280	\$ 10,335,438	\$ 20,882,082	9.94%	25.10%

Schedule of Employer Contributions
(In Thousands)

Measurement Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2017	\$ -	\$ -	\$ -	\$ 20,882,082	0.00%

These schedules are intended to show information for ten years. Additional years will be displayed as they become available.

Notes to Required Supplementary Information
For the Year Ended June 30, 2018

There are no factors that affect trends in the amounts reported, such as change in benefit terms or assumptions. With only one year reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the RHBT and PEIA at www.peia.gov.

CERTIFICATE REGARDING DEBT SERVICE COVERAGE

Pursuant to Subsection 8(a) of the Loan and Security Agreement dated as of February 1, 2014 (the "Loan Agreement"), by and between the West Virginia State University Board of Governors and Capital One Public Funding, LLC, the duly authorized officer of the Board of Governors and the Certified Public Accountant hereby certifies as follows:

1. Capitalized terms used and not otherwise defined in this Debt Service Coverage Certificate have the respective meanings given them in the Loan Agreement.

2. **Mrs. Kristi Williams** is the duly appointed, qualified and interim **Vice President of Business & Finance** of the Board of Governors (the "Authorized Representative") and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same and has made or caused to be made such examination or investigation as is necessary to enable the undersigned to express an informed opinion with respect to the subject matter herein.

3. The Authorized Representative has read the reporting requirements set forth in Section 8 of the Loan Agreement and the affirmative covenants set forth in Section 9 of the Loan Agreement and the definitions relating thereto.

4. Delivered herewith is a full, true and correct copy of the audited financial statements of the University for its fiscal year ended June 30, 2017 (the "Audited Annual Financial Statements") together with the executed unqualified opinion of independent certified public accountants with respect thereto, all as required in accordance with Section 8 and Section 9 of the Loan Agreement; the Audited Annual Financial Statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis.

5. No Default or Event of Default has occurred under the Loan Agreement during the period subject to the Audited Annual Financial Statements or thereafter to the date hereof, except None [provide reasonable detail if any Default or Event of Default has occurred and otherwise indicate "*None*"]

6. The audited amount of Pledged Revenues for the immediately preceding Fiscal Year (as reflected in or derived from the Audited Annual Financial Statements) is **\$704,658**. Such Pledged Revenues can be found as part of the Auxiliary Enterprise Revenue line item on page 14 of the financial statements for the fiscal year ending June 30, 2016. (Statement of Revenues, Expenses, and Changes in Net Position).

7. The Maximum Annual Debt Service which will come due on the Note in the current or any succeeding Fiscal Year is **\$243,114**, as reflected in fiscal year 2018 in the attached Final Numbers from the closing of the loan in February 2014.

8. The Debt Service Coverage for the immediately preceding Fiscal Year is determined as follows:

DEBT SERVICE COVERAGE RATIO

A.	Pledged Revenues	\$602,312
B.	Maximum Annual Debt Service	\$243,114
C.	Ratio of Line A to Line B	2.477: 1.00
D.	Line C must not be less than	1.50:1.00
E.	The Board of Governors is in compliance (circle one)	<input checked="" type="radio"/> Yes <input type="radio"/> No

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Governors
West Virginia State University
Charleston, West Virginia

We have audited, in accordance with the 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, the financial statements of West Virginia State University and its discretely presented component unit, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise West Virginia State University's basic financial statements, and have issued our report thereon dated October 25, 2018. The financial statements of the West Virginia State University Foundation, which were audited by other auditors, were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered West Virginia State University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of West Virginia State University's internal control. Accordingly, we do not express an opinion on the effectiveness of West Virginia State University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether West Virginia University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 25, 2018

West Virginia State University Audit Presentation

Year Ended June 30, 2018

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Chris Knopik, Principal
Daniel Persaud, Manager



Create Opportunities
We promise to know you and help you.

