

BOARD OF GOVERNORS MEETING MATERIALS
November 20, 2020

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**West Virginia State University
Board of Governors Meetings Schedule
Friday, November 20, 2020**

8:30 – 9 a.m.	Academic Policy Committee	Via Zoom https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09 Meeting ID: 959 6941 2647 Passcode: 204689
9 – 9:30 a.m.	Adhoc Bylaws and Policies Review Committee	Via Zoom https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09 Meeting ID: 959 6941 2647 Passcode: 204689
9:30 – 10:15 a.m.	Audit Committee	Via Zoom https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09 Meeting ID: 959 6941 2647 Passcode: 204689
10:15 – 10:45 a.m.	Recruitment and Retention Committee	Via Zoom https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09 Meeting ID: 959 6941 2647 Passcode: 204689
10:45 a.m. – 11 a.m.	Break	
11 a.m.	Full Board	Via Zoom https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09 Meeting ID: 959 6941 2647 Passcode: 204689



**Board of Governors
ACADEMIC POLICY COMMITTEE
Via Zoom**

<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>

Meeting ID: 959 6941 2647 | Passcode: 204689

Friday, November 20, 2020

8:30 a.m. – 9:00 a.m.

AGENDA

- | | |
|---|--------------------|
| I. Call to Order | Katherine Dooley |
| II. Roll Call | Brittany Fletcher |
| III. Verification of Appropriate Notice of Public Meeting | Katherine Dooley |
| IV. Approval of October 22, 2020 Meeting Minutes | Katherine Dooley |
| V. Academic Degree Program Review (<i>Action Required</i>) <ul style="list-style-type: none">• Media Studies, M.A. | Sharon Warren Cook |
| VI. Adjournment | Katherine Dooley |

**Board of Governors
West Virginia State University
Academic Policy Committee**

Date/Time: 11/20/2020 -- 8:30 AM

Location:

Meeting via Zoom
<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>
Meeting ID: 959 6941 2647
Passcode: 204689

Purpose: To conduct committee business prior to the full board meeting

Notes:

Meeting was approved : 11/12/2020 1:46:51 PM

Meeting Minutes
West Virginia State University Board of Governors
Academic Policy Committee
James C. Wilson University Union, Room 135 and Zoom
October 22, 2020
8:30 a.m.

I. Call to Order

With a quorum being present, the meeting was called to order by Committee Chair, Ms. Dooley, at 8:30 a.m.

II. Roll Call

The clerk called the roll. Members present were Ms. Dooley, Dr. Vaughan, Mr. Davis, Mr. Gray, Mr. Jones, Mr. Lipscomb, Mr. Payne, Dr. Smith, Ms. Harper, Mr. Kendrick and Mr. Kelley. Mrs. Pitchford was absent.

III. Verification of Appropriate Notice of Public Meeting

Ms. Dooley announced the Verification of Appropriate Notice of Public Meeting.

IV. Approval of Agenda

Mr. Jones motioned for approval of the agenda. Dr. Smith seconded the motion, and the motion carried.

V. Approval of Minutes

Mr. Jones motioned for the approval of the September 3, 2020 meeting minutes, and Dr. Smith seconded the motion. The motion carried.

VI. Academic Degree Program Reviews

Dr. Byers informed the committee that the program review committee recommends that the Biotechnology, M.A. and Biotechnology, M.S. programs continue at their current level of activity, with a follow-up review by spring 2021. Dr. Vaughan made a motion to recommend that both programs continue at their current level of activity, with a follow-up review by spring 2021. Mr. Kelley seconded the motion, and the motion carried.

VII. Adjournment

With there being no further business, a motion was made by Mr. Davis and seconded by Mr. Lipscomb to adjourn the meeting. The motion carried. The meeting adjourned at 9:04 a.m.

Respectfully Submitted by –Brittany Fletcher, Administrative clerk for Academic Policy Committee,
October 22, 2020

Approved by:

R. Charles Byers, Ph.D.
Interim Provost and Vice President for Academic Affairs
Academic Policy Committee Administrator

College of Arts and Humanities Master of Arts in Media Studies Program Review

Board of Governors Meeting
Academic Policy Committee
Robert Wallace
November 20, 2020

Program Highlights

- The program maintains a highly qualified faculty who work closely with students through experiential learning opportunities, travel, and international connections.
- Unlike other programs that have been reviewed, the M.A. in Media Studies shows an increase in student enrollment. The faculty's dedication to the program and its effectiveness in creating job opportunities is obvious in this fact.
- The program's unique academic tracks should be noted. It is a program that competes for students with some of what are considered the highest academic institutions (Harvard, John Hopkins, etc.), graduating and placing individuals with the same tenacity.

Media Studies Program Enrollment

Academic Year	Number of Majors	Number of Graduates
2017-2018	10	3
2018-2019	6	2
2019-2020	7	
2020-2021	18	

Reflections on Program Enrollment

- Program enrollment was trending downward until this semester.
- Starting Fall 2020 the Media Studies Graduate Program tripled its enrollment from just 6 graduate students to 18.
- Reasons for the increase in enrollment include the creation of a new 100% online track in Public Health Communication, which brought in 7 new students.
- The addition of students in the already-existing tracks can be credited to an increase in recruitment efforts (primarily social media).
- In addition, one student entered the graduate program after losing employment due to the COVID-19 Pandemic.

Reflections on Course Enrollment

- Course enrollment is high in the new Public Health Communications track.
- In addition, all but one of the students entering the program in Fall 2020, who were not in the Public Health Communications track, were seeking the Digital Media Track. This likely is a reflection of the increase in demand for students who can produce digital content for social media.

Reflections on Enrollment Projections

- Based on the number of students already expressing an interest in entering the program in the spring semester, it is likely enrollment in the Public Health Communication track will continue to grow.
- Hopefully now that the program can offer advanced video production kits for student use, the number of students in the Digital Media Track will also increase.

Committee Recommendations & Suggestions

- The committee recommends that the program's coordinator and/or assessment specialist create a follow up assessment review by no later than Spring 2021.
- The Program Review Committee did not see the financial impact of the program as this information was completed by Academic Affairs and not the program itself. The Committee recommends that the Board Of Governors and Academic Affairs look specifically into the cost analysis for graduate programs as the current formula for undergraduate programs does not apply.
- The committee recommends additional commitment by the university in terms of additional faculty to add to the diverse nature of the program and growing enrollment.

Recommendation to the Board of Governors

- The Program Review Committee recommends the Masters of Arts in Media Studies program be continued at its current level.

Questions



PROGRAM REVIEW Committee Recommendation Form

2019-2020

Program: Masters of Arts in Media Studies

Date: November 11, 2020

Type of Review: X Comprehensive Self-Study Follow-Up / Progress Report

Recommendation to the Board of Governors:

- X 1. Continuation of the program at the current level of activity with specific action as described in the Rationale section of this Form;
2. Continuation of the program at a reduced level of activity (e.g., reducing the range of optional tracks, merging programs, etc.) or other corrective action as described in the Rationale section;
3. Identification of the program for further development (e.g., providing additional institutional commitment);
4. Development of a cooperative program with another institution, or sharing courses, facilities, faculty, and the like;
5. Discontinuance of the Program according the provisions of Higher Education Policy Commission (Section 8.1, Series 11, Title 133)
6. Other. Specify.

Rationale for Recommendation:

- The Program Review Committee recommends Masters of Art program be continued at its current level WITH program report revisions suggested by the committee for the final report and assessment follow up.
The program maintains a highly qualified faculty who work closely with students through experiential learning opportunities, travel, and international connections.
The committee recommends that the program's chair and/or assessment specialist create a follow up assessment review by no later than Spring 2021
The Program Review Committee did not see the financial impact of the programs as this information was completed by Academic Affairs and not the program itself. The Committee recommends that the BOG and AA look specifically into the cost analysis for graduate programs as the current formula for undergraduate programs does not apply.
Unlike other programs that have been reviewed, the M.A. in Media Studies shows an increase in student enrollment. The faculty's dedication to the program and its effectiveness in creating job opportunities is obvious in this fact.
The committee recommends that, as evidenced by the report, additional commitment by the university in terms of additional faculty to add to the diverse nature of the program and growing enrollment
Finally, the programs' unique academic tracks should be noted. It is a program that competes for students with some of what are considered the some of the highest academic institutions (Harvard, John Hopkins, etc.), graduating and placing individuals with the same tenacity.

Signature of Committee Chairperson

Handwritten signature of the committee chairperson

Program Review Executive Summary

West Virginia State University
Program: M.A. in Media Studies
Program Options: Digital Media/Theory & Criticism/Public Health
Communication
Date of Review: AY 2019-2020

Consistency With Mission (HEPC Series 10.5.4)

Centrality to Institutional Mission:

Error! Reference source not found.

Program Learning Outcomes:

Error! Reference source not found.

Adequacy (HEPC Series 10.5.2)	
Error! Reference source not found. Note: Two full-time faculty members have required. A new tenure-track faculty line is to be filled before next semester.	
Faculty Production	
Error! Reference source not found.	

Necessity (HEPC Series 10.5.3)	
Post Program Placement	Approximately 10% of Media Studies graduates pursue Doctoral or other advanced (Jurisprudence of Law) degrees. Approximately 70% find employment in a media or communications-related field. The other 20% find employment in other fields.

Viability (HEPC Series 10.5.1)	
Program Enrollment	Error! Reference source not found. Error! Reference source not found.
Program Cost	The financial cost of Graduate Programs at WVSU have, traditionally, been provided directly from Academic Affairs. No formula has been provided to account for program cost or return on investment to the Program Director, Chair, or Dean.
Outside Services	Number of Service Courses Taught: N/A Number of Early Enrollment Courses Taught: N/A Error! Reference source not found.

Summary / Future Needs	
Program Strengths	Error! Reference source not found.
Program Weaknesses	Limited number of faculty. Currently, the Media Studies Program has just 4 full-time professors now serving on the graduate faculty. (In the past the program had 6, but two retired). While the program does a good job of recruiting qualified professionals and faculty from other departments to teach classes, it does often leave the three faculty members struggling to give the thriving program the attention it deserves, especially considering its potential for further growth in the future. Error! Reference source not found.
Summary Conclusions	The Media Studies Graduate Program has experienced incredible growth in Fall 2020, tripling the number of enrolled students from 6 to 18. This growth is largely due to the creation of a new 100% online Public Health Communication track, which is the only one of its kind in the state and one of just a few in the U.S. The Public Health track was created under the advisement of the WV Bureau of Public Health, which is actively hiring Media Studies graduate students for full-time positions with the bureau. One student has been hired, and three are in the interview process (all with understanding they will complete their degrees). In addition, the Media Studies Graduate Program received a \$50,000 grant this semester for the purchase of laptops and video equipment to be used by graduate students. The program coordinator also is working closely with Hamdan Bin Mohammed University in Dubai, UAE, to develop a new interdisciplinary track, to be housed in the Media Studies Program.
Future Needs	Error! Reference source not found.

Program Review Committee Recommendation	
Recommendation	<input checked="" type="checkbox"/> Continuation of the program at the current level of activity <input type="checkbox"/> Continuation of the program at a reduced level of activity <input type="checkbox"/> Identification of the program for further development <input type="checkbox"/> Development of a cooperative program with another institution, or sharing of courses, facilities <input type="checkbox"/> Discontinuance of the program
Justification:	See Recommendation Form for Justification
Provost / Vice President of Academic Affairs Recommendation	
Recommendation:	<input type="checkbox"/> Continuation of the program at the current level of activity <input type="checkbox"/> Continuation of the program at a reduced level of activity <input type="checkbox"/> Identification of the program for further development <input type="checkbox"/> Development of a cooperative program with another institution, or sharing of courses, facilities <input type="checkbox"/> Discontinuance of the program
Explanation:	Click or tap here to enter text.

West Virginia State University

Comprehensive Program Review

for

Master of Arts
in
Media Studies

Submitted to

The Program Review Committee

Fall 2015-Spring 2020

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(Any documents you wish to include other than the requested appendices. Exhibits should only include items specifically referred to in this document.)

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SECTION I: PROGRAM DESCRIPTION

A. Program Purpose Statement

The M.A. in Media Studies is an integrated, interdisciplinary program intended for students with a traditional undergraduate education and some experience in communications and digital media. Students graduating with this degree, unique in West Virginia, are ideally suited to take advantage of the expanding job possibilities in graphic design, digital video production, interactive media and multimedia production, electronic publishing, and on-line information services. The purpose of the program is a two-fold comprehensive approach that prepares students to take advantage of careers in both traditional and evolving media formats. The mission purpose is to:

- 1) Educate students in a rapidly evolving multi-cultural environment to analyze, interpret, and resolve media issues vital to the maintenance and growth of a democratic society.
- 2) Educate and train students in the creative and technological fields of media production.

The program requires students to gain an understanding of both theory and production skills while focusing on the mastery of one. Furthermore, graduates are prepared to continue their graduate work toward a doctoral degree.

Information technology is a dominant business sector with a demand for highly skilled workers. As West Virginia moves away from an economy based on heavy industry (coal, chemical, and manufacturing) this program is ideally suited to impart the educational skills necessary for the emerging careers in media and information technology.

In addition, the new 100% online Public Health Communication track educates public health professionals to use strategic communication and marketing tools to influence the public, the media and government agencies in ways that advance public health objectives. Also it is integral to the mission of this track to put forward innovative ways to communicate the significance of healthy living to the community and beyond.

B. Program Outcomes

Media Studies Program Level Outcomes

1. *General Critical Analysis in media scholarship* which will provide students with an understanding of basic research and methodologies, variously grounded in the arts, humanities and social sciences that are pertinent to conducting research in media and its industry. This understanding will also prepare them for leadership roles in evaluating, adopting, and measuring the effectiveness of existing and emerging communication technologies and processes.
2. *Interpret a variety of script format into professional quality digital media productions* thus enabling students to effectively manage the integration of existing and emerging technologies and processes.
3. *Apply legal and ethical principles to media projects* thereby preparing them to formulate and integrate ethical considerations in the management and business applications of existing and emerging communication technologies and processes.

C. Consistency with University Mission

West Virginia State University's mission, "to meet higher education and economic development needs of the state and region through innovative teaching and applied research" is well met by the Media Studies Graduate Program.

Moreover, West Virginia State University's vision, as articulated by President Anthony L. Jenkins in 2016, states that the school aspires to become a premier regional research university that is recognized nationally for its quality education, innovative teaching, and experiential learning. Faculty and graduate students contribute to the mission and vision by engaging in research and creative efforts producing films, graphic novels, public relations campaigns, and presenting conference papers and publications. This research enhances teaching and contributes to the mission by advancing "innovative teaching" in all aspects of the classroom, including the instruction of online, face to face, and hybrid classrooms.

WVSU is "a living laboratory of human relations" and a historically black university, which values "our rich and diverse heritage." To support this mission, students take courses and participate in international study tours to make sure they understand and appreciate gender, age, racial/ethnic, and regional diversity, as well as further develop "human capacities for integrity, compassion, and citizenship." Graduate students have participated in international study tours to the United Arab Emirates, Peru, Norway, Cuba, Tanzania, Belize, and the Czech Republic, where they assisted in creative film projects and/or interacted with WVSU's partner universities. Media Studies graduate students also take courses such as MS 635 Race, Gender & Media; MS 655 Film History; MS 645 Film Theory; and MS 601 Critical Approaches to Media Studies, all of which cover racial/ethnic discrimination in the media, as well as feminist theory.

The mission states that students will learn a core "that includes effective communication." This "value" begins in the Media Studies Program with MS 502 Graduate Research & Writing, a course which prepares students to follow APA Style and to write critically for the purpose of research and publication.

The Program endeavors to provide "accountability through shared responsibility and continuous improvement" through various levels of assessment, and the use of assessment findings.

D. Previous Reviews and Corrective Actions

After the 2009-2014 Program Review, the recommendation was for the continuation of the program at the current level of activity with a follow up on assessment. The department presented that assessment report in Fall 2016 and has continued the assessment process outlined in that plan.

E. Accreditation Information

NA

SECTION II: ADEQUACY

Curriculum

Foundation Core Requirements (9 hours)

MS 500 Digital Storytelling

MS 503 Mass Communication Theory

MS 502 Graduate Research & Writing

Concentration (9 hours)

Digital Media:

MS 510 Digital Graphic Design

MS 541 Digital Video Production

MS 543 Animation Production

MS 548 Screenwriting

MS 565 Producers Seminar

MS 600 3D Design

MS 640 Interactive Media

Theory & Criticism:

MS 505 Media Research

MS 515 Public Relations Theory & Practice

MS 561 Media Law

MS 635 Race, Gender & Media

MS 645 Film Theory

MS 655 Film History

Advanced Core (6 hours)

Choose one three-hour course at the 600 level from each of the two program concentrations (Digital Media, Theory & Criticism)

Electives (6 hours)

Any 500 or 600 level course.

Thesis (6 hours)

MS 698

MS 699

B. Faculty

The Media Studies faculty members are professionally involved and committed to the success of their students. They attend conferences, publish, produce and lead international study tours. They are active scholars and artists. They participate in University governance and community services and activities. They also receive national awards. Media Studies faculty members are among the most acknowledged and active in the University. In addition to carrying a normal course load, they procure federal, state and private funding for programs and projects; they also serve as advisors to student organizations (e.g., PRSSA and NBS).

All of the full-time faculty member hold graduate degrees (MA, MFA or PhD) in the appropriate areas. Several faculty from other departments (English, Art) occasionally teach Media Studies Graduate courses.

Dr. Robin Broughton (Media Studies Graduate Coordinator):

Professor of Communications & Media Studies – Dr. Broughton holds a Ph.D. in Interpersonal Communication, an MA in Philosophy and a BS in Journalism from Ohio University. Dr. Broughton teaches the graduate courses Critical Approaches to Media Studies, Media Law, Media Ethics, and Integrated Media; and the undergraduate courses Media Law, Media Writing, and New Media. Her research is in the area of media criticism, having presented papers at many conferences, including the International Conference for Social Sciences at Cambridge University in England and at the International Communication Association Conference in Sydney, Australia. She also was instrumental in forming a partnership between WVSU and the University of Sharjah in the UAE, a partnership that has resulted in collaborative film projects, student recruitment and an international conference hosted by WVSU and UOS in 2016. In addition to her own personal travels around the world, her diverse travels with students has taken her to Prague, the Czech Republic, Belize, Guatemala, Cuba, Norway, Peru and even on a climb up Mt. Kilimanjaro in Tanzania, East Africa, for a short documentary. Dr. Broughton has published two books on mountain biking in West Virginia and writes frequently for outdoor magazines.

Professor Steve Gilliland:

Chair of the Communications & Media Studies Program - Professor Gilliland has extensive experience in both live-action and animated filmmaking. He has worked as a cinematographer, videographer, and editor on scores of projects including documentaries, commercials, and music videos. He has production designer credits on three feature films. He has conducted dozens of media production workshops for all ages – from elementary school students to Elderhostel scholars. He has given presentations for organizations such as the West Virginia Governor's Honors Academy, the West Virginia Filmmakers' Guild, and the University of Dar es Salaam in Tanzania, Africa. He has enjoyed learning from his own students as a faculty member in West Virginia State University's Department of Communications since 1986.

Dr. Ali Ziyati:

Professor of Communications & Media Studies – Dr. Ziyati earned his Ph.D. in Mass Communication (Ohio University) in 1995, Master of Arts in Telecommunications (Ohio University) in 1992, and Bachelor of Arts in Journalism (Institut Superieur de journalisme, Rabat, Morocco) in 1987. He teaches Public Relations, Social Media, Integrated Marketing Communication, and Research Methods. Prior to joining WVSU in the Fall of 2011, Dr. Ziyati was Associate Professor at Marietta College, Marietta, OH (2007-2011). He also served as Dean of the Faculty of Mass Communication and Public Relations at Ajman University in the United Arab Emirates (UAE). He has also held teaching positions at the Institut Superieur de

l'Information et de la Communication (ISIC), the International Institute of Higher Education in Morocco (IIHEM) and the Institute of Languages and Communication Studies (ILCS) in Rabat, Morocco. He also served as an adjunct faculty member at Ohio University where he taught Public Speaking, Introduction to Mass Communication, Research Methods, and Intercultural Communication. In addition, he was also a visiting professor at Lock Haven (PA) University, a Fulbright scholar. He was awarded the 2016 Public Relations Teacher of the Year by the PRSA-WV chapter and the 2016 Communication Teacher of the Year by the Moroccan American Network and the National Press Club in Washington, D.C.

Professor Dave Brock:

Part-time Instructor of Communications & Media Studies – Professor Brock has an M.F.A. and has been professionally represented in Hollywood as a Writer-Director for almost a decade following his Student Academy Award nomination for a film adaptation of a short story by Stephen King. He has written several screenplays on "spec" and continues to develop film projects independently, and he actively seeks to involve students in his creative endeavors whenever possible. He continues to teach various courses in film production, film history, and screenwriting, a privilege he has enjoyed for almost 15 years.