Overview

Overview of the Audit Process – Risk-Based Approach

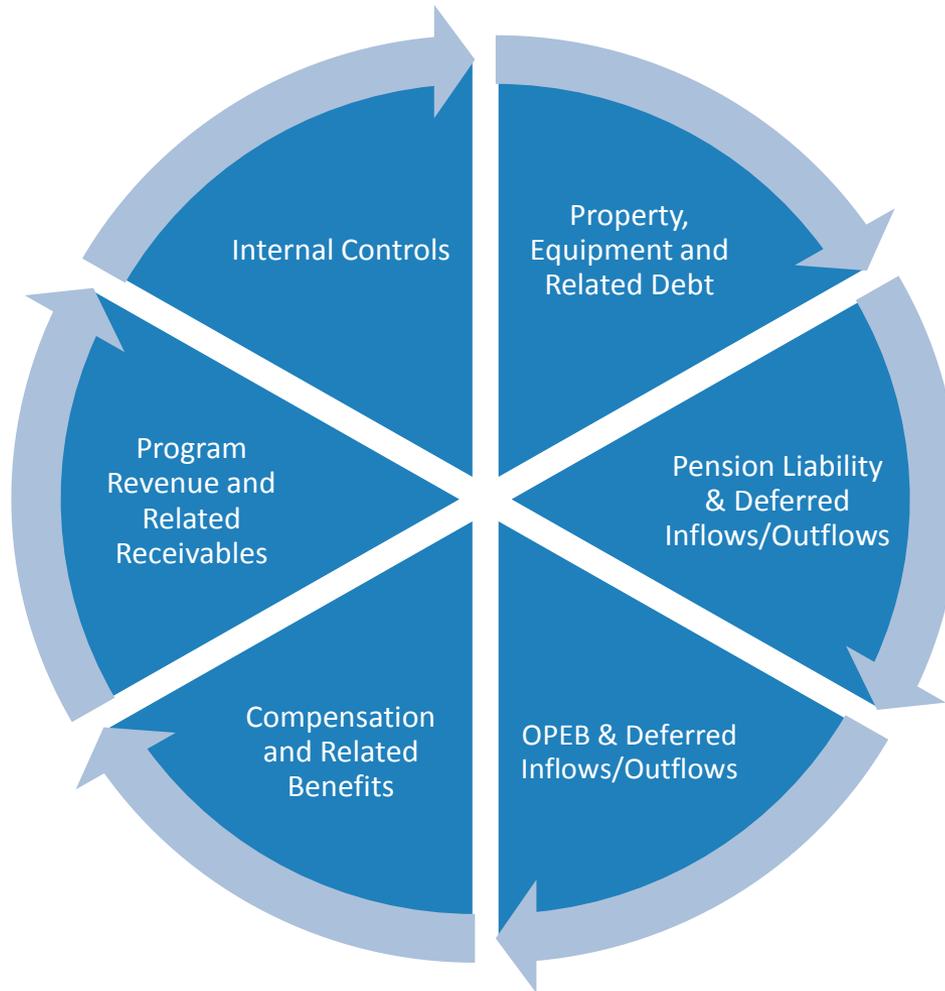
Audit Results

Governance Communication

Trends & Benchmarking



Risk-Based Approach



Audit Results

- **Financial Statement Results**
 - **Unmodified opinion** – which is the highest level of assurance a firm can provide

- **Federal Award Compliance**
 - Compliance – **No findings**
 - Internal control – **No findings**



Statement of Net Position

	<u>2018</u>	<u>2017</u>
Assets		
Current assets		
Cash and investments	\$ 1,739,011	\$ 1,537,185
Accounts receivable	1,387,050	1,164,691
Other	424,727	431,130
Noncurrent assets		
Restricted cash and investments	365,052	357,354
Other	109,571	160,830
Capital assets	<u>78,750,144</u>	<u>77,279,794</u>
Total assets	<u>82,775,555</u>	<u>80,930,984</u>
Deferred Outflows of Resources	<u>784,151</u>	<u>328,061</u>
Total Assets and Deferred Outflows of Resources	<u>83,559,706</u>	<u>81,259,045</u>
Liabilities		
Current liabilities	9,496,578	10,076,646
Noncurrent liabilities	<u>41,365,996</u>	<u>45,645,232</u>
Total liabilities	<u>50,862,574</u>	<u>55,721,878</u>
Deferred Inflows of Resources	<u>1,678,046</u>	<u>162,505</u>
Total Liabilities and Deferred Inflows of Resources	<u>52,540,620</u>	<u>55,884,383</u>
Net position	<u>\$ 31,019,086</u>	<u>\$ 25,374,662</u>
Net investment in capital assets	42,634,441	41,637,542
Restricted for debt service, capital projects and loans	(14,461)	13,815
Unrestricted	<u>(11,600,894)</u>	<u>(16,276,695)</u>
Total net position	<u>\$ 31,019,086</u>	<u>\$ 25,374,662</u>



Revenues and Expenses

	<u>2018</u>	<u>2017</u>
Operating revenues		
Student fees	\$ 10,850,974	\$ 10,494,956
Federal, state, and private grants	3,681,318	3,836,210
Auxiliary enterprise	4,553,336	4,377,225
Other operating revenues	<u>1,256,277</u>	<u>1,459,232</u>
Total operating revenues	<u>20,341,905</u>	<u>20,167,623</u>
Operating expenses		
Salaries, wages, and benefits	20,055,783	20,919,515
Supplies and other services	3,378,690	7,915,464
Student financial aid - scholarship and fellowships	2,990,171	4,896,768
Depreciation and amortization	3,077,766	3,163,629
Other operating expenses	<u>1,968,738</u>	<u>2,032,601</u>
Total operating expenses	<u>31,471,148</u>	<u>38,927,977</u>
Operating loss	<u>(11,129,243)</u>	<u>(18,760,354)</u>
Non-operating revenues (expenses)		
State appropriations	11,099,907	11,356,258
Federal Pell Grants	4,901,128	6,800,551
Other net non-operating	<u>(2,123,590)</u>	<u>(2,155,352)</u>
Total non-operating revenues	<u>13,877,445</u>	<u>16,001,457</u>
Payments on Behalf	<u>878,118</u>	<u>466,348</u>
Change in Net Position	<u>\$ 3,626,320</u>	<u>\$ (2,292,549)</u>



OPEB and Deferred Inflows/Outflows

- GASB 75 – Post Employment Benefits Other Than Pensions
 - Relied on actuarial report prepared by GRS Retirement Consulting

- Restatement as a result of GASB 75:

Net position - beginning of year, as previously stated	\$ 24,854,520
Balance of the net OPEB liability and related deferred outflows of resources and deferred inflows of resources	<u>3,237,866</u>
Net position - beginning of year, as restated	<u><u>\$ 28,092,386</u></u>



Governance Communication

Overall

- Purpose is to provide an update on the audit since the planning meeting
- No changes in scope of audit
- Change in accounting principle – addition of GASB 75 for OPEB and deferred inflows and outflows

Estimates

- Estimates are present in the financial statements:
 - Depreciable lives of fixed assets
 - Allowance for doubtful accounts
 - Compensated absences
 - Summer tuition (unearned revenue)
 - Scholarship allowance
 - Other postemployment benefits liability
 - Fair value of investments
 - Net pension items
- We are comfortable with management's estimate

Difficulties

- No difficulties encountered
- No disagreements encountered
- No other findings to report

Other

- No material adjustments recorded
- Two passed audit adjustments:
 - (1) Pass on adjusting Deferred Revenue
 - (2) Pass on recording retainage related to F Ray Power Building



Questions and Feedback

- We welcome any questions pertaining to the audits, governance communication letter, management letter or other matters related to the engagement.
- We appreciate the opportunity to serve as the auditors for the University and welcome any feedback relative to our performance.





Chris Knopik, CPA, CFE

Principal

Christopher.Knopik@CLAconnect.com

Daniel Persaud, CPA

Manager

Daniel.Persaud@claconnect.com



AGENDA
West Virginia State University Board of Governors
Finance Committee
Erickson Alumni Center,
December 7, 2018
9:30 a.m. - 9:55 a.m.

1. Call to Order and Roll Call – Chair, Mr. Mark Kelley, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. University Recommendations and Reports
 - a. Budget Reports – October
 - b. Accounts Payable Report
 - c. Accounts Receivable Report
 - d. Faculty Housing
6. Other Matters
7. Next Meeting Date – February 7, 2019
8. Adjournment

Agenda prepared by Ms. Natasha Tyson, Administrative Clerk for Finance Committee
November 12, 2018

MEETING MINUTES
West Virginia State University Board of Governors
Finance Committee
Erickson, Weisberg Lounge
October 25, 2018
8:40 a.m. – 9:30 a.m.

1. Call to Order and Roll Call

Chair, Mr. Mark W. Kelley called the meeting of the West Virginia State University Board of Governors to order at 8:40 a.m.

Present: Chair, Mr. Mark W. Kelley, Mr. William Lipscomb, Mr. James R. Buchanan, Mr. Gary Swingle

Absent: Mrs. E. Gail Pitchford, Mr. Charles E. Jones, Jr.

2. Verification of Appropriate Notice of Public Meeting

Chair, Kelley announced the verification of appropriate notice of a public meeting.

3. Review and Approval of Meeting Agenda

Chair, Kelley asked for a motion to approve the agenda. Mr. Swingle made a motion, and it was seconded by Mr. Buchanan. Motion carried.

4. Review and Approval of Minutes of the Previous Meeting

Chair, Kelley asked for a motion to approve the meeting minutes. Mr. Swingle made a motion, and it was seconded by Mr. Buchanan. Motion carried.

5. University Recommendations and Reports

a. Monthly Budget Reports – August and September

Mrs. Williams addressed the committee with the standard report based on information up to September 30, 2018, FY19. Year-to-date revenue collected (approximately) \$9.3 million, spent \$8 million. The target is 25%, we're at 26% revenue, and almost 23% expenses; holding within expectations for FY19. A little less tuition has been collected for the year due to some students being delayed in getting their financial aid completed and none of the third party payers have paid since September 30, and the Higher Ed Grants/Promise were late coming in from HEPC. President Jenkins reported that real time data is moved and reviewed when making decisions. Semester credit hours and FTE are looked when deciding if adjustments are necessary; moved away from relying on the 30 day snapshot, rather a 10 day because it moves it closer to the start of the semester and better adjustments can be made providing a better track moving forward and Kristi hit on some others putting the university in a much better financial situation.

E&G (Education and General) is made up of a portion of tuition and state appropriations provided by the State Legislature. Target is 25%, 24.3% E&G revenue collected YTD, and 25.9% expenses due to state appropriation amounts delegated by the legislature.

Non-E&G which includes the other parts of tuition (capital fee and auxiliary), room and board, course fees, auxiliary fees, parking, and faculty housing. Approximately 80% of

an instate student's tuition goes into the E&G funds which various fees come from such as activity fee, band, choir, cultural activities, technology, radio, and the Yellow Jacket.

Mr. Swingle suggested that the total figures of the All-Funds Report are to be presented as an area of focus to avoid confusion. Mr. Kelley stated that in addition to the totals, any areas of concern and the reason for concern are reported to the committee. Mrs. Williams agreed to make the change going forward.

Mrs. Williams reported that the cash position as of September 30 is detailed by each Oasis funds. Mr. Swingle asked that the committee concentrate on the Special Funds and that information is presented to the Board that can be fully comprehended and provides what is needed to properly monitor the progress and finances of the university.

Mrs. Williams referred to monitored information on a monthly basis of where the university is on spending of the p-card and payroll as a whole. As of September 30, 2018 versus September 30, 2017, p-card spending is down approximately \$200,000 while payroll is down approximately \$101,000 which is a combination of both, faculty and administration areas.

b. Accounts Payables Report

Mrs. Williams reported that as of August 31, 2018 payables decreased by \$174,000 from the end of July while September payables decreased by \$372,000 since August. Mr. Swingle requested an Aging Report on payables 30, 60, 90 days old to show the financial progression from the beginning of the year and each quarter, the total. President Jenkins stated that the university is in a stronger financial situation than the past few years with the focus being on payables. Mrs. Williams agreed to have the Aging Report going forward.

c. Accounts Receivables

Mrs. Williams provided a summary of tuition projections from the Cashier's Office from the past few semesters. The summary details per semester accounts of tuition assessed, outstanding accounts receivables, and the percentage which all are fairly consistent and the current semester is still in the process of being collected.

d. Faculty Housing

Mrs. Williams reported that Faculty Housing currently has six vacancies which will go down to five as of November 1. The vacancies are believed to be down due to a mass exiting of the athletic coaches who moved on with the previous head coach, however more inquiries of the properties have been recorded. Mr. Swingle asked that the number of vacancies be provided going forward.

6. Other Matters

No other matters at this time.

7. Next Meeting Date – December 7, 2018

8. Adjournment

Chair, Kelley asked for a motion to adjourn. Mr. Lipscomb made the motion, and Mr. Swingle seconded the motion. With there being no further business, the meeting adjourned at 9:20 a.m.

Respectfully Submitted by – Ms. Natasha Tyson, Administrative Clerk, Finance Committee, October 25, 2018

**West Virginia State University Board of Governors
Finance Committee
Budget Report – August and September
December 7, 2018**

- I. Purpose
To provide an update on status of the University's budget status as of 10/31/18.
- II. Background
This is a report to compare the YTD actual revenue and expenses against the annual budget projections.
- III. Discussion
Presentation of various highlights to Board members.
- IV. Recommendation(s)
Information.

**West Virginia State University Board of Governors
Finance Committee
Accounts Payable Update
December 7, 2018**

- I. Purpose
To provide an update on status of the University's outstanding invoices payable as of 10/31/18.

- II. Background
This information was requested by members of the Finance Committee.