Professor Kimberly Cobb:

Professor Cobb holds a Master of Arts in Speech Communication from Marshall University. She has served as Program Coordinator for the Media Studies Program in the 2017-2018 academic year. She teaches courses in audio production and direction, television production and direction, voice and diction and several general education courses. She also serves as the advisor for the WVSU Chapter of the National Broadcasting Society/ Alpha Epsilon Rho. She is a member of the AERho honorary and has served on several committees for the organization. She was voted Advisor of the Year by her peers at the 2020 conference and convention in Los Angeles CA.

Dr. Tee Ford-Ahmed:

Professor Emeritus of Communications & Media Studies – Dr. Ford-Ahmed also serves as International Outreach Liaison for the International Studies Program for which she wrote/received grants totaling a million dollars and currently advises the C.R. Byrd Chapter of the Public Relations Student Society of America (PRSSA) and its student-run firm Tower Communication. In this last capacity the WV Society of Professional Practitioners awarded her the coveted "Crystal" as WV PR Educator of the Year. Earlier in the year Tee served as Producer of *#Camel*, a short narrative film which was shot on location in both West Virginia and the United Arab Emirate by WVSU graduate students and faculty/students from the University of Sharjah, United Arab Emirate. In addition to these activities she has co-authored journal articles and anthologies including *Opening an Office of International Affairs: a Case Study*; *Building Diverse Communities: Applications of Communication Research* and *I too, am a Coal Miner's Daughter* which is part of the cultural studies anthology *Generation to Generation, Maintaining Cultural Identity over Time*. Her abroad experience includes study tours to West Africa, South Africa, Estonia, Czech Republic, Mexico, Russia and Zimbabwe for students/faculty /community, lectureships in Nigeria and cultural research in China. She is a recipient of the WV Women's Commission "Celebrate Women in Education" award.

Dr. Barbara Ladner:

Professor of English – Dr. Ladner earned her B.A. in English from Rice University, in Houston, Texas, and her Ph.D. in American Studies from Yale University, in New Haven, Connecticut. She

taught at the University of California at Berkeley and Marshall University before joining the Department of English at West Virginia State University in 1991. She has also worked in university public relations at Columbia University and the Marshall University Graduate College, and in editing for the Fine Arts Museums of San Francisco and a number of publishing companies in New York City. At WVSU, she has worked as assistant dean of the Governor's Honors Academy in 1995 and 1996, was coordinator of General Education from 1998 to 2006, chaired the Department of English from 2008 to 2010, and was dean of the College of Arts and Humanities from July 2010 to August 2013.

In addition, several full-time WVSU faculty members have served (and continue to serve) on graduate thesis project committees. These include Dr. Billy Joe Peyton and Dr. Stuart McGehee (History); Dr. Anne McConnell, Carol Taylor-Johnson and Professor Barbara Henry (English), Dr. Reidun Ovrebo, and Professor Brent Thomas (Art) and Dr. Manashi Ray (Sociology).

C. Students

1. Entrance Standards:

Students must hold a Bachelor's Degree and have at least a 3.0 GPA. They also must submit a 500-word essay explaining what they would do with a graduate degree in Media Studies. International students must also submit TOEFL scores and participate in a Skype interview. Students who do not meet the GPA requirement can be admitted provisionally by the Graduate Coordinator. Provisional admission requires that a student earn at least a 3.0 during the first semester of study.

2. Entrance Abilities:

Media Studies graduate students enter the program from various academic backgrounds. While most come from undergraduate programs in Communications, Journalism, or Film, others come from Information Technology, Business, Education and others. Most of the students have at least 3.0 GPA's in their undergraduate programs; though about 10% are entered into the program provisionally with a lower overall GPA. At least 75% of students entering our program already have some experience in media production (producing films, writing freelance articles, participating in public relations campaigns, etc.)

3. **Exit Abilities:** Media Studies graduates achieve prestigious, high-earning positions in the communications field (vice president of a large company, director of a worldwide peace organization, attorney, etc.) (See appendix for more examples.)

4. **Graduates:** Approximately 10% of Media Studies graduates pursue Doctoral or other advanced (Jurisprudence of Law) degrees. Approximately 70% find employment in a media or communications-related field. The other 20% find employment in other fields. (See Post-Program Placement section for examples.)

D. Resources

1. Financial

The Media Studies Graduate Program operates under the budget of the Communications Department. As with our other Masters programs, Academic Affairs has always done the financial aspect of the program.

Note: For the 2020-21 academic year, the Media Studies Program was awarded a \$50,000 federal grant (Coronavirus Aid) to purchase video equipment and laptops. The Media Studies Program was able to purchase 11 digital production kits (editing laptops, cameras, microphones, tripods, etc.), which can be checked out by students in the Digital Media track at the beginning of each semester to be used for the duration of the semester. The Program also purchased 8 laptops, which students in the Public health Communication track can check out and use for the duration of the semester as well. Also purchased was a laptop for the graduate coordinator and one for Cole 210, the primary classroom for Media Studies.

2. Facilities

Media Studies courses are taught in Cole 210, Cole 216 and Davis 103. Cole 216 contains 12 Mac computers with advanced film editing and graphic design capability. The program also has a large stock of state-of-the-art filmmaking equipment (including equipment from recent grant) including 18 video cameras, 12 video editing laptops, 10 standard laptops, and more than a dozen light kits, audio production sets, tripods, reflectors, etc. Cole 210 and Davis 103 are set up for lecture and both have computers with projection -- ideal for standard classroom lecture as well as remote (Zoom) teaching.

D. Program-Level Assessment

1. Assessment Procedures

The Media Studies Program's learning outcomes (PLOs) are derived and strongly linked to the Program and University missions. The program PLOs have been in place since 2014 and shaped by industry and current trends. This includes including input from our partners inside and outside of the University. They are set to measure the highest academic standards reflecting those criteria. Assessment is measured through the use of program learning outcomes mapping and a system of direct assessments utilizing rubrics and indirect methods when applicable (i.e. exit survey documents). (Refer to appendix for sample rubric and exit survey.)

The program learning outcomes and mapping process is initially completed by the Program Coordinator and faculty of the Media Studies program each academic year. Development of assessment instruments also began at that time. There have been no significant changes in university assessment standards. As a result, data collection and data interpretation have been very stable and very beneficial.

Assessment for the Media Studies program has been conducted through the use of a detailed assessment map and established rubrics. Just like the undergraduate level, the Media Studies program uses a variety of tools to conduct its assessment. A sampling of writing assignments, research projects, presentations, and productions are utilized as key assessment points at varying levels throughout a student's course of study. Indirect assessments included (where applicable) the use of exit surveys. These methods have been in place since 2012 and have undergone periodic review both at the administrative level and department level.

The program coordinator works closely with the department assessment coordinator, Dr. Ali Ziyati. Faculty assess within their courses according to the assessment map and report their findings to the program coordinator each term. The coordinator is then able to determine successes, needs, etc. The

program coordinator addresses these issues at the monthly department meetings and a course of action is established after discussions. Over time, the assessment data show if assessment processes and student outcomes are meeting program level goals. Such data may have implications for future course/track development, staffing needs, and budgeting pertinent to meeting the goals established by the program and institutional missions. Currently, the program is in the process of submitting a job description for film/health communication faculty position.

Use of Assessment Data: Learning-Teaching-Curriculum

The Media Studies faculty meet twice annually to conduct and review assessment data. This practice was put in place in 2013. Faculty also have used the discussions in monthly department meetings to discuss assessment.

One such example is the creation of the public health communication track. This track resulted from several rounds of discussions and input from both students, industry and current trends. Data on the success of the new track is yet to be determined. It is important to note however, that the increase in student body at the graduate level is mostly due to the creation of the public health communication track. Another example is the graduate students' exposure. Our graduate students are now actively participating in academic and professional conferences and meetings outside of the university. One graduate student presented at a statewide scholarly conference. Other graduate students joined the WV-PRSSA, The Yellow Jacket campus newspaper, and the National Broadcasting Society and are very active national members.

Data also revealed that there is a need for a graduate student production equipment, especially in light of the Covid-19 pandemic. The measure is to allow them to have their own production equipment and not compete with undergraduate students in the broadcast and film tracks. It is within this framework that the program coordinator with another faculty requested and received a \$50,000 grant that allowed the purchase laptops and production equipment for ALL Media Studies graduate students to check out and use on a semester-long basis.

3. Graduate Satisfaction

To date, graduate satisfaction is very high based on informal feedback from Media Studies graduates. Retention in the program is strong. Job placement following graduation is excellent (refer to Post-Graduate Placement section for examples). In particular, the new Public Health Communication program regularly places students in professional positions with the WV Bureau of Public Health. In total, about 90% of Media Studies graduates are employed in Communications or Media-related fields. Many faculty and graduate students maintain communication and even collaborate on projects long after graduation. For example, Dr. Broughton has collaborated on multiple international projects with Ahmed Selim, an Egyptian student who graduated in 2018. The Media Studies Program will begin issuing graduate satisfaction surveys at the end of Spring Semester 2021.

F. Advisory Committee

The Media Studies Advisory Committee includes area media professionals, two graduate faculty members, a current student and an alum.

Our current advisory committee includes:

- Dr. Robin Broughton, Media Studies Graduate Coordinator, WVSU Graduate Council Member
- Dr. Ali Ziyati, Media Studies Professor, WVSU Graduate Council Member
- Dan Page, former Editor of The State Journal and Communications Director WV Healthcare Association
- William Schwartz, Attorney

- Brian Ferguson, Photographer, WV Gazette-Mail
- Amy Tolliver, lobbyist
- Amy Atkins, Director of Epidemiology, WV Bureau of Public Health
- Ahmed Selim, Media Studies Alum
- Chelsea Simms, Media Studies Student

G. Program Strengths and Weaknesses

The greatest strength of the Media Studies Program lies in its dedicated faculty who strive to provide quality graduate education. Evaluations for MS faculty are always above average, as they continuously provide positive learning environments and are always available to assist students on a one-on-one basis as well. Faculty stay current with the latest technology and media trends – keeping course content fluid and ever-evolving to reflect the times.

Only five other comparable Public Health Communication graduate tracks are offered in the United States. These are at Boston University, Harvard University, Columbia University, Grand Canyon University, and Johns Hopkins University. There are no other similar programs in the state of West Virginia. Certainly WVSU’s Media Studies Public Health Communication track is more cost-efficient and stands to better benefit the state of West Virginia and elsewhere in the Mid-Atlantic region. The program works directly with the WV Bureau of Public Health. WV’s Director of Epidemiology serves on our Media Studies Advisory Committee and teaches courses. Also as discussed in more detail later in the document, the program is heavily recruited from by the WV Bureau of Public Health to fill communication-related positions.

Another strength of the program is the broad range of tracks available, allowing the program to meet the specific needs of almost any student interested in media studies. Production-oriented students can choose the Digital Media Track, in which they can learn everything from film editing to animation and 3D design. Students who wish to pursue a Ph.D. in the future can choose the Theory & Criticism track, in which they can study media theory, history and critical approaches. Students who are interested in communicating public health policy can choose the Public Health Communication track and learn all about media and government relations as they apply to public health. In addition, the offering of a 100% online track offers a great deal of flexibility for students already in the workforce.

Yet another strength of the program is the addition of \$50,000 in high-tech video equipment and laptops that will benefit the students for years to come. Students can pursue their creative projects without being limited by substandard or outdated equipment. Media Studies students will have familiarity with the latest equipment and current editing software.

The other Media Studies tracks also are unique in the state and indeed in the U.S. because they require students, regardless of which track they are in, to take both production and theory courses. The students who graduate from these tracks find successful employment (refer to Post-Program Placement section) largely because their education is so broad-based.

Overall the future looks very bright for the Media Studies Graduate Program. In addition to increased enrollment, a brand new 100% online track, and the purchase of new equipment, the program continues to search for new and innovative ways to expand the program. The program’s coordinator currently is working with faculty at Hamdan Bin Mohammed University in Dubai, United Arab Emirates, on a possible interdisciplinary collaboration between the universities for a Master’s Degree track in the Pursuit of Happiness, to be housed under Media Studies.

SECTION III: VIABILITY

Through an aggressive recruitment program and the creation and adoption of a new 100% Public Health Communication track, the program is thriving. ENROLLMENT HAS TRIPLED from Spring 2020 (six students) to Fall 2020 (18 students). In addition to this, the program is benefitting greatly from a successful federal grant award that has allowed us to purchase \$50,000 in video editing equipment (laptops, cameras, tripods, lights, audio equipment, etc.) for our graduate students. The Media Studies Graduate Program can now offer every graduate student the opportunity to check out a full range of production equipment and/or laptops for each academic year.

The program is not resting on its laurels and has already been actively recruiting for Spring semester. Thus far the program has received four applications for the Spring 2021 semester – and expectations are this number will increase greatly by the deadline for applications (December 15, 2020).

A. Program Enrollment

Program enrollment was trending downward until this semester. Starting Fall 2020 the Media Studies Graduate Program tripled its enrollment from just 6 graduate students to 18. Reasons for the increase in enrollment include the creation of a new 100% online track in Public Health Communication, which brought in 7 new students. The addition of students in the already-existing tracks can be credited to an increase in recruitment efforts (primarily social media). In addition one student entered the graduate program after losing employment due to the COVID-19 Pandemic.

B. Course Enrollment

Course enrollment is high in the new Public Health Communications track. In addition, all but one of those entering the program in Fall 2020 - who weren't Public Health Communications track students - were seeking the Digital Media Track. This likely is a reflection of the increase in demand for students who can produce digital content for social media.

C. Enrollment Projections

Based on the number of students already expressing an interest in entering the program in the spring semester, it is likely enrollment in the Public Health Communication track will continue to grow. Hopefully now that the program can offer advanced video production kits for student use, the number of students in the Digital Media Track will also increase.

D. Cost Analysis (NA)

E. Service Courses

NA

F. Off-Campus Courses

While the Media Studies Program offers no off-campus courses, the faculty have guest lectured at partner universities, such as the University of Sharjah in the UAE, in which Dr. Broughton and Dr. Ford-Ahmed lectured in 2016.

G. Articulation Agreements

Partnership established 2016 with the University of Sharjah in the UAE.

Current partnership discussions with Hamdan Bin Mohammed University in Dubai for possible interdisciplinary Master's Program collaboration.

SECTION IV: NECESSITY

A. Similar Programs

WVSU's Media Studies graduate program is unique in its blend of theory, criticism and digital media production courses. No comparable program exists in the area; in fact, it is the only such program in the state. Note: the new 100% online Public Health Communication track makes it all the more unique.

B. Post-Program Placement

Media Studies graduates

- (6) Hold doctoral degrees or are currently in doctoral programs. Several of these have already gained tenure-track faculty positions at Marshall University, the University of Dar es Salaam, the University of Monte Negro, and others.
- (1) Practices law in North Carolina.
- (1) Works as a Vice President for Delos Living/Middle East and North Africa.
- (1) Works as Sound Editor for Sony Pictures in Los Angeles.
- (1) Serves as Program Director for the Advanced Processing Technology Program at Bridge Valley Community Technical College.
- (6) Are self-employed - producing videos and audiobooks, authoring graphic novels or writing/copy editing.
- (1) Directs a major peace-keeping organization in Mexico.
- (1) Teaches TV, Radio & Film for Kanawha County Schools.
- (1) Studies law at Columbia Law School and externed at the US Attorney Office.
- (1) Serves as President of Vandalia Productions, LLC
- (1) Works as Senior Web Developer for NaturaLawn of America.
- (1) Works as CCTV Manager at Mardi Gras Casino Resort
- (1) Serves as President of Improvium Technologies.
- (1) Works as Community Engagement Specialist for Altice USA.

Appendices

Curriculum

Foundation Core Requirements (9 hours)

MS 500 Digital Storytelling

MS 503 Mass Communication Theory

MS 502 Graduate Research & Writing

Concentration (9 hours)

Digital Media:

MS 510 Digital Graphic Design

MS 541 Digital Video Production

MS 543 Animation Production

MS 548 Screenwriting

MS 565 Producers Seminar

MS 600 3D Design

MS 640 Interactive Media

Theory & Criticism:

MS 505 Media Research

MS 515 Public Relations Theory & Practice

MS 561 Media Law

MS 635 Race, Gender & Media

MS 645 Film Theory

MS 655 Film History

Advanced Core (6 hours)

Choose one three-hour course at the 600 level from each of the two program concentrations (Digital Media, Theory & Criticism)

Electives (6 hours)

Any 500 or 600 level course.

Thesis (6 hours)

MS 698

MS 699

Assessment Sample:

MS 502 Graduate Research and Writing:

Assignment #3: Introduction and Literature Review

Submit your introduction and lit review using the same fifteen sources in the annotated bibliography. Please refer to the sample lit review posted online. Use them as template to create a discussion among the sources. It is okay if you do not use all fifteen sources. Use the most relevant ones.

Here some links you can use to write references and citations using the APA style format:

<https://owl.english.purdue.edu/owl/resource/560/01/>

www.apastyle.org

Assignment Rubric and Assessment

	Mastery (4)	Accomplished (3)	Developing (2)	Beginning (1)	NA (0)
<p>Outcome 1:</p> <p><i>General critical analysis in media scholarship</i></p>	<p>. Excellent organization of the lit review material.</p> <p>. Excellent discussion of major concepts, trends, and positions.</p> <p>. Excellent in applying critical thinking in presenting major concepts, trends and positions of different authors from a variety of sources.</p> <p>. Excellent presentation and writing of content materials using multiple and diverse</p>	<p>At least 75% of the time:</p> <p>. Organization of the lit review material.</p> <p>. Discussion of major concepts, trends, and positions.</p> <p>. Applying critical thinking in presenting major concepts, trends and positions of different authors from a variety of sources.</p> <p>. Presentation and writing of content materials using multiple and diverse outside sources.</p>	<p>At least 50% of the time:</p> <p>. Organization of the lit review material.</p> <p>. Discussion of major concepts, trends, and positions.</p> <p>. Applying critical thinking in presenting major concepts, trends and positions of different authors from a variety of sources.</p> <p>. Presentation and writing of content materials using multiple and diverse outside sources.</p>	<p>At least 25% of the time:</p> <p>. Organization of the lit review material.</p> <p>. Discussion of major concepts, trends, and positions.</p> <p>. Applying critical thinking in presenting major concepts, trends and positions of different authors from a variety of sources.</p> <p>. Presentation and writing of content materials using multiple and diverse outside sources.</p>	<p>Elements are not up to standard consistent with a passing grade.</p>

	outside sources.				
	<i>27% accomplished the task. They demonstrated excellent skills in the three areas of assessment.</i>	<i>63% of students fall into this category. Most have never been exposed to similar assignments or rigorous requirements.</i>	<i>10% of students struggled to understand the requirements and needed more assistance.</i>		

MS 502 Graduate Research and Writing:

Assignment #3: Introduction and Literature Review

Submit your introduction and lit review using the same fifteen sources in the annotated bibliography. Please refer to the sample lit review posted online. Use them as template to create a discussion among the sources. It is okay if you do not use all fifteen sources. Use the most relevant ones.

Here some links you can use to write references and citations using the APA style format:

<https://owl.english.purdue.edu/owl/resource/560/01/>

www.apastyle.org

Assignment Rubric and Assessment

Outcome 2:					
Apply legal and ethical principles to media projects	Excellent attribution and referencing multiple and diverse outside sources using APA style format.	At least 75% succeed in attributing and referencing multiple and diverse outside sources using APA style format.	At least 50% succeed in attributing and referencing multiple and diverse outside sources using APA style format.	At least 25% succeed in attributing and referencing multiple and diverse outside sources using APA style format.	Presentation, writing and adhering to the ethical requirements are not up to standard consistent with a passing grade.
	Excellent understanding of the ethical standards in writing others' ideas	Understanding of the ethical standards in writing others' ideas and positions.	Understanding of the ethical standards in writing others' ideas and positions.	Understanding of the ethical standards in writing others' ideas and positions.	

	and positions.				
	<i>90% of students successfully understood the art of attribution and applied referencing requirements to outside content.</i>	<i>10% of students successfully understood the art of attribution and partially failed in applying referencing requirements to outside content.</i>			

Enrollment

The Media Studies Graduate Program was suffering from low enrollment and low graduation rates in past years. This was largely due to the elimination of all 10 GA-ships the program initially was able to offer students. **Now under new leadership and through aggressive recruitment and the creation of a new 100% online Public Health Communication track, the program is thriving. The number of students in the program TRIPLED from Spring 2020 to Fall 2020. The program has 18 students enrolled for Fall 2020. Projected graduation dates for Spring 2022 are expected to be well over 50% of those enrolled in the program currently.**

O Yes xO No

Current enrollment trends point toward very high graduation rate success

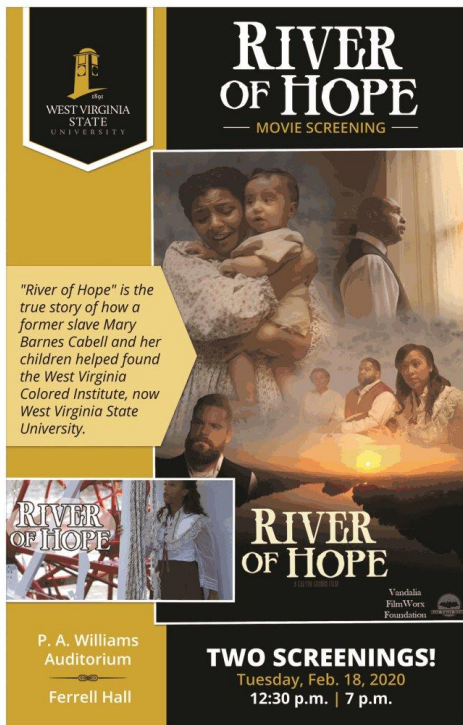
Enrollment numbers

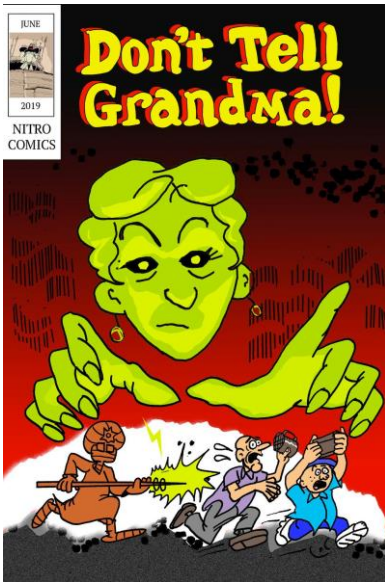
Row Labels	201701	201702	201801	201802	201803	201901	201902	201903	202001	202002	202003
MEDIA STUDIES (MA)	10	10	6	5	1	4	5	1	7	7	7

Graduation Numbers

2017-2018	Coll of Arts & Humanities	GA	MEDIA STUDIES (MA)	MA	3
2018-2019	Coll of Arts & Humanities	GA	MEDIA STUDIES (MA)	MA	2

Our current students and alumni produce many videos, graphic novels, animations and critical theory papers each year. Below is a poster from a Media Studies student's award-winning film about the history of WVSU and a poster from a graphic novel produced by a recent alum.





International Connections

Media Studies students and faculty have participated in a number of international study tours, with strong relationships with universities in the United Arab Emirates. Other recent trips involving Media Studies faculty, alum and students include Machu Picchu, Peru, and Havana, Cuba.

Media Studies Graduate Coordinator Dr. Robin Broughton and Media Studies Advisory Committee members meet with faculty at the University of Sharjah in Dubai in January 2020.



Machu Picchu, Peru, 2019



Havana, Cuba 2018



Dubai, United Arab Emirates 2014



Sharjah, United Arab Emirates 2016





**Board of Governors
ADHOC BYLAWS AND POLICIES REVIEW COMMITTEE
Via Zoom**

<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>

Meeting ID: 959 6941 2647 | Passcode: 204689

Friday, November 20, 2020

9:00 a.m. – 9:30 a.m.

AGENDA

- | | |
|---|-----------------------|
| I. Call to Order | Mark Kelley |
| II. Roll Call | Crystal Walker |
| III. Verification of Appropriate Notice of Public Meeting | Mark Kelley |
| IV. Approval of October 22, 2020 Meeting Minutes | Mark Kelley |
| V. Proposed Revisions to BOG Bylaws and Committee Charters | Bryle Henderson Hatch |
| VI. Adjournment | Mark Kelley |

**Board of Governors
West Virginia State University
Adhoc Bylaws and Policies Review Committee**

Date/Time: 11/20/2020 -- 9:00 AM

Location:

Meeting via Zoom
<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>
Meeting ID: 959 6941 2647
Passcode: 204689

Purpose: To conduct committee business prior to the full board meeting

Notes:

Meeting was approved : 11/12/2020 1:47:05 PM

Minutes
West Virginia State University Board of Governors
Adhoc Bylaws and Policies Review Committee
135 University Union/Zoom
October 22, 2020
9:00 a.m.

- I. Call to Order**
Committee Chair, Mr. Kelley, called the meeting to order at 9:04 a.m.
- II. Roll Call**
The clerk called the roll. Members present were Mr. Davis, Ms. Dooley, Mr. Jones, and Mr. Kelley. No members were absent.
- III. Verification of Appropriate Notice of Public Meeting**
Mr. Kelley verified the Appropriate Notice of Public Meeting.
- IV. Approval of Agenda**
Ms. Dooley motioned for approval of the agenda as presented. Mr. Jones seconded the motion, and the motion carried.
- V. Approval of September 3, 2020 Meeting Minutes**
Ms. Dooley motioned for approval of the September 3, 2020 meeting minutes. Mr. Jones seconded the motion, and the motion carried.
- VI. Notice of Intent to Draft Revised BOG Policy #1-Procedures for Generating Policies, Guidelines, and Rules**
President Pride informed the committee about the intent to revise BOG Policy #1. The purpose of the revisions is to align the policy with changes in WV Code §18b-1-6 and West Virginia Higher Education Policy Commission (HEPC) Series 4, which allows boards to give the universities authority to draft policies and not have to go through the HEPC rule process. Additionally, the revisions would include language to allow campus-based policies to be created. President Pride said that other institutions have revised their rule making policies. It is important for the institutions to have some autonomy to serve the students better. Following the seven (7) work day notice of intent, a draft of the revised policy will be distributed for public comment then brought before the Board of Governors for approval.
- VII. Notice of Intent to Draft Revised BOG Policy #13-WVSU Naming or Renaming of Buildings and Organizational Units**
Ms. Schumann informed the committee about the intent to revise BOG Policy #13. The purpose of the revisions is to add language that addresses the many circumstances that may arise regarding naming facilities based on donations. She said there needed to be a fair and appropriate process with guidelines. Following the seven (7) work day notice of intent, a draft of the revised policy will be distributed for public comment then brought before the Board of Governors for approval.
- VIII. Revised BOG Policy #14-Sexual Harassment**
Dr. Stuart said the purpose of presenting the revised BOG Policy #14-Sexual Harassment is to repeal the existing policy and replace it with the revised version. The revised policy includes changing the name of the policy to BOG Policy #14-Unlawful Discrimination and Harassment

and Sexual Harassment. The revised policy is being presented as an emergency rule to be compliant with changes made in the Department of Education's Title IX final rule. Once approved by the Board, the policy would be effective for 90 days and must go through the normal rule making process to be made final. Dr. Stuart said that the revised policy is similar to policies adopted or being adopted at other colleges and universities. Mr. Kelley said it is more appropriate to include titles and not names in the revised policy. President Pride said those updates would be made before the policy is posted. Ms. Dooley motioned for approval by the full Board of the revised policy as presented, with the names being removed before posting. Mr. Davis seconded the motion, and the motion carried.

IX. Voluntary Separation Plan

Mr. Cherry reported on the purpose of the Voluntary Separation Plan. The plan would allow eligible employees to separate from the University through resignation or retirement. The plan payment period would payout over 24 months from the plan entry date. The payout is broken down into two tiers. Mr. Cherry said that authority for the plan is in state code. The code outlines the multiple levels of approval required before the plan could become effective. Following committee discussion, Mr. Jones motioned for approval of the Voluntary Separation Plan. Ms. Dooley seconded the motion. The motion carried. Mr. Cherry clarified that the Voluntary Reduction in Hours is a component of the Voluntary Separation Plan and they should be approved as a single plan. He explained that the reduction in hours component allows employees the option to reduce their FTE and reduce their salary by a percentage. Through committee discussion, Mr. Kelley entertained a motion to supersede the previous motion. Mr. Davis motioned for approval by the full Board of the Voluntary Separation Plan that includes the voluntary reduction of hours component. Ms. Dooley seconded the motion, and the motion carried.

X. Adjournment

With there being no further business, Ms. Dooley motioned for adjournment. Mr. Davis seconded the motion, and the meeting adjourned at 9:38 a.m.

Respectfully Submitted by – Crystal Walker, Committee Clerk, October 27, 2020.

Approved by:

Bryle Henderson Hatch, Ph.D.
Vice President and Chief of Staff
Adhoc Bylaws and Policies Review Committee Administrator

Proposed Revisions to BOG Bylaws and Committee Charters

Board of Governors Meeting
Adhoc Bylaws and Policies Review Committee
Bryle Henderson Hatch
November 20, 2020

Overview of Proposed Changes

The proposed changes to the Board of Governors bylaws include:

1. Updating the titles, descriptions, and responsibilities of the committee charters;
and,
2. Inclusion of new committee language in the bylaws.

Why Restructure?

- Committees are expressions of, and agents for the overall Board, carrying out the work of the board.
- Restructuring committees allows the board to explore the effectiveness of existing committees on the evolving nature of their institutions.
- There are typically two types of committees:
 - Substantive Issues (Finance, Academic Affairs, etc.)
 - Board Affairs (Executive, Governance, etc.)

Board Committees

Current Standing Committees

- Executive
- Finance
- Academic Policy
- Audit
- Recruitment and Retention
- Institutional Advancement
- Presidential Review

Proposed Standing Committees

- Executive
- Governance
- Endowment
- Advancement and External Affairs
- Risk Management, Audit, and Compliance
- University Affairs
- Business Affairs

University Affairs Committee Charter

The University Affairs Committee works with five cabinet-level officers in evaluating/approving academic programs, academic planning, curricula and degrees, continuing education/online education, admissions, financial aid, faculty affairs, research, employee relations, student affairs and programs, student conduct and honor system, student health services, student housing, human resources, employee and student diversity, and intercollegiate athletics.

Risk Management, Audit and Compliance Committee

The Risk Management, Compliance, and Audit Committee works with the General Counsel to provide recommendations for mitigation or elimination of risks and on the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of the university's audit resources.

Executive Committee

The Executive Committee provides an opportunity for Board leaders to engage, within the limits set by Board policy and the Bylaws, in strategic planning, decision-making, oversight, and communications on important organizational matters.

Endowment Board Committee

The Endowment Committee has overall responsibility for the operation and administration of the investment portfolio, including the formulating of guidelines, selecting investment managers, monitoring the management of the investments and spending from the endowment.

Business Affairs Committee

The Business Affairs Committee considers and makes recommendations to the Board of Governors regarding matters pertaining to the financial, business, and information technology management of the university.

Governance Committee

The Governance Committee researches, reviews and recommends policies and best practices in governance, ensuring that such practices and policies enhance the quality, efficiency and effectiveness of West Virginia State University.

Advancement and External Affairs

The Advancement and External Affairs Committee exercises oversight of university programs related to private giving to the institution, alumni programming and communications, public relations and university communications, and external relations at the local, state, and national levels.

Questions

**WEST VIRGINIA STATE UNIVERSITY
BOARD OF GOVERNORS
BYLAWS**

ARTICLE 1. MEMBERS

Effective on the 1st day of July 2001, an institutional Board of Governors is established at West Virginia State University.

A. Membership

The membership of the Board shall consist of twelve persons.

1. A full-time member of the faculty holding the rank of instructor or above, duly elected by the faculty;
2. A member of the student body who is in good academic standing, enrolled for credit courses and duly elected by the student body;
3. A member of the institutional staff duly elected by the classified staff; and,
4. Nine lay members appointed by the Governor of West Virginia with the advice and consent of the State Senate.

B. Terms

1. The faculty member shall serve a term of two (2) years. The term beginning in July, 2001, shall end on the 30th day of June 2003. Thereafter, the term shall begin on the 1st day of July. Faculty members are eligible to succeed themselves for three (3) additional terms, not to exceed a total of eight (8) consecutive years.
2. The student member shall serve for a term of one (1) year. The term beginning in July, 2001, shall end on the 30th day of June, 2002. Thereafter, the term shall begin on the first day of July.
3. The staff member shall serve for a term of two (2) years. The term beginning in July, 2001, shall end on the 30th day of June, 2003. Thereafter, the term shall begin on the 1st day of July. The member representing staff is eligible to succeed themselves for three (3) additional terms, not to exceed a total of eight (8) years.
4. The appointed lay members shall serve staggered terms. Of the original appointments by the Governor, two (2) shall be appointed for terms of one (1) year, two (2) shall be appointed for terms of two (2) years, two (2) shall be appointed for terms of three (3) years, and three (3) shall be appointed for terms of four (4) years. After the initial appointments, all appointees shall serve for terms of four (4) years.
5. A vacancy in an unexpired term of a member shall be filled for the unexpired term within thirty (30) days of the occurrence of the vacancy in the same manner as the original appointment or election.
6. Removal from Office. No member of a governing board appointed by the Governor may be removed from office by the Governor except for official misconduct, incompetence, neglect of duty or gross immorality and only in the manner prescribed by law for the removal of the state elective officer by the Governor.

C. Elections

1. All elections shall be held no later than the 30th day of June preceding the commencement of the term.
2. The Board of Governors shall elect one (1) of its appointed lay members to serve in the capacity of Chairperson in June of each year. No member may serve as chairperson for more than four (4) consecutive years.

D. Officers

1. The officers of the Board shall consist of Chair, Vice Chair, and Secretary.
2. Officers shall serve for a term of one (1) year, beginning July 1st and ending June 30th. The Chair may not serve more than four (4) consecutive years. The Vice Chair and Secretary may not serve more than two (2) consecutive terms in the same office.

E. Authority and Duties of Members

1. Members of the Board of Governors do not hold authority individually over the University or employees of the University. The Legislature invested such authority in the board as a body; that authority is exercised through policy adoption by a majority vote of the board in its statutory meetings. In all but extraordinary circumstances the board will delegate the President of the University to execute such policy.
2. Individual members may have specific duties based on their committee membership or as officers of the Board.

ARTICLE II. MEETINGS

A. Meetings

1. The Board of Governors shall hold a minimum of six (6) meetings during each fiscal year, to include an annual meeting each June.
2. Notice of meetings shall be in accordance with the Open Governmental Meetings Act.
3. Of the twelve (12) voting members of the Board of Governors, seven (7) shall constitute a quorum.
4. Special meetings may be convened by the Chair or upon petition of a majority of the members.
5. Meeting procedures shall be in accordance with Robert's Rules of Order subject to the suspension of any rule by a two-thirds vote of the Board.
6. An annual meeting shall be convened each June for the purpose of selecting a Chairperson and other officers.
7. The Board of Governors shall provide an opportunity for administrators, faculty, students and staff to discuss various issues no less than one (1) time per year. The viewpoints of the various

constituencies should be presented by a person or persons selected by those constituencies. That person shall be someone other than the constituency's board representative.

ARTICLE III. POWERS AND DUTIES

Effective on the 1st day of July, 2001, the Governing Board shall have the following powers and duties:

1. Determine, control, supervise and manage the financial, business and education policies and affairs of the State institutions of higher education under its jurisdiction;
2. Develop compact and master plans for the institution;
3. Direct the preparation of a budget request for the institution. Consult, cooperate and work with the state treasurer and the state auditor to update as necessary and maintain an efficient cost effective system for the financial management and expenditure of special revenue and appropriated state funds;
4. Consider, revise and submit to the Higher Education Policy Commission a budget request;
5. Review, at least every five (5) years, all academic programs offered. The review shall address the viability, adequacy and necessity of the programs in relationship to the master plan, compact and the education and workforce needs of its responsibility district. As part of the review, the institution shall conduct periodic studies of its graduates and their employees to determine placement patterns and the effectiveness of the education experience;
6. Ensure that the sequence and viability of academic programs and courses offered by the institution is such that students have the maximum opportunity to complete programs in the time frame normally associated with program completion. The Board is responsible for ensuring that the needs of nontraditional institution-age students are appropriately addressed and, to the extent possible for the Board to control, to assure core course work completed at the institution is transferrable to any State institution of higher education for credit with the grade earned;
7. The Governing Board shall have exclusive authority to approve the teacher education programs offered;
8. Utilize faculty, students and employees in institutional-level planning and decision-making when those groups are affected;
9. Administer a system for the management of personnel. Transactions, including but not limited to hiring, dismissal, promotions and transfers, compensation, and discipline at the institution(s) under its jurisdiction;
10. Administer a system for the hearing of employee grievances and appeals in accordance with procedures established in Article 6a, Chapter 29 of the West Virginia Code;
11. Solicit, utilize and/or expend voluntary support, including financial contributions and support services;
12. Appoint a President or other administrative leader for the institution in accordance with the provisions of Chapter 18B of the West Virginia Code;
13. Conduct written performance evaluations of the institutional President pursuant to Chapter 18B of the West Virginia Code;
14. Submit to the Higher Education Policy Commission, no later than the **1st day of**

- November** of each year, an annual report of the performance of the institution during the previous fiscal year as compared to stated goals in its institutional compact and master plan;
15. Enter into contracts or consortium agreements with the public, schools, private schools or private industry to provide technical, vocational, institution-preparatory, remedial and customized training courses at either on campus or off-campus locations;
 16. Delegate, with prescribed standards and limitations, the part of its power and control over the business affairs of the institution to enable it to function in a proper and expeditious manner to meet the requirements of the institutional compact. If the Governing board elects to delegate any of its power and control, it shall notify the Chancellor. Any such delegation of power and control may be rescinded by the appropriate Governing Board or the Chancellor at any time, in whole or in part, and,
 17. The Board may acquire legal services as are considered necessary, including representation of the Governing Board, the institution, employees and officers before any court or administrative body.
 - a. The counsel may be employed on a salaried basis or on a reasonable fee basis.
 - b. The Governing Board may, but is not limited to, call upon the attorney general for legal assistance and representation.

ARTICLE IV. COMMITTEES

A. Committee of the Whole

The Board shall act as a whole for consideration of issues such as:

1. Institutional compacts and master plans;
2. Legislative recommendations;
3. Strategic plans;
4. HEPC recommendations;
5. Budget requests on behalf of the institution(s) and,
6. Other matters considered appropriate by the chair.

B. Executive Committee

The Executive Committee is comprised of the Chairperson, Vice Chair, Secretary of the Board, the chairs of the Board's committees on Governance; Business Affairs; Risk Management, Compliance and Audit; Endowment; Advancement and External Affairs; and University Affairs (the President is an ex-officio, non-voting member of the Executive Committee) who will:

1. Exercise all powers of the Board between regularly scheduled meetings concerning urgent university matters, such as hiring or removing a Vice President level officer, being briefed on significant events, obligating the university to new debt, or selling or acquiring a major asset;
2. Serve as a sounding board for the President and his staff on emerging issues, problems, and initiatives, and;

3. Report to the Board at the Board's next meeting on any official actions it has taken since the last meeting of the Board.

C. Governance Committee

The committee chair shall be appointed by the Board chair. The Board chair and the President shall be non-voting, ex-officio members of the committee. The Governance Committee shall consist of at least five but no more than seven members, including ex officio members who will:

1. Give advice on how to become more thoughtful about the selection of new Governors and the composition of the Board by periodically reviewing and making recommendations to the Board Chair regarding the Board member selection process and leadership succession planning; addressing Governor skill sets; and concerning itself with diversity of members such as in ethnicity, gender, geographic, and other types of diversity;
2. Be involvement in Board orientation for each new member and continuing Board educational programs, and in mentorship of new Board members;
3. Create and thereafter evaluate a Board profile of the combination of talents, knowledge, backgrounds, and expertise needed to fulfill the university's goals;
4. Develops and secure Board approval of a written statement setting out the roles and responsibilities of Board members;
5. Establish performance criteria/expectations for governors in areas of attendance, preparedness, candor, and participation;
6. Manage the process for deciding whether to recommend reappointment of a Board member;
7. Designs and manages any term-limit policies on Board officers;
8. Honors and recognizes retiring members;
9. Effectively communicates the committee's responsibilities and achievements;
10. Assesses the performance of the committee itself, and the board as a whole through a process of confidential self-assessment by each Board member.

D. Business Affairs Committee

The committee chair shall be appointed by the Board chair. The Business Affairs Committee shall be comprised of three or more members as determined by the Board but no more than seven members, who will:

1. Monitor and review the operating and capital budgets of the University;
2. Monitor and review matters related to the information technology infrastructure;
3. Approve an Information Technology Services Master Plan;

4. Approve the issuance of debt;
5. Approve a Master Facilities Plan for the University;
6. Review and approve tuition and fee proposals;
7. Review matters related to security and public safety of the University;
8. Review matters related to the financial operations of the University, including the results of the annual audit.
9. Recommend selection of architects/engineers and construction managers for buildings and improvements requiring professional services;
10. Recommend for approval all proposals involving acquisition or disposition of any interest in real property for which authority has not been delegated to the President;
11. Upon the recommendation of the President, recommends to the Board of Governors for approval, as required, policies applicable to the financial, information technology, and other administrative matters.

E. Advancement and External Affairs Committee

The committee chair shall be appointed by the Board chair. The Advancement and External Affairs Committee shall be comprised of three or more members as determined by the Board but no more than five members, who will:

1. Advise the President in all areas pertaining to development, advancement services, university communications, and alumni relations;
2. Receive and review reports on private support of the university to assess effectiveness and make recommendations related to philanthropy;
3. Receive reports on West Virginia State University Alumni Association activities and initiatives and makes recommendations concerning alumni relations;
4. Receive reports on marketing, communications, and public relations and makes recommendations related to matters such as branding, licensing, and external relations of the university;
5. Receive reports on the activities of the state legislature and makes recommendations concerning government relations;
6. Recommend approval of all university fundraising campaigns;
7. Advise the President and Vice President for University Advancement on the priority, timing, direction, funding and management of capital and other fundraising campaigns;
8. Advise the President and Vice President for University Advancement on the formation of campaign steering committees;
9. Recommend naming guidelines for endowed funds, facilities, and programs funded in whole or in part by private monies;
10. Recommend to the Board of Governors for approval the naming of all facilities and programs, owned, operated or controlled by the university;
11. Upon the recommendation of the President, recommends to the Board of Governors for approval, as required, policies related to the relationship between the university and its associated entities, the coordination of all fundraising activities intended to benefit the

university, the conduct of fundraising campaigns, the use and application of privately donated funds for any activity whose sponsorship may implicate or obligate the university; and fundraising activities intended to benefit the Endowment Fund and various associated entities.