- III. Discussion
Presentation of invoices payable by vendor and the change in payables from one month to the next.

- IV. Recommendation(s)
Information.

Accounts Payable as of 10/31/18

Vendor Legal Name	Line Amt
ADOBE SYSTEMS INC Total	11,769.24
ADVANTAGE TECHNOLOGY LLC Total	30,180.80
APPALACHIAN POWER CO Total	104,618.75
AUTOMOTIVE RENTALS INC Total	1,617.03
BB & T Total	9,139.68
BSN SPORTS Total	39,641.92
CHARLESTON NEWSPAPERS Total	600.00
DATAPAGES INC Total	1,200.00
DELL MARKETING LP Total	2,557.50
EBSCO Total	18,342.00
EDUCATION SYSTEMS INC Total	28,800.00
ELECTRONIC SPECIALTY CO Total	780.00
EVENT PRODUCTION LLC Total	1,548.20
FAIRMONT STATE UNIV Total	50.00
FERGUSON ENTERPRISES INC Total	12,665.00
FRITO LAY Total	137.73
FRONTIER Total	7,817.16
GALE CENGAGE LEARNING INC Total	7,542.96
GCA SERVICES GROUP Total	583,752.06
HARRISON CO BD OF EDUCATION Total	50.00
HF GROUP LLC Total	177.06
HIGHER LEARNING COMMISSION Total	500.00
HUNTINGTON NATL BANK Total	7,235.47
KRYSTAL TOLLIVER Total	157.09
LEE HARTMAN & SONS INC Total	5,198.22
MALDEN PSD Total	84.03
MATTHEW BENDER & CO INC Total	1,041.36
MBC CONSTRUCTION Total	2,660.00
MBS TEXTBOOK EXCHANGE INC Total	986.56
MOODYS INVESTORS SERVICE Total	8,000.00
MOREHEAD STATE UNIV Total	20.00
MOUNTAINEER GAS CO Total	2,566.22
NEWSBANK INC Total	220.00
NEWTECH SYSTEMS INC Total	34,922.30
PEOPLEWORK SOLUTIONS INC Total	416.67
PEPSI BOTTLING GROUP Total	1,706.39
PITNEY BOWES Total	15,510.36
PROQUEST LLC Total	14,370.00
RESERVE ACCOUNT PITNEY BOWES Total	10,000.00
RESERVE OIL & GAS INC Total	11,241.12
SONOCENT LLC Total	2,000.00
STUDIMO Total	2,100.00
SYMPPLICITY CORP Total	4,010.10
THOMPSON HOSPITALITY SERVICES LLC Total	1,807,732.14
TOBACCO ROAD TEES LLC Total	1,825.19
TURNITIN LLC Total	16,240.20
UNITED WAY OF CENTRAL WV Total	5,200.00
VTLS INC Total	39,565.65
WEALTHENGINE INC Total	3,665.00
WEST VIRGINIA UNIVERSITY FOUNDATION INC Total	500.00
WEX BANK Total	43.89
WILLIAMS & FUDGE INC Total	18,076.64
WORKFORCE WV UNEMPLOYMENT COMPENSATION DIV Total	4,847.10
WT COX INFORMATION SERVICES Total	39,155.33
WV AM WATER CO Total	253.17
WV OUTDOOR Total	5,025.00
WV STATE UNIV FOUNDATION INC Total	10,538.34
WVACRAO Total	100.00
WVSU NBS-AERHO Total	350.00
WVSU RESEARCH & DEVELOPMENT CORP Total	1,042.00
WVU OFFICE OF ADMISSIONS & RECORDS Total	40.00
XEROX CORP Total	37,719.73
Grand Total	2,979,852.36

Variance by Vendor

Vendor Legal Name	October
ADOBE SYSTEMS INC Total	11,769.24
ADVANTAGE TECHNOLOGY LLC Total	30,180.80
APPALACHIAN POWER CO Total	104,618.75
AUTOMOTIVE RENTALS INC Total	1,617.03
BB & T Total	9,139.68
BSN SPORTS Total	39,641.92
CHARLESTON NEWSPAPERS Total	600.00
DATAPAGES INC Total	1,200.00
DELL MARKETING LP Total	2,557.50
EBSCO Total	18,342.00
EDUCATION SYSTEMS INC Total	28,800.00
ELECTRONIC SPECIALTY CO Total	780.00
EVENT PRODUCTION LLC Total	1,548.20
FAIRMONT STATE UNIV Total	50.00
FERGUSON ENTERPRISES INC Total	12,665.00
FRITO LAY Total	137.73
FRONTIER Total	7,817.16
GALE CENGAGE LEARNING INC Total	7,542.96
GCA SERVICES GROUP Total	583,752.06
HARRISON CO BD OF EDUCATION Total	50.00
HF GROUP LLC Total	177.06
HIGHER LEARNING COMMISSION Total	500.00
HUNTINGTON NATL BANK Total	7,235.47
KRYSTAL TOLLIVER Total	157.09
LEE HARTMAN & SONS INC Total	5,198.22
MALDEN PSD Total	84.03
MATTHEW BENDER & CO INC Total	1,041.36
MBC CONSTRUCTION Total	2,660.00
MBS TEXTBOOK EXCHANGE INC Total	986.56
MOODY'S INVESTORS SERVICE Total	8,000.00
MOREHEAD STATE UNIV Total	20.00
MOUNTAINEER GAS CO Total	2,566.22
NEWSBANK INC Total	220.00
NEWTech SYSTEMS INC Total	34,922.30
PEOPLEWORK SOLUTIONS INC Total	416.67
PEPSI BOTTLING GROUP Total	1,706.39
PITNEY BOWES Total	15,510.36
PROQUEST LLC Total	14,370.00
RESERVE ACCOUNT PITNEY BOWES Total	10,000.00
RESERVE OIL & GAS INC Total	11,241.12
SONOCENT LLC Total	2,000.00
STUDIMO Total	2,100.00
SYMPPLICITY CORP Total	4,010.10
THOMPSON HOSPITALITY SERVICES LLC Total	1,807,732.14
TOBACCO ROAD TEES LLC Total	1,825.19
TURNITIN LLC Total	16,240.20
UNITED WAY OF CENTRAL WV Total	5,200.00
VTL'S INC Total	39,565.65
WEALTHENGINE INC Total	3,665.00
WEST VIRGINIA UNIVERSITY FOUNDATION INC Total	500.00
WEX BANK Total	43.89
WILLIAMS & FUDGE INC Total	18,076.64
WORKFORCE WV UNEMPLOYMENT COMPENSATION	4,847.10
WT COX INFORMATION SERVICES Total	39,155.33
WV AM WATER CO Total	253.17
WV OUTDOOR Total	5,025.00
WV STATE UNIV FOUNDATION INC Total	10,538.34
WVACRAO Total	100.00
WVSV NBS-AERHO Total	350.00
WVSV RESEARCH & DEVELOPMENT CORP Total	1,042.00
WVU OFFICE OF ADMISSIONS & RECORDS Total	40.00
XEROX CORP Total	37,719.73
Grand Total	2,979,852.36