F. Endowment Board Committee

The Chair of the Board of Governors shall appoint the Chair of the Endowment Board Committee. The Endowment Board Committee of West Virginia State University shall consist of no fewer than six members and no more than 12 members, as determined by the Board of Governors, who will:

1. Accept gifts, donations and bequests;
2. Dispose of property, real or personal, of the Endowment Fund;
3. Be prudent with the investment of endowed funds;
4. Appoint fiscal agent or agents;
5. Expend principal and income in strict accordance with terms of the gift, devise, or bequest; and,
6. Manage a prudent endowment spending policy.

G. Risk Management, Audit, and Compliance Committee

The committee chair shall be appointed by the Board chair. The Risk Management, Compliance, and Audit Committee shall be comprised of three or more members as determined by the Board but no more than five members, who will:

1. Help provide oversight of internal audit;
2. Review the annual internal audit plan at the beginning of the audit cycle;
3. Receive quarterly activity reports from the General Counsel;
4. Receive direct verbal and/or written reports from the university's internal auditor regarding out-of-the-ordinary reviews and findings that may involve senior level university employees, Governors, or associated entities;
5. Compare the annual internal audit plan to the actual internal audits performed;
6. Review audit reports of University associated entities;
7. Provide oversight of the risk management and compliance functions;
8. Assure that the university is performing self-assessments of operating risks, compliance, and evaluations of internal controls on a regular basis;
9. Receive annual reports on risk management, compliance and legal issues.

H. University Affairs Committee

The committee chair shall be appointed by the Board chair. The University Affairs Committee shall be comprised of three or more members as determined by the Board but no more than seven members, who will:

1. Review and recommend to the Board of Governors any changes in the university's mission statement;
2. Advise the President on the development of plans to carry out the university's mission;
3. Fixe the non-salary compensation of all employees, other than the President;
4. Review and approve salary ranges, based upon available relevant market data, for deans and other senior academic and administrative officers that are not established by the Higher Education Policy Commission;
5. Review and approve any retreat rights for an administrator returning to a faculty role;
6. Recommend conferral of permanent tenure upon faculty members;
7. Designate particular Distinguished Professorships, including Distinguished Scholar, and Distinguished Fellow,
8. Confer emeritus status upon a faculty member upon retirement;
9. Appoint or extend the contract of the Athletic Director and head coaches with employment contracts and recommends contracts for Board of Governors' approval;
10. Consistent with applicable policies of West Virginia State University and the Board of Governors, and with State law, considers appeals of faculty and employees who were discharged for cause, suspended without pay, or received other significant sanction from decisions by the President when the applicable policies allow such appeals;
11. Consider faculty grievances per West Virginia State University policy, HEPC, and WV Code, where neither the relevant administrative respondent nor the President made an adjustment recommended by a Faculty Grievance Committee in favor of the grievant;
12. Review academic degree proposals requiring approval by the Board of Governors or HEPC (including new degree programs, distance education delivery versions of approved academic programs, new distance education sites, discontinuation of degrees, and changes in degree program titles) and, upon the recommendation of the President, to recommend such programs and proposals to the Board of Governors;
13. Receive notification on behalf of the Board of Governors of other academic program proposals and reviews (including certificates, concentrations and minors);
14. Evaluate the amount and quality of faculty research, amount of funded research grants, number of patents, and the licensing of intellectual property;
15. Upon the recommendation of the President, review and recommend to the Board of Governors the approval of campus initiated tuition increases and student fees (proposed new fees as well as adjustments to existing fees) [duplicates Business Affairs];
16. Recommend the conferral of honorary degrees, awards, and distinctions;
17. Review and recommend approval of the establishment and continuation of centers and institutes in adherence to any and all guidelines set forth by the Higher Learning Commission and/or HEPC;
18. Upon recommendation of the President, recommend to the Board of Governors, when required, for approval of policies related to centers and institutes;

19. Upon the recommendation of the President, recommend to the Board of Governors for approval, when required, personnel policies not otherwise prescribed by State or federal law, HEPC or policies of the Board of Governors, for personnel in all categories of university employment;
20. Recommend to the Board of Governors for approval, when required, policies regarding the collection of tuition, fees and other monies from students, as approved by the Board of Governors;
21. Recommend to the Board of Governors for approval, when required, policies regarding acceptance of cash obligations in lieu of cash from students in payment of tuition and fees, and requirements for collateral security;
22. Recommend to the Board of Governors for approval, when required, policies for administration of scholarships and other financial aid to students;
23. Upon recommendation of the President, recommend to the Board of Governors for approval, when required, policies related to the provision of student services and activities, including student government and intercollegiate athletics, subject to general provisions as may be prescribed by the Board of Governors;
24. Receive and hear periodic reports from the Chair of the Faculty Senate, the Chair of the Staff Council, and the Student Body President.

I. Presidential Review Committee

1. The Chair shall assign five (5) members to serve on the Presidential Review Committee. The Chair of the Presidential Review Committee shall be elected by the members of the committee to serve a one-year (1) term; and
2. The Committee shall provide oversight of the University's adherence to Board of Governors Policy #61, Employment and Evaluation of the President, specifically the annual, tri-annual or comprehensive review of the President.

J. Special Committees

1. Members may be appointed by the Chair to special committees or ad hoc committees in addition to standing committees; and,
2. Tenure of these committees shall be for a prescribed time or until the specified task is completed.

ARTICLE V. EXPENSES

A. Expense Reimbursement

1. The Board shall serve without compensation; and,
2. Proper administration and travel expenses of the Board and its members shall be paid from institutional funds and shall be accounted for in accordance with acceptable accounting practices.

ARTICLE VI. RECORDS

A. Records

1. The Board shall provide, through the President's Office, the keeping of all Board records; and,
2. The Board may prescribe appropriate regulations with respect to access to said records.

ARTICLE VII. ADOPTION AND AMENDMENT OF BYLAWS

A. Adoption and Amendment

1. The Bylaws of the Board may be amended by a two-thirds vote of the Board at the annual meeting or at any regular or special meeting provided that the proposed amendments are conveyed to the members of the Board at least ten (10) days in advance of the meeting in which they are to be acted upon; and,
2. The enactment of any statute by the West Virginia Legislature of the amendment of any existing statute, inconsistent with these Bylaws shall take precedence over the provisions hereof.

DRAFT

West Virginia State University

Board of Governors

University Affairs Committee Charter

(Additional reporting may include: Academic Affairs, Research and Public Service, Student Affairs, Athletics, and Human Resources)

Purpose

This committee works with five cabinet level administrators in evaluating/approving academic programs, academic planning, curricula and degrees, continuing education/online education, admissions, financial aid, faculty affairs, research, employee relations, student affairs and programs, student conduct and honor system, student health services, student housing, human resources, employee and student diversity, and intercollegiate athletics.

Authority and Responsibilities

- Reviews and recommends to the Board of Governors any changes in the university's mission statement;
- Advises the President on the development of plans to carry out the university's mission;
- Fixes the non-salary compensation of all employees, other than the President;
- Reviews and approves salary ranges, based upon available relevant market data, for deans and other senior academic and administrative officers that are not established by the Higher Education Policy Commission;
- Reviews and approves any retreat rights for an administrator returning to a faculty role;
- Recommends conferral of permanent tenure upon faculty members;
- Designates particular Distinguished Professorships, including Distinguished Scholar, and Distinguished Fellow,
- Confers emeritus status upon a faculty member upon retirement;
- Appoints or extends the contract of the Athletic Director and head coaches with employment contracts and recommends contracts for Board of Governors' approval;
- Consistent with applicable policies of West Virginia State University and the Board of Governors, and with State law, considers appeals of faculty and employees who were discharged for cause, suspended without pay, or received other significant sanction from decisions by the President when the applicable policies allow such appeals;

- Considers faculty grievances per West Virginia State University policy, HEPC, and WV Code, where neither the relevant administrative respondent nor the President made an adjustment recommended by a Faculty Grievance Committee in favor of the grievant;
- Reviews academic degree proposals requiring approval by the Board of Governors or HEPC (including new degree programs, distance education delivery versions of approved academic programs, new distance education sites, discontinuation of degrees, and changes in degree program titles) and, upon the recommendation of the President, to recommend such programs and proposals to the Board of Governors;
- Receives notification on behalf of the Board of Governors of other academic program proposals and reviews (including certificates, concentrations and minors);
- Evaluates the amount and quality of faculty research, amount of funded research grants, number of patents, and the licensing of intellectual property;
- Upon the recommendation of the President, reviews and recommends to the Board of Governors the approval of campus initiated tuition increases and student fees (proposed new fees as well as adjustments to existing fees) [duplicates Business Affairs];
- Recommends the conferral of honorary degrees, awards, and distinctions;
- Reviews and recommends approval of the establishment and continuation of centers and institutes in adherence to any and all guidelines set forth by the Higher Learning Commission and/or HEPC;
- Upon recommendation of the President, recommends to the Board of Governors, when required, for approval of policies related to centers and institutes;
- Upon the recommendation of the President, recommends to the Board of Governors for approval, when required, personnel policies not otherwise prescribed by State or federal law, HEPC or policies of the Board of Governors, for personnel in all categories of university employment;
- Recommends to the Board of Governors for approval, when required, policies regarding the collection of tuition, fees and other monies from students, as approved by the Board of Governors;
- Recommends to the Board of Governors for approval, when required, policies regarding acceptance of cash obligations in lieu of cash from students in payment of tuition and fees, and requirements for collateral security;
- Recommends to the Board of Governors for approval, when required, policies for administration of scholarships and other financial aid to students;

- Upon recommendation of the President, recommends to the Board of Governors for approval, when required, policies related to the provision of student services and activities, including student government and intercollegiate athletics, subject to general provisions as may be prescribed by the Board of Governors;
- Receives and hears periodic reports from the Chair of the Faculty Senate, the Chair of the Staff Council, and the Student Body President.

Meetings

The University Affairs Committee meets up to six times annually in conjunction with each regularly scheduled Board meeting, and may meet other times as needed to fulfill its responsibilities.

Members / Quorum

The University Affairs Committee shall be comprised of three or more members as determined by the Board but no more than seven members. The committee chair shall be appointed by the Board chair.

Staff Designee

The Provost and Vice President for Academic Affairs and the Vice President for Student Affairs shall be staff to the University Affairs Committee.

West Virginia State University

Board of Governors

Risk Management, Audit, and Compliance Committee Charter

Purpose

The Risk Management, Compliance, and Audit Committee works with the General Counsel to provide recommendations for mitigation or elimination of risks and on the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of the university's audit resources.

Authority and Responsibilities

- Helps provide oversight of internal audit;
- Reviews the annual internal audit plan at the beginning of the audit cycle;
- Receives quarterly activity reports from the General Counsel;
- Receives direct verbal and/or written reports from the university's internal auditor regarding out-of-the-ordinary reviews and findings that may involve senior level university employees, Governors, or associated entities;
- Compares the annual internal audit plan to the actual internal audits performed;
- Reviews audit reports of University associated entities;
- Provides oversight of the risk management and compliance functions;
- Assures that the university is performing self-assessments of operating risks, compliance, and evaluations of internal controls on a regular basis;
- Receives annual reports on risk management, compliance and legal issues.

Meetings

The Risk Management, Compliance, and Audit Committee meets up to six times annually in conjunction with each regularly scheduled Board meeting.

Members / Quorum

The Risk Management, Compliance, and Audit Committee shall be comprised of three or more members as determined by the Board but no more than five members. The committee chair shall be appointed by the Board chair.

Staff Designee

The General Counsel shall be staff to the Risk Management, Compliance, and Audit Committee.

DRAFT

West Virginia State University

Board of Governors

Executive Committee Charter

Purpose

The Executive Committee provides an opportunity for Board leaders to engage, within the limits set by Board policy and the Bylaws, in strategic planning, decision-making, oversight, and communications on important organizational matters.

Authority and Responsibilities

- Exercises all powers of the Board between regularly scheduled meetings concerning urgent university matters, such as hiring or removing a Vice President level officer, being briefed on significant events, obligating the university to new debt, or selling or acquiring a major asset.
- Serves as a sounding board for the President and his staff on emerging issues, problems, and initiatives.
- Reports to the Board at the Board's next meeting on any official actions it has taken since the last meeting of the Board.

Meetings

The Executive Committee meets as needed to address urgent university matters.

Members

The Executive Committee is composed of the Board chair, vice chair, secretary, the chairs of the Board's committees on Governance; Business Affairs; Risk Management, Compliance and Audit; Endowment; Advancement and External Affairs; and University Affairs. The President is an ex-officio, non-voting member of the Executive Committee.

Note: The President should be excused for matters relating to his/her compensation and evaluation.

Staff Designee

The President and his/her designee shall serve as staff to the Executive Committee.

West Virginia State University

Board of Governors

Endowment Board Committee Charter

Purpose

The Endowment Board Committee has overall responsibility for the operation and administration of the investment portfolio, including the formulating of guidelines, selecting investment managers, monitoring the management of the investments and spending from the endowment.

Authority and Responsibilities

- Acceptance of gifts, donations and bequests
- Disposal of property, real or personal, of the Endowment Fund
- Prudent investment of the endowed funds
- Appointment of a fiscal agent or agents
- Expend principal and income in strict accordance with terms of the gift, devise, or bequest
- Manage a prudent endowment spending policy

In any corporate transaction in which a Governor has a direct or indirect interest, that Governor shall not participate in any discussion or consideration of such transaction, and the transaction must be authorized, approved, or ratified in good faith by a majority of the Governors who have no direct or indirect interest in the transaction even though less than a quorum; provided, however, no such transaction shall be authorized, approved, or ratified by a single Governor. For purposes of this Section, a Governor has an indirect interest in a transaction if:

- Another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or
- Another entity of which he is a director, officer, or Governor is a party to the transaction and the transaction is or should be considered by the Board.

Meetings

The Endowment Board Committee meets up to six times annually in conjunction with each regularly scheduled meetings of the Board of Governors; special meetings may be called by the Chair or upon request of three other members.

A report shall be made by the Endowment Board Committee to the Board of Governors of the University at each regular meeting of the Board of Governors of the University.

Quorum

The presence of the majority of the members of the Board in office immediately before a meeting begins shall constitute a quorum for the transaction of business

Actions Between Regular Meetings

Between regular meetings of the Board, routine matters of business may be dealt with by written ballot and without a meeting if such is deemed appropriate by the Chair. Any action taken by this method must be reported to the Board at its next regular meeting.

Members

The Endowment Board Committee of West Virginia State University shall consist of no fewer than six members and no more than 12 members, as determined by the Board of Governors:

- One member of the Endowment Board Committee shall be the Chair of the Board of Governors;
- One member shall be the President of West Virginia State University; and
- One ex officio member shall be designated by the Board of Governors from among the officers of the board or of the committees of the board.
- The remainder of the members may be (but need not be) members of the Board of Governors of West Virginia State University elected for overlapping terms of three years each.

In considering nominations to the Endowment Board, the Chair of the Board of Governors will take into consideration individuals who (a) have experience/expertise in investments, (b)

bring special skills or talents to the Endowment Board, or (c) have established an endowment at West Virginia State University, either within the endowment fund or elsewhere.

Members of the Endowment Board Committee may not be elected to more than two full three-year terms. New members elected to succeed members whose full terms are completed will be elected at the last regular meeting of the academic year of the Board of Governors.

The Chair of the Board of Governors shall appoint the Chair of the Endowment Board Committee. The Chair shall preside at all meetings of the Endowment Board Committee and have all powers and duties incident to such office. The Chair shall provide a summary report of actions taken at each meeting of the Endowment Fund Board of Governors to the West Virginia State University Board of Governors at their next regularly scheduled meeting.

Staff Designee

DRAFT

West Virginia State University

Board of Governors

Business Affairs Committee Charter

Purpose

The Business Affairs Committee shall consider and make recommendations to the Board of Governors regarding matters pertaining to the financial, business, and information technology management of the university.

Authority and Responsibilities

- Monitors and reviews the operating and capital budgets of the University;
- Monitors and reviews matters related to the information technology infrastructure;
- Approves an Information Technology Services Master Plan;
- Approves the issuance of debt;
- Approves a Master Facilities Plan for the University;
- Reviews and approves tuition and fee proposals;
- Reviews matters related to security and public safety of the University;
- Reviews matters related to the financial operations of the University, including the results of the annual audit.
- Recommends selection of architects/engineers and construction managers for buildings and improvements requiring professional services;
- Recommends for approval all proposals involving acquisition or disposition of any interest in real property for which authority has not been delegated to the President;
- Upon the recommendation of the President, recommends to the Board of Governors for approval, as required, policies applicable to the financial, information technology, and other administrative matters.

Meetings

The Business Affairs Committee meets up to six times annually in conjunction with each regularly scheduled Board meeting.

Members /Quorum

The Business Affairs Committee shall be comprised of three or more members as determined by the Board but no more than seven members. The committee chair shall be appointed by the Board chair.

Staff Designee

The Vice President for Business and Finance shall be staff to the Business Affairs Committee.

West Virginia State University

Board of Governors

Governance Committee Charter

Purpose

The Governance Committee researches, reviews and recommends policies and best practices in governance, ensuring that such practices and policies enhance the quality, efficiency and effectiveness of West Virginia State University.

Authority and Responsibilities

- Gives advice on how to become more thoughtful about the selection of new Governors and the composition of the Board by periodically reviewing and making recommendations to the Board Chair regarding the Board member selection process and leadership succession planning; addressing Governor skill sets; and concerning itself with diversity of members such as in ethnicity, gender, geographic, and other types of diversity;
- Involvement in Board orientation for each new member and continuing Board educational programs, and in mentorship of new Board members;
- Creates and thereafter evaluates a Board profile of the combination of talents, knowledge, backgrounds, and expertise needed to fulfill the university's goals;
- Develops and secures Board approval of a written statement setting out the roles and responsibilities of Board members;
- Establishes performance criteria/expectations for governors in areas of attendance, preparedness, candor, and participation;
- Manages the process for deciding whether to recommend reappointment of a Board member;
- Designs and manages any term-limit policies on Board officers;
- Honors and recognizes retiring members;
- Effectively communicates the committee's responsibilities and achievements;
- Assesses the performance of the committee itself, and the board as a whole through a process of confidential self-assessment by each Board member.

Meetings

The Governance Committee meets up to six times annually in conjunction with each regularly scheduled Board meeting, and may meet other times as needed to fulfill its responsibilities.

Members / Quorum

The Governance Committee shall consist of at least five but no more than seven members, including ex officio members. The committee chair shall be appointed by the Board chair. The Board chair and the President shall be non-voting, ex-officio members of the committee.

Staff Designee

The General Counsel shall be staff to the Governance Committee.

DRAFT

West Virginia State University

Board of Governors

Advancement and External Affairs Committee Charter

Purpose

The Advancement and External Affairs Committee of the Board of Governors shall exercise oversight of university programs related to private giving to the institution, alumni programming and communications, public relations and university communications, and external relations at the local, state, and national levels.

The committee shall review and recommend any necessary action or policies on matters listed below, as well as discuss a variety of issues related to the overall advancement of the university, including private philanthropy, alumni relations, communications and public relations, and external relations.

Authority and Responsibilities

- Advises the President in all areas pertaining to development, advancement services, university communications, and alumni relations;
- Receives and reviews reports on private support of the university to assess effectiveness and make recommendations related to philanthropy;
- Receives reports on West Virginia State University Alumni Association activities and initiatives and makes recommendations concerning alumni relations;
- Receives reports on marketing, communications, and public relations and makes recommendations related to matters such as branding, licensing, and external relations of the university;
- Receives reports on the activities of the state legislature and makes recommendations concerning government relations;
- Recommends approval of all university fundraising campaigns;
- Advises the President and Vice President for University Advancement on the priority, timing, direction, funding and management of capital and other fundraising campaigns;
- Advises the President and Vice President for University Advancement on the formation of campaign steering committees;
- Recommends naming guidelines for endowed funds, facilities, and programs funded in whole or in part by private monies;
- Recommends to the Board of Governors for approval the naming of all facilities and programs, owned, operated or controlled by the university;
- Upon the recommendation of the President, recommends to the Board of Governors for approval, as required, policies related to the relationship between the university and its associated entities, the coordination of all fundraising activities intended to benefit the university, the conduct of fundraising campaigns, the use and application of privately donated funds for any activity whose sponsorship may implicate or obligate the

university; and fundraising activities intended to benefit the Endowment Fund and various associated entities.

Meetings

The Advancement and External Affairs Committee meets up to six times annually in conjunction with each regularly scheduled Board meeting.

Members /Quorum

The Advancement and External Affairs Committee shall be comprised of three or more members as determined by the Board but no more than five members. The committee chair shall be appointed by the Board chair.

Staff Designee

The Vice President for University Advancement shall be staff to the Advancement and External Affairs Committee.

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**Board of Governors
AUDIT COMMITTEE**

Via Zoom

<https://zoom.us/j/95969412647?pwd=YStUbk5sQVR6ako5NmtjdEFsams3UT09>

Meeting ID: 959 6941 2647 | Passcode: 204689

Friday, November 20, 2020

9:30 a.m. – 10:15 a.m.

AGENDA

- | | |
|--|-----------------|
| I. Call to Order | James Payne |
| II. Roll Call | Natasha Tyson |
| III. Verification of Appropriate Notice of Public Meeting | James Payne |
| IV. Approval of October 22, 2020 Meeting Minutes | James Payne |
| V. FY20 Audited Financial Statements (<i>Action Required</i>) | Kristi Williams |
| VI. Adjournment | James Payne |

**Board of Governors
West Virginia State University
Audit Committee**

Date/Time: 11/20/2020 -- 9:30 AM

Location:

Meeting via Zoom
<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>
Meeting ID: 959 6941 2647
Passcode: 204689

Purpose: To conduct committee business prior to the full board meeting

Notes:

Meeting was approved : 11/12/2020 1:47:15 PM

Meeting Minutes
West Virginia State University Board of Governors
Audit Committee
James C. Wilson University Union and Zoom
October 22, 2020
9:30 a.m.

I. Call to Order

Committee Chair, Mr. Payne, called the meeting of the West Virginia State University Board of Governors Audit Committee to order at 9:45 a.m.

II. Roll Call

The clerk called the roll. Members present were Mr. Jones, Mr. Davis, Mr. Lipscomb, Ms. Harper, Dr. Smith, Mr. Payne, Mr. Gray, Ms. Dooley, Mr. Kendrick, and Mr. Kelley. Members absent were Mrs. Pitchford and Dr. Vaughan.

III. Election of Committee Chair

Mr. Payne asked for a nomination of an Audit Committee Chair. Mr. Davis nominated Mr. Payne, and it was seconded by Ms. Dooley. The motion carried.

IV. Election of Presiding Officer in the Absence of Committee Chair

Mr. Payne asked for a nomination of a Presiding Officer in the absence of the Committee Chair. Mr. Kelley nominated Mr. Davis, and it was seconded by Ms. Dooley. The motion carried.

V. Verification of Appropriate Notice of Public Meeting

Mr. Payne announced the Verification of Appropriate Notice of Public Meeting.

VI. Approval of Meeting Agenda

Mr. Payne asked for a motion to approve the agenda. Ms. Dooley made a motion, and it was seconded by Mr. Kelley. The motion carried.

VII. Approval of June 11, 2020 Meeting Minutes

Mr. Payne asked for a motion to approve the June 11, 2020 meeting minutes. Mr. Jones made a motion to approve the minutes, and it was seconded by Mr. Davis. The motion carried.

VIII. FY20 Audit Update

Ms. Williams provided an update on the financial audit. The interim field work was performed in May. The audit field work began the week of September 8 and was conducted virtually. The draft audit from the auditing firm, CliftonLarsonAllen, was due to the West Virginia Higher Education Policy Commission on September 15, while the final draft was due on October 15. The firm is currently working on the consolidated draft for Higher Education as a whole for the state, which is due on October 31. The firm is scheduled to present to the Board during the next scheduled meeting in November. Ms. Williams reported that the audit was a clean, unmodified opinion with one material weakness identified with internal control due to a schedule error that should have been corrected prior to submitting the information to the firm. It was agreed that the firm would be allowed to attend the upcoming meeting virtually as there were no material findings.

IX. Adjournment

With there being no other business, Mr. Payne asked for a motion to adjourn. Ms. Dooley made the motion, and it was seconded by Mr. Kelley. The motion carried. The meeting adjourned at 9:55 a.m.

Respectfully Submitted by Natasha Tyson, Committee Clerk, October 27, 2020.

Approved by:

Kristi Williams
Interim Vice President for Business and Finance
Audit Committee Administrator



West Virginia State University Audit Presentation

Year Ended June 30, 2020

Chris Knopik, Principal

Daniel Persaud, Principal

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor



Create Opportunities

Overview

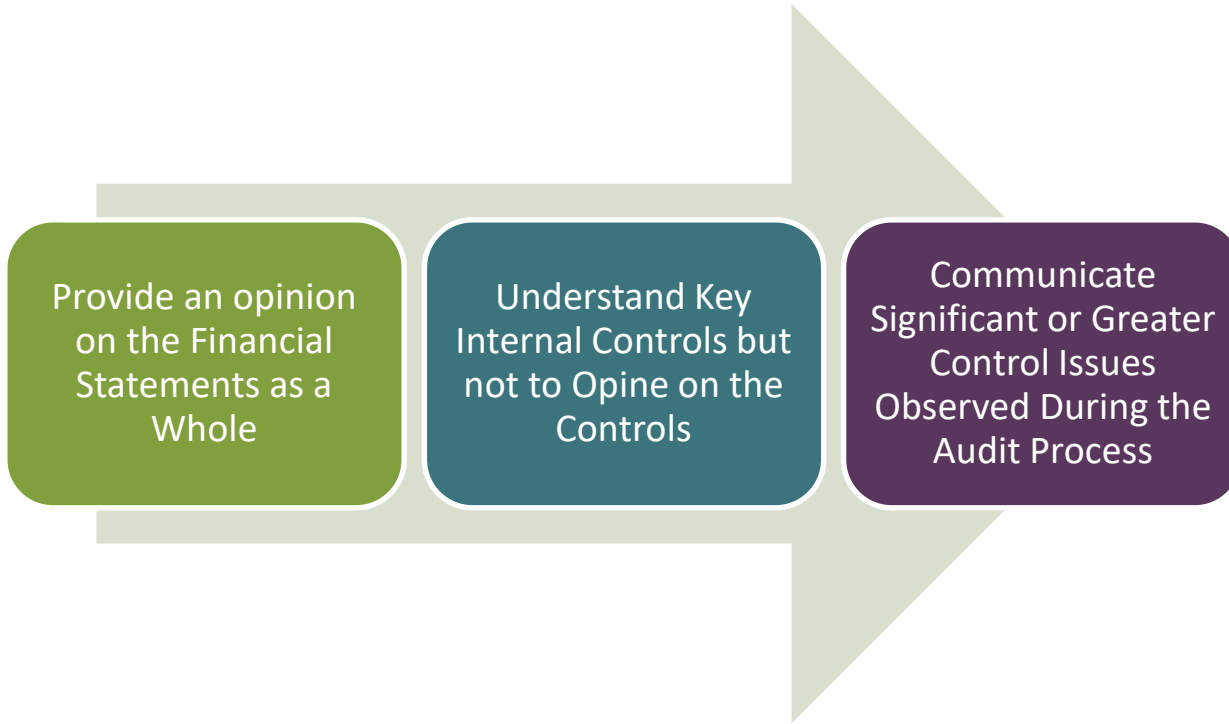
Overview of the Audit Process – Risk-Based Approach

Audit Results

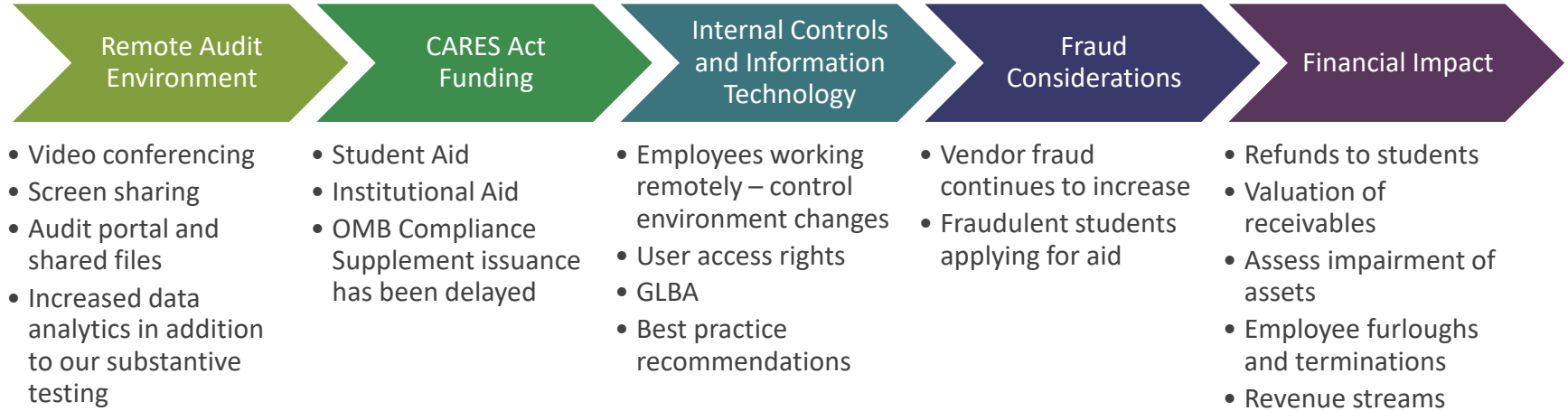
Governance Communication

Trends & Benchmarking

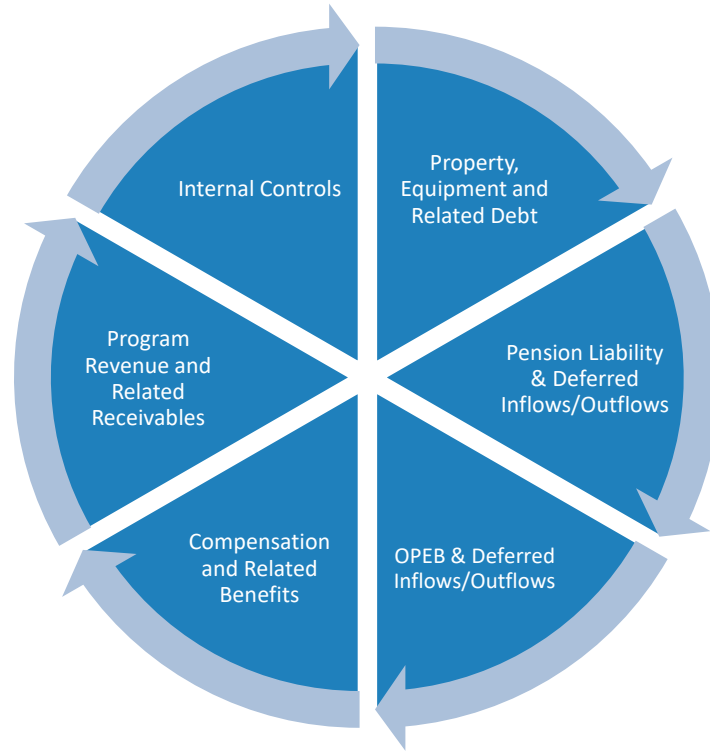
Auditors' Responsibilities



COVID-19 Impact and Response



Risk-Based Approach



Audit Results

- Financial Statement Results
 - **Unmodified Opinion** – which is the highest level of assurance a firm can provide
- Yellow Book Report
 - Internal Controls -
 - ◇ Significant Deficiency: Adjusting entries were not made to outside bank accounts at year end
 - Compliance – **No Findings**



Statement of Net Position

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and investments	\$ 1,770,582	\$ 1,179,453
Accounts receivable	2,673,773	2,222,269
Other	404,738	336,091
Noncurrent assets		
Restricted cash and investments	259,929	256,830
Other	83,366	93,066
Capital assets	<u>75,859,415</u>	<u>77,547,973</u>
Total assets	<u>81,051,803</u>	<u>81,635,682</u>
Deferred Outflows of Resources	<u>868,342</u>	<u>1,035,576</u>
Total Assets and Deferred Outflows of Resources	<u>81,920,145</u>	<u>82,671,258</u>
Liabilities		
Current liabilities	11,005,856	9,502,186
Noncurrent liabilities	<u>37,702,404</u>	<u>39,943,915</u>
Total liabilities	<u>48,708,260</u>	<u>49,446,101</u>
Deferred Inflows of Resources	<u>2,706,683</u>	<u>2,082,255</u>
Total Liabilities and Deferred Inflows of Resources	<u>51,414,943</u>	<u>51,528,356</u>
Net position	<u>\$ 30,505,202</u>	<u>\$ 31,142,902</u>
Net investment in capital assets	43,691,290	44,592,489
Restricted for debt service, capital projects and loans	(45,704)	(103,475)
Unrestricted	<u>(13,140,384)</u>	<u>(13,346,112)</u>
Total net position	<u>\$ 30,505,202</u>	<u>\$ 31,142,902</u>

*Note: Excludes
WVSU R&D
amounts



Revenues and Expenses

	<u>2020</u>	<u>2019</u>
Operating revenues		
Student fees	\$ 10,943,694	\$ 11,524,175
Federal, state, and private grants	3,443,368	4,422,626
Auxiliary enterprise	4,167,435	3,515,297
Other operating revenues	<u>1,000,376</u>	<u>1,226,442</u>
Total operating revenues	<u>19,554,873</u>	<u>20,688,540</u>
Operating expenses		
Salaries, wages, and benefits	21,137,010	19,292,853
Supplies and other services	7,951,592	7,187,294
Student financial aid - scholarship and fellowships	5,277,880	3,772,946
Depreciation and amortization	3,311,968	3,101,963
Other operating expenses	<u>1,977,821</u>	<u>2,042,930</u>
Total operating expenses	<u>39,656,271</u>	<u>35,397,986</u>
Operating loss	<u>(20,101,398)</u>	<u>(14,709,446)</u>
Non-operating revenues (expenses)		
State appropriations	14,292,704	11,447,580
Federal Pell Grants	4,157,958	4,662,462
Other net non-operating	<u>200,217</u>	<u>(2,076,701)</u>
Total non-operating revenues	<u>18,650,879</u>	<u>14,033,341</u>
Payments on Behalf	<u>812,819</u>	<u>799,920</u>
Change in Net Position	<u>\$ (637,700)</u>	<u>\$ 123,815</u>

*Note:
Excludes WVSU
R&D amounts



Unrestricted Net Position

- GASB 75 – Postemployment Benefits others than pensions
 - Rely on actuarial report prepared by GRS Retirement Consulting
- GASB 68 – Pensions
 - Rely on actuarial report prepared by Buck Global LLC

	<u>2020</u>	<u>2019</u>
Unrestricted Net Position, as Reported	\$ (13,140,384)	\$ (13,346,112)
OPEB Liability	4,768,552	6,180,480
OPEB Related Deferrals	1,518,900	864,708
Net Pension Liability	468,976	718,868
Net Pension Liability Related Deferrals	319,441	181,971
Net Position, Excluding OPEB/NPL	<u>\$ (6,064,515)</u>	<u>\$ (5,400,085)</u>

*Note: Excludes
WVSU R&D
amounts



Governance Communication

Overall	Estimates	Difficulties	Other
<ul style="list-style-type: none">• Purpose is to provide an update on the audit since the planning meeting• No changes in scope of audit• Change in accounting principle – No significant changes for 2020	<ul style="list-style-type: none">• Estimates are present in the financial statements:<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• No difficulties encountered• No disagreements encountered	<ul style="list-style-type: none">• No material adjustments recorded – 1 related to cash• Passed/waived adjustments: None

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 related to our performance.





Chris Knopik, CPA, CFE

Principal

Christopher.Knopik@CLAconnect.com

Daniel Persaud, CPA

Principal

Daniel.Persaud@claconnect.com





Board of Governors
West Virginia State University
Institute, West Virginia

We have audited the accompanying financial statements of West Virginia State University and its discretely presented component unit (University), as of and for the year ended June 30, 2020, and have issued our report thereon dated October 15, 2020. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by University are described in Note 1 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2020.

We noted no transactions entered into by the University during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the allowance for doubtful accounts is based on an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the useful lives of capital assets is based on authoritative guidance and past experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the amount of year-end compensated absences payable to employees is based on historical trends and anticipated leave time activity. We evaluated the key factors and assumptions used to develop the year-end compensated absences payable to employees in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of scholarship allowance is based on an approved National Association of College and University Business Officers (NACUBO) method. We evaluated the key factors and assumptions used to develop the scholarship allowance in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the other postemployment benefits is based on an actuarial computed amount. We evaluated the key factors and assumptions used to develop the other postemployment benefits liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the earned and unearned portions of summer-session tuition, room and board fees is based on number of days for the respective fiscal year as a percentage of the total summer days on a calendar basis. We evaluated the key factors and assumptions used to develop the earned and unearned portions of summer-session tuition, room and board fees in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the fair value of investments on June 30, 2018 is based on a reasonable and consistent basis using factors such as average market indexes from bigcharts.com. We evaluated the key factors and assumptions used to develop the market value and determined it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liability is based on an actuarial computed amount allocated to the University based on past contributions to the Teachers Retirement System. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated October 15, 2020.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the University's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the University's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Audits of group financial statements

We have provided a separate letter to you dated October 15, 2020, communicating internal control related matters relevant to the group audit and identified by us or by a component auditor during the audit.

Quality of component auditor's work

There were no instances in which our evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work.

Limitations on the group audit

There were no restrictions on our access to information of components or other limitations on the group audit.

Other information in documents containing audited financial statements

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

* * *

This communication is intended solely for the information and use of the board of governors and management of West Virginia State University, and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2020

West Virginia State University

Financial Statements as of and for the Years Ended
June 30, 2020 and 2019, and Independent Auditors'
Reports

WEST VIRGINIA STATE UNIVERSITY

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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, 2020 and 2019, 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, 2020 and 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-Matter

As discussed in Note 1, the financial statements present only West Virginia State University and do not purport to, and do not present fairly the financial position of the West Virginia Higher Education Policy Commission as of June 30, 2020 and 2019, the changes in its financial position, or cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

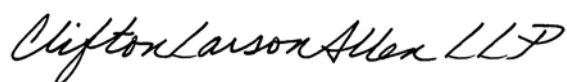
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension schedules and contributions, and schedule of proportionate share of net OPEB liability and schedule of contributions as listed in the table of contents be presented 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 15, 2020, 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 15, 2020

West Virginia State University

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2020

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, 2020. 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, 2020.

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, 2020.

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, 2020 or 2019.
 - 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

Assets	2020	2019	Difference	2018
Total Current Assets	\$ 6,640,921	\$ 5,561,912	\$ 1,081,103	\$ 5,453,349
Total Non Current Assets	77,946,423	79,566,443	(1,620,021)	81,036,442
Total Assets	84,587,344	85,128,355	(538,917)	86,489,791
Deferred Outflows	992,286	1,161,297	(169,011)	910,352
Total Assets and Deferred Outflows	<u>\$ 85,579,630</u>	<u>\$ 86,289,652</u>	<u>\$ (707,928)</u>	<u>\$ 87,400,143</u>
Liabilities				
Total Current Liabilities	\$ 11,495,369	\$ 10,268,353	\$ 1,227,016	\$ 10,351,070
Total Non Current Liabilities	38,772,940	41,252,154	(2,479,214)	42,920,663
Total Liabilities	50,268,309	51,520,507	(1,252,198)	53,271,733
Deferred Inflows	3,226,791	2,491,077	735,714	1,966,901
Total Liabilities and Deferred Inflows	<u>\$ 53,495,100</u>	<u>\$ 54,011,584</u>	<u>\$ (516,484)</u>	<u>\$ 55,238,634</u>
Net Position				
Net Investment in Capital Assets	\$ 45,435,003	\$ 46,261,064	\$ (685,256)	\$ 44,446,116
Restricted Expendable Debt Service	259,929	256,830	3,099	365,052
Restricted Expendable Other	(305,633)	(360,305)	54,672	(379,513)
Unrestricted deficit	(13,304,769)	(13,879,521)	436,041	(12,270,146)
Total Net Position	<u>32,084,530</u>	<u>32,278,068</u>	<u>(191,444)</u>	<u>32,161,509</u>
Total Liabilities and Net Position	<u>\$ 85,579,630</u>	<u>\$ 86,289,652</u>	<u>\$ (707,928)</u>	<u>\$ 87,400,143</u>

Assets:

Total assets for fiscal year 2020 decreased from fiscal year 2019 by \$0.7 million. This was caused by the decrease in accounts receivable. Total current liabilities of resources of \$11.5 million exceeded total current assets of \$6.6 million, for a net working capital of \$(4.9) million.

Total assets for fiscal year 2019 decreased from fiscal year 2018 by \$1.3 million. This was caused by the decrease in items such as cash, inventories and prepaid expenses. Total current liabilities of resources of \$10.2 million exceeded total current assets of \$5.6 million, for a net working capital of \$(4.6) million.

Liabilities:

Total liabilities for fiscal year 2020 decreased by \$1.2 million over fiscal year 2019. The difference is a decrease in accounts payable, net pension liability and OPEB Liability.

Total liabilities for fiscal year 2019 decreased by \$1.8 million over fiscal year 2018. The difference is a decrease in accounts payable, net pension liability and OPEB Liability.

Net Position:

The largest difference in net position for fiscal year 2020 is the Unrestricted Net Assets category as a result of decrease for OPEB Liability and in Net Pension Liability compared to 2019.