Vendor Legal Name	September
ADVANTAGE TECHNOLOGY LLC Total	31,675.04
ANDREW W CRISCO Total	1,500.00
APPALACHIAN POWER CO Total	14,527.46
	1,617.03
	9,139.68
BRANDED CUSTOM SPORTSWEAR INC Total	9,480.80
BSN SPORTS Total	44,814.30
CENGAGE LEARNING INC Total	6,740.03
CHARLESTON NEWSPAPERS Total	3,475.00
	0.00
COMMERCIAL & HI-RISE WIND Total	1,475.00
D & H DISTRIBUTING CO Total	7,152.25
DATAPAGES INC Total	1,200.00
DELL MARKETING LP Total	2,557.50
DIRECT ENERGY BUSINESS MARKETING LLC Total	1,222.50
	18,342.00
EDUCATION SYSTEMS INC Total	28,800.00
ELECTRONIC SPECIALTY CO Total	780.00
	1,548.20
FAIRMONT STATE UNIV Total	50.00
FERGUSON ENTERPRISES INC Total	12,665.00
FOLLETT HIGHER EDUCATION GROUP Total	3,645.50
FRITO LAY Total	482.97
FRONTIER Total	8,494.41
GALE CENGAGE LEARNING INC Total	300.00
GCA SERVICES GROUP Total	524,623.04
	59,129.02
	50.00
HENRY SCHEIN INC Total	8,102.97
HF GROUP LLC Total	114.27
	62.79
	500.00
HOPKINS INC Total	10,350.73
HUNTINGTON NATL BANK Total	6,714.48
ICM DISTRIBUTING CO INC Total	719.80
J & J SUPPLY INC Total	743.32
J AMERICA INC Total	1,643.33
	157.09
LEE HARTMAN & SONS INC Total	5,198.22
LENOVO US INC Total	1,205.00
	0.00
LUMOS NETWORKS LLC Total	5,415.76
MALDEN PSD Total	84.03
MARK A GUERIN Total	600.00
MARSHALL UNIV Total	100.00
	1,041.36
MATTHEW RYAN FLETCHER Total	851.25
MBC CONSTRUCTION Total	2,660.00
MBS TEXTBOOK EXCHANGE INC Total	114,736.68
MCGRAW HILL SCHOOL EDUCATION HOLDINGS LLC Total	15,623.40
MICHAEL BAKER INTERNATIONAL INC Total	770.00
MOLTEN USA INC Total	1,069.52
MOODY'S INVESTORS SERVICE Total	6,800.00
	1,200.00
	20.00
MOUNTAINEER GAS CO Total	2,048.52
MOYER INSTRUMENTS INC Total	2,550.88
NEBRASKA BOOK CO INC Total	17,108.44
NEWSBANK INC Total	220.00
	34,922.30
PANGEA GROUP LLC Total	231.89
PAULA K MCCOY Total	32.01
PEARSON EDUCATION Total	32,468.63
PENNTX Total	196.81
PEOPLEWORK SOLUTIONS INC Total	1,250.01
PEPSI BOTTLING GROUP Total	1,706.39
PITNEY BOWES Total	14,529.66
	980.70
	14,370.00
	10,000.00
	11,241.12
REDSHELF INC Total	3,195.97
RICHARDSON SPORTS INC Total	2,887.68
SANITARY BD CITY OF DUNBAR Total	548.03
SIGMA ALDRICH INC Total	438.16
SILLING ASSOCIATES INC Total	235.70
SONOCENT LLC Total	2,000.00
STEPHEN M RAPPOLD Total	1,380.00
STUDIMO Total	2,100.00
	4,010.10
TECHSMITH CORP Total	2,880.90
	0.00
TEXAS BOOK CO Total	5,848.37
THOMPSON HOSPITALITY SERVICES LLC Total	1,613,541.33
	194,190.81
	1,825.19
TOTAL COMPUTING SOLUTIONS LLC Total	11,775.00
	(11,775.00)
UNITED WAY OF CENTRAL WV Total	5,200.00
	16,240.20
	0.00
	39,565.65
VISTA HIGHER LEARNING Total	13,347.00
W W NORTON & CO INC Total	1,754.33
WEALTHENGINE INC Total	3,665.00
WEST VIRGINIA UNIVERSITY FOUNDATION INC Total	500.00
WEX BANK Total	234.86
WILLIAMS & FUDGE INC Total	19,461.69
	(190.97)
	(1,385.05)
	4,847.10
	39,155.33
WV AM WATER CO Total	15,729.68
WV OUTDOOR Total	6,700.00
WV STATE UNIV FOUNDATION INC Total	10,538.34
WVACRAO Total	100.00
WVSV NBS-AERHO Total	350.00
WVSV RESEARCH & DEVELOPMENT CORP Total	66,402.81
WVU OFFICE OF ADMISSIONS & RECORDS Total	40.00
WYR CLOTHING Total	534.00
XEROX CORP Total	30,087.01
	7,632.72
Grand Total	2,782,982.66
	196,869.70

Over 300	\$ 1,294,406.43
120 - 299 days	\$ 550,457.31
90 - 119 days	\$ 141,520.68
60 - 89 days	\$ 280,650.51
0 - 59 days	\$ 712,817.43
Total	\$ 2,979,852.36

**West Virginia State University Board of Governors
Finance Committee
Accounts Receivable Update
December 7, 2018**

- I. Purpose
To provide an update on status of the University's student receivables as of 10/31/18.