The largest difference in net position for fiscal year 2019 is the Unrestricted Net Assets category as a result of decrease for OPEB Liability and in Net Pension Liability compared to 2018.

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

	2020	2019	Difference	2018
Operating Revenues	\$ 27,402,863	\$ 29,515,256	\$ (2,112,393)	\$ 28,955,371
Operating Expenses	49,132,271	46,429,842	\$ 2,702,429	44,644,891
Operating Loss	(21,729,408)	(16,914,586)	(4,814,822)	(15,689,520)
Nonoperating Revenues Net	18,651,451	14,028,113	4,623,338	13,877,540
Income Before Other Revenue, Expenses, gains or Losses	(3,077,957)	(2,886,473)	(191,484)	(1,811,980)
Capital Gifts and Grants	2,010,221	2,120,701	(110,480)	4,905,013
Capital Payments on Behalf WVSU	874,198	882,331	(8,133)	976,089
(Decrease)Increase in Net Position	(193,538)	116,559	(310,097)	4,069,122
Net Position, beginning of Year	32,278,068	32,161,509	116,559	24,854,520
Restatement/change in accounting principal	-	-	-	3,237,867
Net Position, beginning of Year as restated	32,278,068	32,161,509	116,559.00	28,092,387
Net position, end of year	\$ 32,084,530	\$ 32,278,068	\$ (193,538)	\$ 32,161,509

Operating Revenues:

Operating revenues decreased by \$2.1 million for fiscal year 2020 as a result of a decrease of federal grants and auxiliary revenue.

Operating revenues increased by \$0.6 million for fiscal year 2019 as a result of increase of student tuition & fees, federal grants, and state grants, along with a decrease in auxiliary revenue.

Operating Expenses:

Operating expenses increased in 2020 by about \$2.7 million. The increase in fiscal year 2020 in salaries and wages of \$1.9 million, and increase in student financial aid expense of \$1.4 million, were the significant changes for operating expenses.

Operating revenues in fiscal year 2020 of \$27.4 million compared to operating expenses of \$49.1 million resulted in an operating loss of \$21.7 million. Although State Appropriations of \$14.2 million and Pell Grants of \$4.2 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 revenues in fiscal year 2019 of \$29.5 million compared to operating expenses of \$46.4 million resulted in an operating loss of \$16.9 million. Although State Appropriations of \$11.4 million and Pell Grants

of \$4.7 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 2020	FY 2019	Difference	FY 2018
Cash provided by (used in):				
Operating activities	\$(16,565,135)	\$(15,078,039)	\$(1,444,400)	\$(13,633,642)
Noncapital financing activities	20,790,025	16,094,662	108,799	15,985,863
Capital financing activities	(2,614,333)	(2,043,117)	(183,856)	(1,859,261)
Interest on investments	37,951	65,386	24,516	40,870
	<hr/>	<hr/>	<hr/>	<hr/>
Increase (decrease) in cash and cash equivalents	1,648,508	(961,108)	(1,494,941)	533,830
Cash — beginning of year	1,214,994	2,176,102	533,828	1,642,274
	<hr/>	<hr/>	<hr/>	<hr/>
Cash — end of year	\$ 2,863,502	\$ 1,214,994	\$ (961,113)	\$ 2,176,104

The major difference between fiscal year 2020 and fiscal year 2019 included in operating activities consists of auxiliary enterprise charges increase of \$0.5 million, increase in tuition and fees of \$1.3 million, increase in grants and contracts of \$1.2 million, decrease in payment to employees of \$(1.3) million, and a decrease in payments for scholarships of \$(1.4) million.

The major difference between fiscal year 2019 and fiscal year 2018 included in operating activities consists of auxiliary enterprise charges decrease of \$1.0 million.

Major difference between fiscal year 2020 and fiscal year 2019 in funding included is noncapital financing is primarily an increase in state appropriations of \$2.8 million compared to last year's receipts, and decrease in Pell Grant receipts of \$(0.5) million.

Major difference between fiscal year 2019 and fiscal year 2018 in funding included is noncapital financing is primarily an increase in state appropriations of \$0.3 million compared to last year's receipts and decrease in Pell Grant receipts of \$(0.1) million.

Major differences between fiscal year 2020 and fiscal year 2019 in capital finance activities included, withdrawals from non-current cash and cash equivalents \$(0.11) million and principal paid on notes and bonds \$(0.33).

Major differences between fiscal year 2019 and fiscal year 2018 in capital finance activities included, capital made on behalf of WVSU \$(0.9) million and principal paid on notes and bonds \$(0.15).

CAPITAL ASSETS

In FY 2020, 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 2020 include the following.

- Greenhouse complex project

ECONOMIC OUTLOOK

Under the new leadership of the President, Dr. Nicole Pride, 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.

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.

The growth of strategic and novel academic offerings at the University is linked to the research and public service missions and thus key in terms of its overall advancement. In 2019, the University received reaccreditation by the Higher Learning Commission, as well as approval to implement a new Bachelor of Science in Nursing "(BSN)" in the fall semester of 2020. Other key academic offering in progress include a Bachelor's Degree in Multidisciplinary Studies and a Master's in Business Administration ("MBA"). By implementing new academic programing that is responsive to the market needs, the University aims at increasing its student enrollment.

West Virginia Research and Development Corporation will continue supporting and playing a vital role, as the designated fiscal manager of external resources, in the administration and advancement of research, teaching, and public service for the University. West Virginia State University (“WVSU”), as a Historically Black and 1890 Land-Grant Institution, receives through the Corporation, federal and state appropriations, competitive grants and contracts, and county, local, foundation and private support invested to build capacity and strengthen its tripartite missions, including research, public service, and instruction . Due to decreasing investments by federal, state and local governments, associated with research and educational programs in the last decade, these external resources have been more competitive and difficult to attain. Furthermore, caused by an unprecedented and unexpected challenge in the form of a global pandemic, the last two quarters of fiscal year 2020 brought about an even greater uncertainty in terms of the economic outlook. In spite of the aforementioned economic challenges, the Corporation’s revenues were slightly better in FY20 when compared to the previous year.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF NET POSITION AS OF JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,863,502	\$ 1,214,994
Accounts receivable — net	3,156,066	3,785,810
Loans to students — current portion	33,853	65,607
Inventories	366,300	270,303
Prepaid expenses	221,200	225,198
	<u>6,640,921</u>	<u>5,561,912</u>
Total current assets		
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	259,929	256,830
Other Receivables	83,366	93,066
Capital assets — net	<u>77,603,128</u>	<u>79,216,547</u>
	<u>77,946,423</u>	<u>79,566,443</u>
Total noncurrent assets		
Deferred Outflows of Resources:		
Deferred outflows related to OPEB	904,197	1,010,096
Deferred outflows related to pensions	<u>88,089</u>	<u>151,201</u>
	<u>992,286</u>	<u>1,161,297</u>
Total deferred outflows of resources		
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 85,579,630</u></u>	<u><u>\$ 86,289,652</u></u>

(Continued)

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF NET POSITION AS OF JUNE 30, 2020 AND 2019

	2020	2019
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	\$ 3,993,788	\$ 3,671,257
Accrued liabilities	3,278,758	2,390,069
Compensated absences — current portion	865,818	2,056,610
Deferred revenue	2,550,005	936,417
Leases payable - current portion	315,000	244,000
Bonds payable — current portion	390,000	375,000
Notes payable — current portion	102,000	595,000
Total current liabilities	<u>11,495,369</u>	<u>10,268,353</u>
NONCURRENT LIABILITIES:		
Deposits	93,200	87,450
Compensated absences	491,636	210,678
Bonds payable	8,855,000	9,250,000
Notes payable	2,075,999	2,177,999
Capital leases payable	20,428,032	20,743,032
Advances from federal sponsors	579,122	579,122
Net pension liability	468,976	718,868
Other post employment benefits liability	5,780,975	7,485,005
Total noncurrent liabilities	<u>38,772,940</u>	<u>41,252,154</u>
TOTAL LIABILITIES	<u>50,268,309</u>	<u>51,520,507</u>
Deferred Inflows of Resources:		
Deferred inflows related to OPEB	2,819,261	2,157,905
Deferred inflows related to pensions	407,530	333,172
Total deferred inflows of resources	<u>3,226,791</u>	<u>2,491,077</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>53,495,100</u>	<u>54,011,584</u>
NET POSITION:		
Net investment in capital assets	45,435,003	46,261,064
Restricted - Expendable Loans	(305,633)	(360,305)
Restricted - Expendable Debt service	259,929	256,830
Total restricted	<u>(45,704)</u>	<u>(103,475)</u>
Unrestricted deficit	<u>(13,304,769)</u>	<u>(13,879,521)</u>
TOTAL NET POSITION	<u>\$ 32,084,530</u>	<u>\$ 32,278,068</u>

See notes to combined financial statements.

(Concluded)

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
OPERATING REVENUES:		
Student tuition and fees — net of scholarship allowance of \$8,375,639 and \$7,242,018 in 2020 and 2019, respectively	\$ 10,943,694	\$ 11,524,175
Contracts and grants:		
Federal	7,963,352	9,945,569
State	3,013,168	3,138,924
Private	314,838	164,849
Sales and services of educational activities	3,065	-
Auxiliary enterprise revenue — net of scholarship allowance of \$1,768,187 and \$2,209,081 in 2020 and 2019, respectively	4,167,435	3,515,297
Miscellaneous — net	877,955	1,105,582
Fees charged to the students of Kanawha Valley Community and Technical College	119,356	120,860
	<u>27,402,863</u>	<u>29,515,256</u>
OPERATING EXPENSES:		
Salaries and wages	22,362,136	20,419,377
Benefits	4,942,863	4,835,924
Supplies and other services	10,657,438	11,729,204
Utilities	2,178,407	2,193,684
Student financial aid — scholarships and fellowships	5,277,880	3,772,946
Depreciation and amortization	3,713,547	3,478,707
	<u>49,132,271</u>	<u>46,429,842</u>
OPERATING LOSS	<u>(21,729,408)</u>	<u>(16,914,586)</u>
NONOPERATING REVENUES (EXPENSES):		
State appropriations	14,292,704	11,447,580
Federal Pell Grants	4,157,958	4,662,462
CARES Act revenue	2,355,420	-
Investment income	37,951	65,386
Interest on indebtedness	(2,177,025)	(2,126,648)
Loss on fixed asset disposal	500	(5,287)
Fees assessed by the Commission	(16,057)	(15,380)
	<u>18,651,451</u>	<u>14,028,113</u>
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	(3,077,957)	(2,886,473)
PAYMENTS MADE ON BEHALF OF WV STATE UNIVERSITY	874,198	882,331
CAPITAL GRANTS AND GIFTS	<u>2,010,221</u>	<u>2,120,701</u>
CHANGE IN NET POSITION	(193,538)	116,559
NET POSITION — Beginning of year	<u>32,278,068</u>	<u>32,161,509</u>
NET POSITION — End of year	<u>\$ 32,084,530</u>	<u>\$ 32,278,068</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	\$ 12,076,533	\$ 10,738,817
Contracts and grants	11,291,358	13,249,342
Payments to and on behalf of employees	(27,255,148)	(25,947,092)
Payments to suppliers	(10,426,906)	(11,916,922)
Payments to utilities	(2,178,407)	(2,193,684)
Payments for scholarships and fellowships	(5,277,880)	(3,772,946)
Collection of loans to students	31,754	24,404
Sales and service of educational activities	3,065	-
Auxiliary enterprise charges	4,173,185	3,513,597
Fees charged to Kanawha Valley Community and Technical College students	119,356	120,860
Other receipts — net	877,955	1,105,585
	<u>(16,565,135)</u>	<u>(15,078,039)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	14,292,704	11,447,580
CARES Act revenue	2,355,420	-
William D. Ford direct lending receipts	10,059,743	11,198,248
William D. Ford direct lending payments	(10,059,743)	(11,198,248)
Federal Pell grants	4,157,958	4,662,462
Fees assessed by the Commission	(16,057)	(15,380)
	<u>20,790,025</u>	<u>16,094,662</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Capital grants and gifts received	2,010,221	2,120,701
Capital payments made on behalf of WVSU	874,198	882,331
Purchases of capital assets	(2,099,628)	(2,138,723)
Principal paid on notes and bonds	(1,219,000)	(889,000)
Interest paid on notes, bonds, and leases	(2,177,025)	(2,126,648)
Withdrawals from non-current cash and cash equivalents	(3,099)	108,222
	<u>(2,614,333)</u>	<u>(2,043,117)</u>
CASH FLOWS FROM INVESTING ACTIVITY — Interest on investments	<u>37,951</u>	<u>65,386</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,648,508	(961,108)
CASH AND CASH EQUIVALENTS — Beginning of year	<u>1,214,994</u>	<u>2,176,102</u>
CASH AND CASH EQUIVALENTS — End of year	<u>\$ 2,863,502</u>	<u>\$ 1,214,994</u>

WEST VIRGINIA STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Operating loss	\$ (21,729,408)	\$ (16,914,586)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation and amortization expense	3,713,547	3,478,707
Effect of change operating assets and liabilities:		
Receivables — net	639,444	(1,208,249)
Loans to students — net	31,754	24,404
Prepaid expenses	3,998	77,608
Inventories	(95,997)	53,069
Accounts payable and accrued liabilities	1,211,220	(371,626)
Compensated absences	210,359	82,935
OPEB	(936,775)	5,334,247
Unearned revenue	493,395	422,891
Defined benefit pension plans	(112,422)	(6,055,742)
Deposits held in custody for others	<u>5,750</u>	<u>(1,700)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (16,565,135)</u>	<u>\$ (15,078,042)</u>

See notes to combined financial statements.

(Concluded)

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, 2020 AND 2019**

	2020	2019
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 734,402	\$ 540,312
Cash and cash equivalents - restricted funds	1,844,026	1,905,470
Unconditional promises to give (less allowance for doubtful accounts of \$152,000 and \$52,000 respectively)	1,773,910	2,593,894
Other receivables	32,623	27,340
Investments	9,294,966	9,648,797
Other Investments, bond reserve funds	3,364,137	3,240,289
Beneficial interest in trusts	236,613	264,370
Note Receivable	-	500,000
Lease Receivable	20,742,032	20,987,032
Deferred bond issuance cost	343,345	363,956
Property and equipment, net	<u>379,782</u>	<u>407,618</u>
TOTAL ASSETS	<u>\$ 38,745,836</u>	<u>\$ 40,479,078</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 42,850	\$ 58,655
Bonds payable	<u>24,512,929</u>	<u>24,717,794</u>
	<u>24,555,779</u>	<u>24,776,449</u>
NET ASSETS		
Without donor restrictions	853,328	734,659
With donor restrictions	13,336,729	14,967,970
Total net assets	<u>14,190,057</u>	<u>15,702,629</u>
	<u>\$ 38,745,836</u>	<u>\$ 40,479,078</u>

See notes to combined financial statements.

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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and gifts	\$ 249,552	\$ 902,132	\$ 1,151,684
Administrative fees (expenses)	146,384	(146,384)	-
Rental income	1,859	8,804	10,663
Investment income	669	(441,356)	(440,687)
Other Income	643	695,529	696,172
Net assets released from restrictions	<u>2,540,755</u>	<u>(2,540,755)</u>	<u>-</u>
	<u>2,939,862</u>	<u>(1,522,030)</u>	<u>1,417,832</u>
EXPENSES			
Program services			
Scholarships	696,511	-	696,511
University support	<u>1,844,244</u>	<u>-</u>	<u>1,844,244</u>
Total program services	<u>2,540,755</u>	<u>-</u>	<u>2,540,755</u>
Supporting services			
Management and general	251,706	-	251,706
Fundraising	<u>110,187</u>	<u>-</u>	<u>110,187</u>
Total supporting services	<u>361,893</u>	<u>-</u>	<u>361,893</u>
Total Expenses	<u>2,902,648</u>	<u>-</u>	<u>2,902,648</u>
NET INCREASE (DECREASE)	37,214	(1,522,030)	(1,484,816)
Change in Value of Perpetual Trust	-	(27,756)	(27,756)
Capital Lease Interest Income	1,632,444	-	1,632,444
Bond Interest Expense	<u>(1,632,444)</u>	<u>-</u>	<u>(1,632,444)</u>
Change in Net Assets	37,214	(1,549,786)	(1,512,572)
Net Assets at Beginning of Year	<u>816,114</u>	<u>14,886,515</u>	<u>15,702,629</u>
Net Assets at End of Year	<u>\$ 853,328</u>	<u>\$ 13,336,729</u>	<u>\$ 14,190,057</u>

See notes to combined financial statements.

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Contributions and gifts	\$ 211,731	\$ 1,659,591	\$ 1,871,322
Administrative fees (expenses)	148,281	(148,281)	-
Rental income	2,060	9,011	11,071
Investment income	3,795	1,008	4,803
Other Income	12,978	338,981	351,959
Net assets released from restrictions	<u>2,063,766</u>	<u>(2,063,766)</u>	<u>-</u>
	<u>2,442,611</u>	<u>(203,456)</u>	<u>2,239,155</u>
EXPENSES			
Program services			
Scholarships	646,152	-	646,152
University support	<u>1,417,614</u>	<u>-</u>	<u>1,417,614</u>
Total program services	<u>2,063,766</u>	<u>-</u>	<u>2,063,766</u>
Supporting services			
Management and general	237,374	-	237,374
Fundraising	<u>93,144</u>	<u>-</u>	<u>93,144</u>
Total supporting services	<u>330,518</u>	<u>-</u>	<u>330,518</u>
Total Expenses	<u>2,394,284</u>	<u>-</u>	<u>2,394,284</u>
NET INCREASE (DECREASE)	48,327	(203,456)	(155,129)
Change in Value of Perpetual Trust	-	(6,584)	(6,584)
Capital Lease Interest Income	1,644,663	-	1,644,663
Bond Interest Expense	<u>(1,644,663)</u>	<u>-</u>	<u>(1,644,663)</u>
Change in Net Assets	48,327	(210,040)	(161,713)
Net Assets at Beginning of Year	<u>767,787</u>	<u>15,096,555</u>	<u>15,864,342</u>
Net Assets at End of Year	<u>\$ 816,114</u>	<u>\$ 14,886,515</u>	<u>\$ 15,702,629</u>

See notes to combined financial statements.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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 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, 2020 AND 2019

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, 2020 and 2019.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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, 2020 or 2019.

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, 2020 AND 2019

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, 2020 and 2019, the University had deferred outflows of resources related to pensions of \$88,089 and \$151,201, respectively (see Note 13). As of June 30, 2020 and 2019, the University had deferred outflows of resources related to OPEB of \$904,197 and \$1,010,096, respectively.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019, the University had deferred inflows related to pensions of \$407,530 and \$333,172, respectively (see Note 13). As of June 30, 2020 and 2019, the University had deferred inflows related to OPEB of \$2,819,261 and \$2,157,905, 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, 2020 AND 2019

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, 2020 and 2019, the University received and disbursed approximately \$398,368 and \$439,159, 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, 2020 and 2019, the University received and disbursed approximately \$10.1 million and \$11.2 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, 2020 and 2019, the University received and disbursed approximately \$4.2 million and \$4.7 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, 2020 AND 2019

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.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. A national emergency was declared in the U.S. concerning the COVID-19 outbreak on March 13, 2020. As a result, economic uncertainties have arisen which may materially affect the amounts reported in the financial statements and in the footnotes. The financial impact of these uncertainties cannot be determined at this time.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2019. 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, 2019. 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.

The GASB has also issued Statement No. 87, *Leases*, which is effective for fiscal years beginning after December 15, 2020. 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, 2019. 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.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2020. 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, 2019. 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.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

3. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents at June 30, 2020 and 2019, was held as follows:

	2020		
	Current	Noncurrent	Total
State Treasurer	\$ 840,279	\$ -	\$ 840,279
Trustee	-	259,929	259,929
In bank	<u>2,023,223</u>	<u>-</u>	<u>2,023,223</u>
	<u>\$ 2,863,502</u>	<u>\$ 259,929</u>	<u>\$ 3,123,431</u>
	2019		
	Current	Noncurrent	Total
State Treasurer	\$ 672,212	\$ -	\$ 672,212
Trustee	-	256,830	256,830
In bank	<u>542,782</u>	<u>-</u>	<u>542,782</u>
	<u>\$ 1,214,994</u>	<u>\$ 256,830</u>	<u>\$ 1,471,824</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, 2020 and 2019 was \$3,123,134 and \$1,471,823 as compared with the combined bank balance of \$1,546,849 and \$723,637, 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, 2020 AND 2019

3. CASH AND CASH EQUIVALENTS (CONTINUED)

Amounts with the State Treasurer as of June 30, 2020 and 2019, 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	2020		2019	
	Carrying Value	S & P Rating	Carrying Value	S & P Rating
WV Money Market Pool	\$ 770,726	AAAm	\$ 590,838	AAAm
WV Short Term Bond Pool	<u>18,715</u>	Not Rated	<u>13,984</u>	Not Rated
	<u>\$ 789,441</u>		<u>\$ 604,822</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	2020		2019	
	Carrying Value	WAM (Days)	Carrying Value	WAM (Days)
WV Money Market Pool	\$ 770,726	44	\$ 590,838	42

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

External Pool	2020		2019	
	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	\$ 18,715	620	\$ 13,984	723

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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 BTI's Consolidated Fund's investment pools or accounts is exposed to these risks as described below.

4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2020 and 2019, are as follows:

	2020	2019
Student tuition and fees — net of allowance for doubtful accounts of \$950,478 and \$863,172 in 2020 and 2019, respectively	\$ 475,815	\$ 488,225
Grants and contracts receivable	2,663,195	3,288,561
Due from the Commission	1,392	1,299
Other accounts receivable	<u>15,664</u>	<u>7,725</u>
	<u>\$ 3,156,066</u>	<u>\$ 3,785,810</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

5. CAPITAL ASSETS

Summary of capital asset transactions for the University for the years ended June 30, 2020 and 2019 are as follows:

	2020			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,628,563	\$ -	\$ -	\$ 8,628,563
Construction in progress	177,454	587,731	-	765,185
Total capital assets not being depreciated	<u>\$ 8,806,017</u>	<u>\$ 587,731</u>	<u>\$ -</u>	<u>\$ 9,393,748</u>
Capital assets being depreciated:				
Land improvements	\$ 1,851,470	\$ 313,087	\$ -	\$ 2,164,557
Infrastructure	5,325,130	208,389	-	5,533,519
Buildings	98,737,382	170,332	-	98,907,714
Equipment	9,382,376	440,395	-	9,822,771
Motor vehicles	631,212	230,664	(121,889)	739,987
Software	192,180	-	-	192,180
License	18,750	-	-	18,750
Library books	5,489,711	149,528	-	5,639,239
Total capital assets being depreciated	<u>121,628,211</u>	<u>1,512,395</u>	<u>(121,889)</u>	<u>123,018,717</u>
Less accumulated depreciation for:				
Land improvements	1,058,143	71,349	-	1,129,492
Infrastructure	4,075,860	151,895	-	4,227,755
Buildings	33,989,599	2,603,785	-	36,593,384
Equipment	6,459,481	656,068	-	7,115,549
Motor vehicles	607,094	65,000	(121,889)	550,205
Software	192,179	-	-	192,179
License	18,750	-	-	18,750
Library books	4,816,573	165,450	-	4,982,023
Total accumulated depreciation	<u>51,217,679</u>	<u>3,713,547</u>	<u>(121,889)</u>	<u>54,809,337</u>
Capital assets being depreciated — net	<u>\$ 70,410,532</u>	<u>\$ (2,201,152)</u>	<u>\$ -</u>	<u>\$ 68,209,380</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 8,806,017	\$ 587,731	\$ -	\$ 9,393,748
Capital assets being depreciated	121,628,211	1,512,395	(121,889)	123,018,717
Total cost of capital assets	130,434,228	2,100,126	(121,889)	132,412,465
Less accumulated depreciation	<u>51,217,679</u>	<u>3,713,547</u>	<u>(121,889)</u>	<u>54,809,337</u>
Capital assets — net	<u>\$ 79,216,549</u>	<u>\$ (1,613,421)</u>	<u>\$ -</u>	<u>\$ 77,603,128</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

5. CAPITAL ASSETS (CONTINUED)

	2019			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 8,628,563	\$ -	\$ -	\$ 8,628,563
Construction in progress	7,007,052	1,523,245	(8,352,843)	177,454
Total capital assets not being depreciated	<u>\$ 15,635,615</u>	<u>\$ 1,523,245</u>	<u>\$ (8,352,843)</u>	<u>\$ 8,806,017</u>
Capital assets being depreciated:				
Land improvements	\$ 1,651,479	\$ 199,991	\$ -	\$ 1,851,470
Infrastructure	5,325,130	-	-	5,325,130
Buildings	90,550,009	8,187,373	-	98,737,382
Equipment	9,093,644	392,173	(103,441)	9,382,376
Motor vehicles	631,212	-	-	631,212
Software	340,069	-	(147,890)	192,179
License	18,750	-	-	18,750
Library books	5,300,928	188,783	-	5,489,711
Total capital assets being depreciated	<u>112,911,221</u>	<u>8,968,320</u>	<u>(251,331)</u>	<u>121,628,210</u>
Less accumulated depreciation for:				
Land improvements	1,007,666	50,477	-	1,058,143
Infrastructure	3,937,858	138,002	-	4,075,860
Buildings	31,394,331	2,595,268	-	33,989,599
Equipment	5,916,257	641,379	(98,155)	6,459,481
Motor vehicles	580,482	26,612	-	607,094
Software	340,069	-	(147,889)	192,180
License	18,750	-	-	18,750
Library books	4,789,604	26,968	-	4,816,573
Total accumulated depreciation	<u>47,985,017</u>	<u>3,478,706</u>	<u>(246,044)</u>	<u>51,217,680</u>
Capital assets being depreciated — net	<u>\$ 64,926,204</u>	<u>\$ 5,489,614</u>	<u>\$ (497,375)</u>	<u>\$ 70,410,530</u>
Capital asset summary:				
Capital assets not being depreciated	\$ 15,635,615	\$ 1,523,245	\$ (8,352,843)	\$ 8,806,017
Capital assets being depreciated	112,911,221	8,968,320	(251,331)	121,628,210
Total cost of capital assets	128,546,836	10,491,565	(8,604,174)	130,434,227
Less accumulated depreciation	47,985,017	3,478,706	(246,044)	51,217,680
Capital assets — net	<u>\$ 80,561,819</u>	<u>\$ 7,012,859</u>	<u>\$ (8,358,130)</u>	<u>\$ 79,216,547</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

5. CAPITAL ASSETS (CONTINUED)

Capital assets include buildings acquired by capital lease in the amount of \$20,743,032 and \$20,987,032 at June 30, 2020 and 2019, respectively. Related accumulated depreciation totaled \$4,270,404 and \$3,558,670 at June 30, 2020 and 2019, respectively. The University maintains various collections of inexhaustible assets to which no value can be determined. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means. Accordingly, such collections are not capitalized or recognized for financial statement purposes.

6. NONCURRENT LIABILITIES

Summaries of noncurrent obligation transactions for the University for the years ended June 30, 2020 and 2019 are as follows:

	2020				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Note payable	\$ 2,773,000	\$ -	\$ 595,000	\$ 2,178,000	\$ 102,000
Bonds payable	9,625,000	-	380,000	9,245,000	390,000
Other noncurrent liabilities:					
Deposits held in custody for others	65,158	28,042	-	93,200	-
Accrued compensated absences	1,047,844	309,610	-	1,357,454	865,818
Advances from Federal Sponsors	579,122	-	-	579,122	-
Capital Leases Payable	20,987,032	-	244,000	20,743,032	315,000
Net pension liability	718,868	-	249,892	468,976	-
Other post employment benefits liability	7,485,005	-	1,704,030	5,780,975	-
Total noncurrent liabilities	<u>\$ 43,281,029</u>	<u>\$ 337,652</u>	<u>\$ 3,172,922</u>	<u>\$ 40,445,759</u>	<u>\$ 1,672,818</u>
	2019				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Note payable	\$ 3,112,000	\$ -	\$ 339,000	\$ 2,773,000	\$ 595,000
Bonds payable	9,995,000	-	370,000	9,625,000	375,000
Other noncurrent liabilities:					
Deposits held in custody for others	66,858	-	1,700	65,158	-
Accrued compensated absences	1,064,160	-	16,316	1,047,844	936,417
Advances from Federal Sponsors	579,122	-	-	579,122	-
Capital Leases Payable	21,167,032	-	180,000	20,987,032	244,000
Net pension liability	938,439	-	219,571	718,868	-
Other post employment benefits liability	8,260,158	-	775,153	7,485,005	-
Total noncurrent liabilities	<u>\$ 45,182,769</u>	<u>\$ -</u>	<u>\$ 1,901,740</u>	<u>\$ 43,281,029</u>	<u>\$ 2,150,417</u>

Additional information regarding noncurrent debt is included in Notes 7 and 8.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2019 AND 2018

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, 2020, 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
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	420,000	276,813	-	-	420,000	276,813
2025	425,000	265,984	-	-	425,000	265,984
2026-2030	2,370,000	1,073,881	-	-	2,370,000	1,073,881
2031-2035	2,870,000	573,900	-	-	2,870,000	573,900
2036-2038	<u>1,965,000</u>	<u>100,828</u>	<u>-</u>	<u>-</u>	<u>1,965,000</u>	<u>100,828</u>
Future payments	<u>\$ 8,570,000</u>	<u>\$ 3,165,846</u>	<u>\$ 675,000</u>	<u>\$ 18,030</u>	<u>\$ 9,245,000</u>	<u>\$ 3,183,876</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020, are as follows:

Years Ending June 30	Principal	Interest	Total
2021	102,000	141,446	243,446
2022	108,000	134,463	242,463
2023	116,000	127,015	243,015
2024	123,000	119,068	242,068
2025	131,000	110,623	241,623
2026-2030	619,000	346,033	965,033
2031-2033	<u>979,000</u>	<u>164,288</u>	<u>1,143,288</u>
Future payments	<u>\$ 2,178,000</u>	<u>\$ 1,142,936</u>	<u>\$ 3,320,936</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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:

	2020	2019
Net OPEB Liability	\$ 5,780,975	\$7,485,005
Deferred Outflows of Resources	904,197	1,010,096
Deferred Inflows of Resources	2,819,261	2,157,905
Revenues	350,479	474,792
OPEB Expense	96,312	592,554
Contributions made by the University	682,609	714,402

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 10 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, 2020 AND 2019

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.

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

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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").

Long-term pre-funding assets are invested with the IMB. The strategic asset allocation consists 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 method in which estimates of expected future real rates of return (expected returns, net of OPEB

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015

2020

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	49.5%	4.8%
Core Plus Fixed Income	13.5%	2.1%
Hedge Fund	9.0%	2.4%
Private Equity	9.0%	6.8%
Core Real Estate	9.0%	4.1%
Cash and Cash Equivalents	10.0%	0.3%

2019

Asset Class	Real Rate of Return
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%
Cash	0.0%

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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.

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2020 and June 30, 2019 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:

	<u>1% Decrease</u>	<u>Current Trend Rae</u>	<u>1% Increase</u>
Net OPEB Liability - June 30, 2020	\$ 6,899,436	\$ 5,780,975	\$ 4,845,033
Net OPEB Liability - June 30, 2019	8,797,134	7,485,005	6,391,205

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2020 and June 30, 2019, 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:

	<u>1% Decrease</u>	<u>Current Trend Rae</u>	<u>1% Increase</u>
Net OPEB Liability - June 30, 2020	\$ 4,661,530	\$ 5,780,975	\$ 5,246,853
Net OPEB Liability - June 30, 2019	6,193,439	7,485,005	9,058,735

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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

The June 30, 2020 net OPEB liability was measured as of June 30, 2019, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to the measurement date of June 30, 2019. The June 30, 2019 net OPEB liability was measured as of June 30, 2018, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2017, rolled forward to the measurement date of June 30, 2018.

At June 30, 2020, the University's proportionate share of the net OPEB liability was \$5,744,413. Of this amount, the University recognized \$4,768,552 as its proportionate share on the statement of net position. The remainder of \$975,861 denotes the University's proportionate share of net OPEB liability attributable to the special funding.

At June 30, 2019, the University's proportionate share of the net OPEB liability was \$9,038,312. Of this amount, the University recognized \$7,485,005 as its proportionate share on the statement of net position. The remainder of \$1,553,307 denotes the University's proportionate share of net OPEB liability attributable to the special funding.

The allocation percentage assigned to each participating employer and non-employer contributing entity is based on its proportionate share of employer and non-employer contributions to OPEB for each of the fiscal years ended June 30, 2019 and 2018. Employer contributions are recognized when due. At the June 30, 2019 measurement date, the University's proportion was 0.287413078%, a decrease of 0.061467320% from its proportion of 0.348880398% calculated as of June 30, 2018. At the June 30, 2018 measurement date, the University's proportion was 0.348880398%, a increase of 0.012963626% from its proportion of 0.335916772% calculated as of June 30, 2017.

For the year ended June 30, 2020, the University recognized OPEB expense of (\$189,500). Of this amount, \$99,600 was recognized as the University's proportionate share of the OPEB expense, and \$289,100 as the amount of OPEB expense attributed to special funding. The University also recognized revenue of \$289,100 for the support provided by the State.

For the year ended June 30, 2019, the University recognized OPEB expense of \$ 592,554. Of this amount, \$120,855 was recognized as the University's proportionate share of the OPEB expense, and \$392,381 as the amount of OPEB expense attributed to special funding. The University also recognized revenue of \$392,381 for the support provided by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

9. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

At June 30, 2020, deferred outflows of resources and deferred inflows of resources related to OPEB are as follows:

2020	Deferred Outflows of Resources	Deferred Inflows of Resources
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ 214,405	\$ 748,953
Net differences between projected and actual investment earnings	5,756	68,120
Change in assumptions	-	1,172,429
Change in proportion	1,427	155,532
Difference between expected and actual experience	-	674,227
Contributions after the measurement date	682,609	-
Total	<u>\$ 904,197</u>	<u>\$ 2,819,261</u>

2019	Deferred Outflows of Resources	Deferred Inflows of Resources
Changed in proportion and difference between employer contributions and proportionate share of contributions	\$ 295,944	\$ 1,161,267
Net differences between projected and actual investment earnings	-	138,547
Change in assumptions	-	747,367
Difference between expected and actual experience	-	110,724
Contributions after the measurement date	714,102	-
Total	<u>\$ 1,010,046</u>	<u>\$ 2,157,905</u>

The University will recognize the \$682,609 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amortization
2020	\$ (1,005,427)
2021	(904,005)
2022	(558,526)
2023	(562,629)
Total	<u>\$ (3,030,587)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

10. OPERATING LEASES

Future scheduled annual lease payments for years subsequent to June 30, 2020, are as follows:

Years Ending June 30	
2021	52,215
2022	17,943
2023	9,600
Total	<u>\$ 79,758</u>

Total rental expense for the years ended June 30, 2020 and 2019, was \$192,478 and \$254,169, 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, 2020 AND 2019

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, 2020 and 2019 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, 2020 and 2019 the University has no designated components of net position.

	2020	2019
Total unrestricted net position before OPEB liability and pension items	\$ (4,820,313)	\$ (4,345,868)
Less: OPEB liability	5,780,975	7,485,005
Less: Net Pension Liability	468,976	718,868
Less: Deferred Inflows of Resources	3,226,791	2,491,077
Add: Deferred Outflows of Resources	<u>(992,286)</u>	<u>(1,161,297)</u>
Total unrestricted net position	<u>\$ (13,304,769)</u>	<u>\$ (13,879,521)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019, respectively, zero and two 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, 2020, 2019 and 2018, were \$0, \$12,067 and \$11,917, respectively, which consisted of \$0, \$6,033 and \$5,958, respectively, from the University, and \$0, \$6,033 and \$5,958, respectively, from the covered employees for 2020, 2019 and 2018.

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, 2020, 2019 and 2018, were \$1,808,616, \$2,147,795 and \$2,156,081, respectively, which consisted of contributions of \$904,308, \$1,073,897 and \$1,078,040, respectively, from the University and \$904,308, \$1,073,897 and \$1,078,040, respectively, from the covered employees in 2020, 2019 and 2018.

The University's total payroll for the years ended June 30, 2020, 2019 and 2018, was \$16,805,622, \$20,700,601 and \$20,882,082, respectively; total covered employees' salaries in the STRS, Educator's Money, and TIAA-CREF were \$379,988, \$0, and \$15,071,824; \$455,247, \$100,558, and \$17,889,631; \$686,888, \$99,308, and \$17,868,544, respectively, in 2019, 2018 and 2017.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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):

	2020	2019
Net Pension Liability	468,976	718,686
Deferred Outflows of Resources	88,089	151,201
Deferred Inflow of Resources	407,530	333,172
Revenues	136,553	164,398
Pension Expense	24,132	478,388
Contributions Made by WV	7,617	-

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, 2020 AND 2019

13. RETIREMENT PLANS (CONTINUED)

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with 5 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, 2020, 2019, and 2018 were approximately \$56,998, \$95,572, and \$144,213, respectively.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

13. RETIREMENT PLANS (CONTINUED)

Assumptions

For the year ended June 30, 2016, the total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2014 and rolled forward to June 30, 2015. For the year ended June 30, 2015, total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2013 and rolled forward to June 30, 2014. 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, 2020 AND 2019

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, 2020 and June 30, 2019, are summarized below.

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Domestic Equity	4.50%	27.50%
International Equity	8.60%	27.50%
Fixed Income	3.30%	15.00%
Real Estate	6.00%	10.00%
Private Equity	6.40%	10.00%
Hedge Fund	4.00%	10.00%

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. In the event of benefit payments that are not covered by the pension plan's fiduciary net position, a municipal bond rate of 3.73% is to be used to discount the benefit payments not covered by the plan's fiduciary net position. The rate equals the S&P Municipal Bond 20 Year High Grade Rate Index at June 30, 2015.

	1% Decrease	Current	1% Increase
	(6.50%)	Discount Rate	(8.50%)
Net Pension Liability - June 30, 2020	\$ 640,108	\$ 468,976	\$ 322,590
Net Pension Liability - June 30, 2019	\$ 970,340	\$ 718,868	\$ 503,878

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

13. RETIREMENT PLANS (CONTINUED)

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

The June 30, 2020 TRS net pension liability was measured as of June 30, 2019 and the total pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward the measurement date of June 30, 2019. The June 30, 2019 TRS net pension liability was measured as of June 30, 2018 and the total pension liability was determined by an actuarial valuation as of June 30, 2018 and rolled forward to the measurement date of June 30, 2019.

At June 30, 2020, the University's proportionate share of the TRS net pension liability was \$1,132,229. Of this amount, the University recognized approximately \$468,976 as its proportionate share on the Statement of Net Position. The remainder of \$1,132,229 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2019, the University's proportionate share of the TRS net pension liability was \$2,581,453. Of this amount, the University recognized approximately \$718,868 as its proportionate share on the Statement of Net Position. The remainder of \$1,862,585 denotes the University's proportionate share of net pension liability attributable to the special funding.

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, 2019 and 2018. Employer contributions are recognized when due. At June 30, 2019, the University's proportion was 0.015763%, a decrease of 0.007261% from its proportion of 0.023024% calculated as of June 30, 2018. At June 30, 2018, the University's proportion was 0.023024%, a decrease of 0.004183% from its proportion of 0.027162% calculated as of June 30, 2017.

For the year ended June 30, 2020, the University recognized TRS pension expense of \$24,132. Of this amount, \$52,391 was recognized as the University's proportionate share of the TRS expense and \$136,553 as the amount of pension expense attributable to special funding from nonemployer contributing entity. The University also recognized revenue of \$136,553 for support provided by the State.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

13. RETIREMENT PLANS (CONTINUED)

The University will recognize the \$88,089 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, 2020. 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:

<u>Fiscal Year Ended June 30:</u>	<u>Amortization</u>
2021	\$ 81,052
2022	112,700
2023	102,783
2024	58,788
2025	<u>21,116</u>
	<u>\$ 376,439</u>

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2020 and 2019.

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, 2020 and 2019, the Foundation's net position (including unrealized gains) totaled \$14,190,057 and \$15,702,629, respectively, on the accrual basis of accounting.

During the years ended June 30, 2020 and 2019, the Foundation contributed \$696,511 and \$646,152, 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, 2020 AND 2019

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, 2020 and 2019.

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.