- II. Background
This information was requested by members of the Finance Committee.

- III. Discussion
Presentation of summary information as to how much students owe the University.

- IV. Recommendation(s)
Information.

	Total Tuition	Total A/R	% of Tuition	# of Students	Average Balance	
Fall 2015	7,681,563	\$ 435,078	6%	252	\$ 1,726.50	
Spring 2016	6,817,418	\$ 307,021	5%	166	\$ 1,849.52	
Summer 2016	662,230	\$ 27,149	4%	30	\$ 904.98	
Fall 2016	7,672,066	\$ 322,741	4%	252	\$ 1,280.72	Includes EE
Spring 2017	6,887,672	\$ 121,881	2%	203	\$ 600.40	Includes EE
Summer 2017	609,556	\$ 21,867	4%	24	\$ 911.11	
Fall 2017	7,960,355	\$ 232,547	3%	444	\$ 523.75	Includes EE
Spring 2018	7,287,521	\$ 218,473	3%	385	\$ 567.46	Includes EE
Summer 2018	618,071	\$ 30,967	5%	21	\$ 1,474.62	
Fall 2018 (as of 11/16/18)	7,614,416	\$ 1,549,506	20%	1761	\$ 879.90	Includes EE

**West Virginia State University Board of Governors
Finance Committee
Faculty Housing Update
December 7, 2018**

- I. Purpose
To provide an update on status of the University's Faculty Housing as of 10/31/18.

- II. Background
This information was requested by members of the Finance Committee.

- III. Discussion
Presentation of summary information for prior fiscal years and YTD info for current fiscal year.

- IV. Recommendation(s)
Information.

**West Virginia State University
Faculty Housing Summary**

	FY19 As of 10/31/18	FY18	FY17	FY16	FY15	FY14	FY13
Beginning Cash	125,406.01	94,494.86	46,294.23	31,815.18	21,491.58	65,635.65	20,093.62
Revenue	25,040.12	72,653.04	102,078.42	97,964.89	104,137.76	106,350.35	143,268.48
Expense	21,705.35	41,741.89	53,877.79	83,485.84	93,814.16	150,494.42	97,726.45
Ending Cash	128,740.78	125,406.01	94,494.86	46,294.23	31,815.18	21,491.58	65,635.65

AGENDA
West Virginia State University Board of Governors
Institutional Advancement Committee
Erickson Alumni Center, Weisberg Lounge
December 7, 2018
8:30 a.m. – 9:25 a.m.

1. Call to Order and Roll Call—Chair William Lipscomb, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Report from Athletic Director
6. Report from University Advancement, Communications & Marketing
 - a. Fundraising Highlights
 - b. Cultivating Local Alumni through the Yellow Jacket Chapter
 - c. Cultivating Major and Planned Gifts
 - i. Small Events
 - ii. Personalized Invitations
7. Next Meeting Date – February 7, 2019
8. Adjournment

Agenda prepared by Ms. Pat Schumann, Administrator, Institutional Advancement Committee, November 27, 2018

MEETING MINUTES
West Virginia State University Board of Governors
Institutional Advancement Committee
Erickson Alumni Center, Weisberg Room
October 25, 2018
9:40 a.m. – 10:30 a.m.

1. Call to Order and Roll Call

Chair William W. Lipscomb called the meeting of the Institutional Advancement Committee to order at 9:43 a.m.

Administrative Clerk (Maria Drake) called the roll.

Members Present: Mr. William W. Lipscomb, Dr. Ann Brothers Smith, Mr. Mark Kelley, Dr. Frank Vaughan. Mr. Leon Vincent Williams joined by conference call. President Jenkins and several members of the administration and staff were present.

Members Absent: Mrs. E. Gail Pitchford

2. Verification of Appropriate Notice of Public Meeting

Chair Lipscomb announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Dr. Smith moved the agenda be approved with one amendment: Omit the Comparative Gift Report item 5.A, from the agenda. Seconded by Mr. Kelley. Institutional Advancement Committee approved the Agenda as amended.

4. Review and Approval of Minutes of the Previous Meeting

Dr. Smith motioned for approval of the Previous Meeting Minutes. Seconded by Dr. Vaughan. Committee approved the Previous Meeting Minutes.

5. Reports from University Advancement, Communications and Marketing

a. Fundraising Highlights

Patricia Schumann stated that \$57,000 in new gifts and pledges were received during Homecoming in response to President Jenkins' appeal. Earlier this week we announced the endowment of a scholarship in memory of David Scott Thaxton, a young graduate who had died last year.

b. Fundraising and Alumni/Donor Engagement Strategy 2019 – 2021

Sue Woodward presented the Fundraising and Alumni Donor Engagement Strategy. This plan, which was adopted by the Foundation Board at its October meeting, will provide a foundation for significant growth over the next three years. The focus is going to be on growing support from alumni and friends, expanding corporate and foundation partnerships, and increasing participation in signature events, such as Black & Gold Gala and F2Q. These priority initiatives will require collaboration and partnership from divisions within the university, such as Communications and Marketing, Academic Affairs, Alumni and Foundation Board members along with other stakeholders. Our fundraising projections for 2019 are flat as compared with 2018. We are doing an analysis of the database that will enable us to make data driven decisions as we make projections for future years. Following Sue's report, committee members asked about plans for a new capital

campaign. President Jenkins stated that last campaign did not just raise cash gifts; some of those gifts were planned gifts and pledges. Now moving forward, we have to look for new individuals who can make major and planned gifts, and pursue other avenues like corporations and foundations that can get behind our strategies of Innovation, Student Retention and Success, and Experiential Learning. Those are the areas where we want to attract support, based on academic offerings such as engineering, nursing, under-graduated research. We also want to increase our overall alumni participation in giving rate to 6% by 2022. We have to look at all these components to see what our next campaign will look like. The committee suggested that we should focus on alumni within the area since we have about 10,000 alumni just in the Kanawha Valley. Chair William Lipscomb mentioned that there are several alumni within the area who have stories to tell about their experience at STATE. Sue mentioned that during Homecoming, we had several alumni who were filmed telling their STATE stories, and the videos will be used to promote Giving Tuesday on November 27. Sue also highlighted Section 9 in the plan which refers to stewardship and retention. Just as it is important to have new donations, it is imperative that we retain the donors we have from year to year. We are also looking for people to host small dinners to introduce community members to President Jenkins and West Virginia State. Another area of interest is Governance; it is imperative that our Foundation Board and volunteers be a part of this effort.

c. Homecoming 2018

Belinda Fuller presented the Homecoming overview. All alumni who registered received a Katherine Johnson coaster. Belinda visited the Charleston Convention and Visitors Bureau; they were very excited that Belinda requested items to share with the alumni, and they supplied booklets to add to the packet. We had 398 individuals registered (a little down from 2017), and we had 40 people on site. Belinda reported that the alumna of the year was Judy Mason and the young professional achievement award winner was Sheri Sesay-Tuffour. A highlight of the weekend was the Opal Carter Archives ribbon cutting ceremony; the archive is located on the second floor of the Erickson Alumni Center.

d. It Starts at STATE launch

Jack Bailey presented the "*It Starts at STATE*" launch. The Communications and Marketing team has been working on an updated integrated marketing and communications plan. Through focus groups with alumni, current students, and high school students, surveys, and other data gathered, the team concluded that the best way to showcase or tell our STATE story would be to highlight the stories of students, alumni and community members who have been touched by STATE. This led to the unveiling at homecoming of our new slogan, "It Starts at STATE." Jack showed the committee the "It Starts at STATE" web page, which features these stories. We are building these out to share on the website and through social media. We will be producing a new commercial this year. It used to be called a TV commercial because it was primarily on TV, but we are going to have a 15-second segment that we can run on websites and on social media. Jack concluded his report by saying that at the bottom of the webpage is a form that invites readers to submit their own story.

6. Report from the Athletics Director

Nate Burton reported on fundraising for Athletics. The first item on the report is what we raise funds for. In FY2019, to meet basic operating costs, we must raise

\$318,526, which includes \$212,510 in unrestricted funds and \$106,016 in sport-specific funds. Our goal for the year is \$400,000. The extra is needed to address things are not budgeted in our totals, such as travel expenses for teams to compete in conference and regional tournaments, championship rings, etc. Next Nate presented a snapshot of the revenue and expenses for the past 4 years, and the funds raised to date for fiscal year 2019. Thus far in FY2019 we have raised \$155,286.97, and we have spent \$130,903.46. For the past 3 years, we raised a little over 1 million, and we spent 1 million; the money coming in is going straight out. Recently we received a commitment of \$45,000 from a single donor for book awards for student athletes. People may get involved in the following ways: Join the Champions Club with an annual gift of \$1,000; make a gift of any size to the athletic director's discretionary fund, the yellow jacket student success fund or the sport-specific fund of choice, or become a sponsor. Sponsorships currently account for about a third of revenues.

7. Next Meeting Date – December 7, 2018

8. Adjournment

With there being no further business, the meeting adjourned at 10:40 a.m.

Respectfully Submitted by –Ms. Maria Drake, Administrative Clerk, Institutional Advancement Committee, October 31, 2018

AGENDA
West Virginia State University Board of Governors
Presidential Review Committee
Erickson Alumni Center, Weisberg Lounge
Friday, December 7, 2018
8:00 a.m. - 8:25 a.m.

1. Call to Order and Roll Call – Chair, Dr. Ann B. Smith, presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Agenda Action
4. Review and Approval of Minutes of Previous Meeting Action
5. Executive Session under the Authority of West Virginia Code §6-9A-4
6. Next Meeting Date – *TBD*
7. Adjournment

Agenda prepared by – Ms. Crystal Walker, Presidential Review Committee Clerk,
November 8, 2018

**MINUTES FROM THE NOVEMBER 30, 2018 MEETING
DISTRIBUTED before DECEMBER 7, 2018**

AGENDA
West Virginia State University Board of Governors
Recruitment and Retention Committee
Erickson Alumni Center, Grand Hall
Thursday, December 7, 2018
8:30 a.m. - 9:25 a.m.

1. Call to Order and Roll Call – Chair, Charles E. Jones, Jr., presiding
2. Verification of Appropriate Notice of Public Meeting Action
3. Review and Approval of Meeting Agenda Action
4. Review and Approval of Minutes of the Previous Meeting Action
5. Recruitment and Retention
6. Next Meeting Date – February 7, 2019
7. Adjournment

Agenda prepared by – Ms. Rhonda Brogan, Recruitment and Retention Committee
Clerk, November 12, 2018

MEETING MINUTES
West Virginia State University Board of Governors
Recruitment and Retention Committee
Erickson Alumni Center, Grand Hall
Thursday, October 25, 2018
9:40 a.m. - 10:30 a.m.

1. Call to Order and Roll Call

Members Present: Katherine Dooley – P.O., James Buchanan, Baigen Seawell, Gary Swingle

Members Absent: Charles E. Jones, Jr.

2. Verification of Appropriate Notice of Public Meeting

Presiding Officer Dooley announced the Verification of Appropriate Notice of Public Meeting.

3. Review and Approval of Meeting Agenda

Ms. Dooley asked for a motion to approve of the Agenda. Mr. Swingle made a motion to approve the meeting agenda. Ms. Seawell seconded the motion. The motion was carried.

The Recruitment and Retention Committee approved the Meeting Agenda.

4. Review and Approval of Minutes of the Previous Meeting

Ms. Dooley asked for a motion to accept the minutes of the previous Meeting Minutes, Mr. Swingle made the motion to approve the previous meeting minutes. Mr. Buchanan seconded the motion. The motion was carried and the committee approved the previous meeting minutes.

5. Committee Presentation

a. Fall 2018 Final Enrollment

Dr. Yvette Underdue Murph stated the 30-Day Census for 2018 Fall Enrollment headcount included 3,571 undergraduate students and 121 graduate students. Fall 2017 headcount included 3,755 undergraduate students and 124 graduate students for a total of 3,879. Fall 2016 headcount included 3,391 undergraduate students and 123 graduate student for a total of 3,514 students.

Dr. Yvette Underdue Murph presented Fall 2018 headcount by respective college. Enrollment headcount for the Arts and Humanities College was 252, College of Business and Social Sciences was 593, College of Natural Sciences and Mathematics was 256, College of Professional Studies was 846, and headcount for Undergraduate College was 1830. The Undergraduate College encompasses general education and collaborative students. Mr. Swingle requested Fall 2018 enrollment by FTE be presented at the next meeting. Mr. Swingle asked what majors are offered in the College of Professional Studies. Dean Carney stated the following majors are offered in the College of Professional Studies: Criminal Justice, Education,

Health and Human Performance, Social Work, Master of Science in Sport Studies, Master of Education in Instructional Leadership, and Master of Criminal Justice Administration.

b. Career Exploration Initiative Sigi3 Update

Sandy Maharaj presented an update on the System of Interactive Guidance and Information (Sigi3). Sigi3 is a complete self-assessment tool to help students determine academic pathway, explore career options and establish short and long term goals. Career Services implemented an enhanced utilization of Sigi3. This was a three prong approach: Sigi3 was mandatory assessment for all new students, it was administered during Welcome Week, and the department is planning an intentional outreach to all current students.

In the past, the strategy to administer Sigi3 included: individual student consultations, First Year Experience courses and presentations during New Student Orientation. With the leadership of Dr. Underdue- Murph we enhanced the strategy to include the following specific cohorts: international students, transfer students, military and veteran students, and student athletes. Both the past and enhanced strategies were implemented with the Fall 2018 Cohorts. As a result, the student usage of Sigi3 increased to 544% over a 3-month period during this academic year 2018-19 as compared to the entire previous academic year of 2017-2018. There were 468 students that utilized the system in the last three months in comparison to only 86 the prior academic year. These three will engage our students with early career planning enhanced strategies in their academic and assist with the retention efforts.

Ms. Dooley queried whether there is any evidence that Sigi3 helps the student obtain employment? Ms. Maharaj stated that graduate employment information has not been tracked but will be in the future.

Ms. Dooley asked if Dr. Underdue Murph utilizes current students to recruit prospective students. Jameelah Means, Director of Undergraduate Admissions, stated that yes we do utilize current students to recruit prospective students. For example, a student from Brooklyn, NY will be trained how and what to say when talking with friends and family at home regarding WVSU. Ms. Means also stated that she had a student from Capital High School go back to the school and speak about her WVSU experience.

c. Retention and Student Success Initiatives

Dr. Shannon McGhee shared that two months into her tenure as Director of Retention and Student Success, she visited with several campus stakeholder groups. She further stated that the office is charged with leading, collaborating, and engaging stakeholders to implement comprehensive university-wide student retention and academic success initiatives. Within the Office of Retention and Student Success are the Center for Academic Engagement and two Learning Enrichment Centers. The Center for Academic Engagement deploys an integrated approach for the delivery of academic support services. The student population includes both domestic and international, as well as first-year and continuing students. The Learning Enrichment Centers have a focus on Writing Center as well as a Science, Business, and Mathematics. The centers provide personalized tutoring services and supplemental instruction.

Dr. McGhee facilitated the inaugural administration of the Beginning College Survey of Student Engagement (BCSSE) to the Fall 2018 cohort of first-time freshmen and transfer students. The BCSSE provides critical information to develop, monitor, and execute retention strategies. Below are the students that submitted BCSSE surveys.

Academic Expectations:

WVSU provide support to help academic success - 52% said it was very important
WVSU provide learning support services - 40% said it was very important
WVSU provide challenging academic experience - 15% said it was very important

Co-curricular expectations:

Opportunities to interact with diverse groups - 35% said it was very important
Help managing non-academic responsibilities - 31% said it was very important
Opportunities to be involved socially - 27% said it was very important

There were 679 students that participated in the BCSSE Survey. Of the 679 students, 99% were full-time students and 1% was part-time students. There were 55% female participants and 44% were male participants with 1% being other gender. The student participants were separated by ethnicity as well: 71% were white, 17% were Black/African American, 2% were Hispanic, 1% were Asian, 1% were American Indian/Alaska Native, 7% were Multiracial and 1% were Other. The surveys were categorized by first generation students, 66% said yes they were first-generation students with 34% stating they were not first generation student.

Mr. Swingle asked if the University tracked data for first-generation students. At the next meeting we will ask the Institutional Research department to present this data to the committee.

After the student submits their BCSSE survey, then an advising report is generated for each student. The reports are disseminated to the Deans and Faculty Advisors. The reports will be disseminated to Enrollment Management and Student Affairs stakeholders. This will allow collaboration between Student Life and Engagement, Counseling and Accessibility Services, Housing and Residence Life, and Career Services. These areas will have an opportunity to utilize BCSSE survey data for academic and co-curricular initiatives.

6. **Next Meeting Date** December 7, 2018

7. **Adjournment**

With there being no further business, the meeting adjourned at 10:26 am.

Respectfully Submitted by Ms. Rhonda Brogan, Recruitment and Retention, Committee Clerk October 30, 2018