17. SEGMENT INFORMATION

In fiscal year 2013 the University issued two revenue bond series (2012A and 2013) to refinance old bonds, to payoff 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.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

17. SEGMENT INFORMATION (CONTINUED)

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, 2020 AND 2019

17. SEGMENT INFORMATION (CONTINUED)

The condensed schedules net position, condensed schedules of revenues, expenses and changes in net position and condenses statement cash flows of the segments pledged to support the debt service payments as of and for the years June 30, 2020 and 2019, are as follows:

Condensed Schedules of Net Position	Capital, Housing, Student Union	Capital, Housing, Student Union
	2020	2019
Assets:		
Current assets	\$ 1,630,152	\$ 1,594,194
Noncurrent assets	<u>12,856,886</u>	<u>13,127,370</u>
Total	<u>\$ 14,487,038</u>	<u>\$ 14,721,564</u>
Liabilities:		
Current	\$ 2,556,718	\$ 2,144,523
Noncurrent liabilities	<u>9,615,000</u>	<u>9,625,000</u>
Total liabilities	<u>12,171,718</u>	<u>11,769,523</u>
Net position:		
Net investment in capital assets	9,395,563	9,284,242
Restricted — expendable debt service	346,104	363,790
Unrestricted	<u>(7,426,347)</u>	<u>(6,695,991)</u>
Total net position	<u>2,315,320</u>	<u>2,952,041</u>
Total	<u>\$ 14,487,038</u>	<u>\$ 14,721,564</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

17. SEGMENT INFORMATION (CONTINUED)

Condensed Schedules of Revenues, Expenses, and Changes in Net Position	Capital, Housing, Student Union 2020	Capital, Housing, Student Union 2019
Operating:		
Operating revenues	\$ 1,363,695	\$ 1,443,069
Operating expenses	<u>(1,012,882)</u>	<u>(1,316,060)</u>
Net operating income	350,813	127,009
Nonoperating:		
Nonoperating revenues	-	-
Nonoperating expenses	<u>(698,312)</u>	<u>(609,362)</u>
Decrease in net position	(347,499)	(482,353)
Net position — beginning of year	<u>1,635,216</u>	<u>2,117,570</u>
Net position — end of year	<u>\$ 1,287,717</u>	<u>\$ 1,635,217</u>
Condensed Schedules of Cash Flows		
Net cash provided by operating activities	\$ 350,813	\$ 127,009
Net cash used in capital and related financing activities	<u>(698,312)</u>	<u>(609,363)</u>
Increase (decrease) in cash and cash equivalents	(347,499)	(482,354)
Cash and cash equivalents — beginning of year	<u>(1,122,344)</u>	<u>(639,990)</u>
Cash and cash equivalents — end of year	<u>\$ (1,469,843)</u>	<u>\$ (1,122,344)</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, 2020 AND 2019

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, 2020 AND 2019

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 fair market 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, 2020 AND 2019

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, 2020 and 2019.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Cash and cash equivalents at June 30, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 734,402	\$ 540,312
Unconditional promies to give (current portion)	1,240,975	1,211,868
Note receivable (current portion)	-	500,000
Lease receivable (current priton)	<u>315,000</u>	<u>245,000</u>
	<u>\$ 2,290,377</u>	<u>\$ 2,497,180</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 \$481,788 and \$299,348 at June 30, 2020 and 2019.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Unconditional Promises to Give — Unconditional promises to give at June 30, 2020 and 2019 consist of the following:

	2020	2019
Pledge receivable - without donor restrictions		
Receivable in less than one year	\$ 4,500	\$ 9,425
Receivable in one to five years	-	5,000
Pledge receivable - with donor restrictions		
Receivable in less than one year	1,236,475	1,202,444
Receivable in one to five years	677,964	1,571,480
Receivable in six to ten years	<u>7,350</u>	<u>5,642</u>
Total unconditional promises to give	1,926,289	2,793,991
Less discounts to net present value	(2,379)	(48,097)
Less allowance for uncollectible contributions	<u>(150,000)</u>	<u>(152,000)</u>
Net unconditional promises to give	<u>\$ 1,773,910</u>	<u>\$ 2,593,894</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Investments — Investments are carried at market value at June 30, 2020 as follows:

	Cost	Fair Value	Unrealized Gain
Mutual funds	\$ 6,022,127	\$ 5,846,794	\$ (175,333)
Corporate obligations	2,197,294	2,342,227	144,933
Bonds	701,220	735,723	34,503
Cash equivalents	<u>370,222</u>	<u>370,222</u>	<u>-</u>
	<u>\$ 9,290,863</u>	<u>\$ 9,294,966</u>	<u>\$ 4,103</u>

Investments are carried at market value at June 30, 2019 as follows:

	Cost	Fair Value	Unrealized Gain
Mutual funds	\$ 5,545,428	\$ 6,416,009	\$ 870,581
Corporate obligations	2,434,699	2,453,760	19,061
Bonds	555,393	567,678	12,285
Cash equivalents	<u>211,350</u>	<u>211,350</u>	<u>-</u>
	<u>\$ 8,746,870</u>	<u>\$ 9,648,797</u>	<u>\$ 901,927</u>

Investment return and fees for the years ended June 30, 2020 and 2019 is summarized as follows:

	<u>2020</u>	<u>2019</u>
Interest and dividends	\$ 344,732	\$ 467,445
Realized gains (losses)	62,079	(14,297)
Unrealized gains (losses)	(897,824)	(511,952)
Investment mangement fees	<u>(48,437)</u>	<u>(49,047)</u>
Investment income	<u>\$ (539,450)</u>	<u>\$ (107,851)</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 AND 2019

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, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Fair Value Measurements — Fair values of assets measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	Fair Value	in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2020				
Mutual funds	\$ 5,846,794	\$ 5,846,794	\$ -	\$ -
Corporate obligations	2,342,227	2,342,227	-	-
Bonds	735,723	735,723	-	-
Bond Reserve Funds	1,086,936	1,086,936	-	-
Beneficial interest in charitable trusts	<u>236,613</u>	<u>236,613</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 10,248,293</u>	<u>\$ 10,248,293</u>	<u>\$ -</u>	<u>\$ -</u>
June 30, 2019				
Mutual funds	\$ 6,416,009	\$ 6,416,009	\$ -	\$ -
Corporate obligations	2,453,760	2,453,760	-	-
Bonds	567,678	567,678	-	-
Bond Reserve Funds	1,470,733	1,470,733	-	-
Beneficial interest in charitable trusts	<u>264,370</u>	<u>264,370</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,172,550</u>	<u>\$ 11,172,550</u>	<u>\$ -</u>	<u>\$ -</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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, 2020 and 2019.

Beneficial Interest in Trusts — The Foundation was the beneficiary of certain charitable trusts. The value of such trusts at June 30, 2020 and 2019 are as follows:

	2020	2019
Charitable trust	<u>\$ 236,613</u>	<u>\$ 264,370</u>

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, 2020 and 2019 is as follows:

	2020	2019
Total lease receivable	<u>\$ 20,742,032</u>	<u>\$ 20,987,032</u>

Minimum lease payments to be received as of June 30, 2020 for the next five years are:

2021	\$ 1,931,344
2022	1,986,075
2023	2,012,213
2024	2,011,194
2025	2,011,738
Thereafter	<u>37,562,885</u>
Total minimum lease payments	47,515,449
Less amount representing interest	<u>26,773,417</u>
Present value of net minimum lease payments	20,742,032
Less current portion	<u>315,000</u>
Long-term portion	<u>\$ 20,427,032</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Property and Equipment, Net — A summary of property and equipment as of June 30, 2020 and 2019 is as follows:

	2020	2019
Buildings and improvements	\$ 1,039,064	\$ 1,039,064
Furniture and equipment	<u>17,015</u>	<u>17,015</u>
	1,056,079	1,056,079
Less accumulated depreciation	<u>676,297</u>	<u>648,461</u>
	<u>\$ 379,782</u>	<u>\$ 407,618</u>

Bonds Payable — A summary of long term debt as of June 30, 2020 and 2019 is as follows:

	2020	2019
The County Commission of Kanawha County, West Virginia		
Student Housing Revenue Bonds Series 2013		
Series 2013 AR-1 (5.75%, matures 2023)	\$ 1,610,000	\$ 1,855,000
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>
	24,565,000	24,810,000
Less unamortized bond discount	<u>(52,071)</u>	<u>(92,206)</u>
	24,512,929	24,717,794
Less current portion	<u>315,000</u>	<u>245,000</u>
Long-term debt	<u>\$ 24,197,929</u>	<u>\$ 24,472,794</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, 2020 AND 2019

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, 2020, 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, 2020, the Foundation recorded issuance cost amortization in the amount of \$20,611.

For the years ended June 30, 2020 and 2019, the Foundation recorded bond interest of \$1,632,444 and \$1,644,663, respectively. For the years ended June 30, 2020 and 2019, 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:

2021	\$ 315,000
2022	390,000
2023	440,000
2024	465,000
2025	495,000
Thereafter	<u>22,460,000</u>
Total	<u>\$ 24,565,000</u>

Net assets without donor restrictions at June 30, 2020 and 2019 consisted of the following:

	2020	2019
Without donor restrictions		
Undesignated	<u>\$ 873,250</u>	<u>\$ 816,114</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Net assets with donor restrictions at June 30, 2020 and 2019 consisted of the following:

	2020	2019
With donor restrictions		
Athletic participation	\$ 258,606	\$ 188,638
Students' special projects	62,963	31,196
Academic programs	1,364,113	926,461
WVSU Foundation programs	1,690,415	2,165,799
General scholarships	1,655,291	2,173,138
Investment income and net appreciation	607,112	1,911,112
Endowment principal	<u>7,678,307</u>	<u>7,490,171</u>
	<u>\$ 13,316,807</u>	<u>\$ 14,886,515</u>

Net assets were released throughout the years ended June 30, 2020 and 2019 from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of other events specified by the donors.

	2020	2019
Athletic complex	\$242,996	\$243,114
Bad debt expense	39,750	157,638
Contracted services	677,530	317,701
Equipment and maintenance	117,154	113,124
Grants and awards	338,024	10,356
Insurance	19,377	19,377
Meeting expense	22,926	74,476
Other expenses	122,383	134,597
Printing	9,508	23,557
Salaries and benefits	21,551	19,563
Scholarships	674,960	626,589
Supplies	159,801	136,474
Travel	<u>114,717</u>	<u>187,200</u>
	<u>\$2,560,677</u>	<u>\$2,063,766</u>

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

	<u>With Donor Restrictions</u>	
	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$10,061,759	\$10,210,475
Contributions	223,311	423,856
Investment income	(540,119)	(111,646)
Amounts appropriated for expenditure	<u>(720,062)</u>	<u>(460,926)</u>
Endowment net assets, end of year	<u>\$ 9,024,889</u>	<u>\$ 10,061,759</u>

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.

Retirement Plan — All eligible employees of the Foundation are included in the University's retirement plan.

Advertising Costs — The Foundation uses advertising to promote the Foundation and the University. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2020 and 2019 was \$8,200 and \$7,700, respectively.

Conditional Promise to Give — In the normal course of operations, the Foundation has been notified as being designated to receive various deferred gifts from alumni and friends in support of the University that are not recorded in the financial statements because of their contingent nature. However, the Foundation facilitates and does track deferred gifts through the use of pledge agreements detailing the donor's intent and stipulations for administration of gifts such as bequests. The amount of those gifts at June 30, 2020 and 2019 is \$6,346,942 and \$6,265,500, respectively. All of the gifts are to be received at the death of the donor.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

19. COMPONENT UNIT DISCLOSURES (CONTINUED)

Life Insurance Policies — The Foundation has been named as the beneficiary of various life insurance policies. These policies had face amounts at June 30, 2020 and 2019 of \$245,008.

Related Parties — Various investment advice and custodial services, insurance services, and other professional services are performed for the Foundation by entities that have close relationships with various members of the Board of Directors.

Although independently governed, the Foundation raised and managed funds that benefited the University for the fiscal years ended June 30, 2020 and 2019. The Foundation has also entered into a capital lease arrangement with the University whereas the Foundation is leasing the Judge Damon J. Keith Scholars Hall to the University. The University also processes payroll on behalf of the Foundation. The Foundation and the University are involved in various other activities with the intent of benefiting the University and its mission.

Reclassifications — Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

Subsequent Events — The Foundation has evaluated all subsequent events through October 2, 2020, the date the consolidated financial statements were available to be issued.

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

20. NATURAL CLASSIFICATIONS WITHIN FUNCTIONAL CLASSIFICATIONS

For the years ended June 30, 2020 and 2019, the following table represents operating expenses within both natural and functional classifications:

	2020								
	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	\$ 9,599,484	\$ 2,244,914	\$ 374,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,218,715
Research	2,073,199	439,526	2,294,881	158,716	-	-	-	-	4,966,322
Public service	1,805,842	469,496	3,167,966	41,871	-	-	-	-	5,485,175
Academic support	882,080	420,496	526,474	52,874	-	-	-	-	1,881,924
Student services	1,223,191	342,069	493,117	53,368	-	-	-	-	2,111,745
General institutional support	4,417,037	392,411	1,930,975	55,070	-	-	-	-	6,795,493
Operations maintenance of plant	1,125,968	347,934	450,524	1,238,000	-	-	-	-	3,162,426
Scholarship and fellowship	-	-	-	-	5,277,880	-	-	-	5,277,880
Auxiliary enterprises	1,235,337	286,016	1,419,183	578,508	-	-	-	-	3,519,044
Depreciation and amortization expense	-	-	-	-	-	3,713,547	-	-	3,713,547
Total	\$ 22,362,138	\$ 4,942,862	\$ 10,657,437	\$ 2,178,407	\$ 5,277,880	\$ 3,713,547	\$ -	\$ -	\$ 49,132,271

	2019								
	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	\$ 8,191,171	\$ 1,906,633	\$ 918,556	\$ -	\$ 1,650	\$ -	\$ -	\$ -	\$ 11,018,010
Research	2,324,428	492,345	2,721,197	106,672	17,500	-	-	-	5,662,142
Public service	1,688,721	390,836	1,805,542	43,991	-	-	-	-	3,929,090
Academic support	791,751	259,769	525,468	51,722	276	-	-	-	1,628,986
Student services	1,108,216	278,039	546,249	52,802	-	-	-	-	1,985,306
General institutional support	3,937,491	864,080	2,087,446	52,376	-	-	-	-	6,941,393
Operations maintenance of plant	1,212,979	361,775	1,489,528	1,264,833	-	-	-	-	4,329,115
Scholarship and fellowship	-	-	-	-	3,753,519	-	-	-	3,753,519
Auxiliary enterprises	1,164,610	282,447	1,635,218	631,289	-	-	-	-	3,713,564
Depreciation and amortization expense	-	-	-	-	-	3,478,707	-	-	3,478,707
Total	\$ 20,419,367	\$ 4,835,924	\$ 11,729,204	\$ 2,203,685	\$ 3,772,945	\$ 3,478,707	\$ -	\$ -	\$ 46,439,832

WEST VIRGINIA STATE UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

AS OF AND FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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 1-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 2020 and 2019, the University received \$9,295 and \$18,942, 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, 2020.

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 \$6,296 and \$9,762 were received by the University in FY20 and FY19, 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	Percentage of Net Pension Liability	Proportionate Share	Proportionate Share	Proportionate Share	Employee Payroll	Percentage of Covered Payroll	Percentage of Total Pension
June 30, 2019	0.03%	\$ 468,976	\$ 1,132,229	\$ 1,601,205	\$ 555,805	84.38%	71%
June 30, 2018	0.03%	718,868	1,862,585	2,581,453	749,627	95.90%	71%
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 Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a percentage of Covered Payroll
June 30, 2019	\$ 95,572	\$ 95,572	\$ -	\$ 555,805	17.20%
June 30, 2018	112,444	112,444	-	749,627	15.00%
June 30, 2017	112,174	112,174	-	747,829	15.00%
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 10 years. Additional years will be displayed as they become available.

**Notes to Required Supplementary Information
For the Year Ended June 30, 2020**

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 NET OPEB LIABILITY AND CONTRIBUTIONS**

Schedule of Proportionate Share of Net OPEB 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 OPEB Liability	Share	Share	Share	Payroll	Covered Payroll	Total OPEB
June 30, 2019	0.287413078%	\$ 4,768,552	\$ 975,861	\$ 5,744,413	\$ 12,038,919	39.61%	39.69%
June 30, 2018	0.348880398%	7,485,005	1,553,307	9,038,312	12,519,915	59.78%	30.48%
June 30, 2017	0.335916772%	8,260,158	1,696,646	9,956,804	11,918,745	69.30%	25.10%

Schedule of Employer Contributions

Measurement Date	Actuarial	Actual	Contribution	Covered	Actual Contribution
	Determined				
	Contribution	Contribution	(Excess)	Payroll	Covered Payroll
June 30, 2019	\$ 568,237	\$ 568,237	\$ -	\$ 12,038,919	4.72%
June 30, 2018	\$ 590,940	\$ 590,940	\$ -	\$ 12,519,915	4.72%
June 30, 2017	560,181	560,181	\$ -	11,918,745	4.70%

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, 2020**

There are no factors that trends in the amounts reported, such as changes in benefits or assumptions. 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, 2020 (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 **\$539,265**. 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, 2020. (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 **\$243,446**, as reflected in fiscal year 2020 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	\$539,265
B.	Maximum Annual Debt Service	\$243,446
C.	Ratio of Line A to Line B	2.22: 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, 2020, 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 15, 2020. 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described below that we consider to be a significant deficiency.

Significant Deficiency

Outside Bank Accounts

Condition: As part of the audit, we identified outside bank accounts that were closed during the year, however the entries to close the accounts on the general ledger were not completed resulting in an adjustment to the University financial statements.

Criteria: The University is responsible for establishing and maintaining a system of internal controls in which it enables University personnel to be able to fully adjust and reconcile all accounts within the University's general ledger.

Context: While performing audit procedures, it was noted certain outside bank accounts which were closed during the year, were not adjusted within the University's general ledger to bring the balances to \$0.

Effect: The potential exists that a misstatement could occur in the financial statements and not be prevented or detected by the University's internal controls.

Cause: The University as part of its year end close missed adjusting the general ledger for outside bank accounts which were closed during the fiscal year.

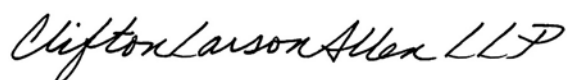
Recommendation: We recommend the University review its processes and procedures related adjusting all accounts within the general ledger to ensure they are properly reconciled at year end.

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.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
October 15, 2020



**Board of Governors
RECRUITMENT AND RETENTION COMMITTEE
Via Zoom**

<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>

Meeting ID: 959 6941 2647 | Passcode: 204689

Friday, November 20, 2020

10:15 a.m. – 10:45 a.m.

AGENDA

- | | |
|--|-------------------|
| I. Call to Order | E. Gail Pitchford |
| II. Roll Call | Rhonda Brogan |
| III. Verification of Appropriate Notice of Public Meeting | E. Gail Pitchford |
| IV. Approval of October 22, 2020 Meeting Minutes | E. Gail Pitchford |
| V. Enrollment Management Strategies for the Future | Dwight Sanchez |
| VI. Adjournment | E. Gail Pitchford |

**Board of Governors
West Virginia State University
Recruitment and Retention Committee**

Date/Time: 11/20/2020 -- 10:15 AM

Location:

Meeting via Zoom
<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>
Meeting ID: 959 6941 2647
Passcode: 204689

Purpose: To conduct committee business prior to the full board meeting

Notes:

Meeting was approved : 11/12/2020 1:47:25 PM

Meeting Minutes
West Virginia State University Board of Governors
Recruitment and Retention Committee
James C. Wilson University Union and Zoom
October 22, 2020
11:15 a.m.

I. Call to Order

Presiding Officer, Mr. Gray, called the Recruitment and Retention Committee meeting to order at 11:30 a.m.

II. Roll Call

The clerk called the roll. Members present were Ms. Dooley, Mr. Davis, Mr. Gray, Ms. Harper, Mr. Jones, Mr. Kelley, Mr. Kendrick, Mr. Lipscomb, Mr. Payne, Dr. Smith, and Dr. Frank Vaughan. Mrs. Gail Pitchford was absent.

III. Verification of Appropriate Notice of Public Meeting

Mr. Gray announced the Verification of Appropriate Notice of Public Meeting.

IV. Approval of Meeting Agenda

Mr. Gray asked for a motion to approve the agenda. Mr. Kelley made the motion. Ms. Dooley seconded the motion; motion carried.

V. Approval of September 3, 2020 Meeting Minutes

Mr. Gray asked for a motion to approve the September 3, 2020 meeting minutes. Mr. Kelley made the motion. Ms. Dooley seconded the motion, and the motion carried.

VI. Enrollment and Student Success Update (Census)

Mr. Oden presented the 30-Day Census information. There were 5.86% more first-time freshmen for fall 2020 than fall 2019. There were 18.52% less first-time transfer students for fall 2020 than fall 2019. There were 3.33% more total undergraduate students for fall 2020 than fall 2019. There were 17.12% more graduate students for fall 2020 than fall 2019. There were 4.21% more total enrollment degree seeking students for fall 2020 than fall 2019, this includes both undergraduate and graduate degree seeking students. There were 5.88% less collaborative students for fall 2020 than fall 2019. There were 43.70% less dual enrollment students for fall 2020 than fall 2019. There were 10% less other students for fall 2020 than fall 2019, this group includes, audit, high school, post graduate, prison outreach, and transient students. There were 42.04% less total special students for fall 2020 than fall 2019. There were 22.60% less total headcount for fall 2020 than fall 2019.

Ms. Dooley asked about the percentage of students taking classes who are paying compared with students who receive a waiver. Mr. Oden stated the information would be shared at the next Board of Governors meeting. Mr. Kelley asked why dual enrollment students are counted in the headcount, as they do not pay full tuition. President Pride stated that it is a requirement from the West Virginia Higher Education Policy Commission.

Mr. Oden presented the Board with the five-year enrollment trend that includes both undergraduate and graduate students who are degree seeking. At the 30-Day Census, fall 2020 had 3,189 total headcount, of that amount 1,805 were degree seeking. At the 30-Day Census, fall 2019 had 4,120 total headcount, of that amount 1,754 were degree seeking. At the 30-Day Census, fall 2018 had 3,692 total headcount, of that amount 1,827 were degree seeking. At the

30-Day Census, fall 2017 had 3,879 total headcount, of that amount 2,044 were degree seeking. At the 30-Day Census, fall 2016 had 3,514 total headcount, of that amount 21 were degree seeking. Dr. Smith asked what percentage of the headcount of students taking classes on campus compared to online. Mr. Oden stated that number is undetermined due to the multiple options to participate in a class due to the pandemic. However, he did state that at the 30-Day Census there were 270 resident students and 2,919 commuter students. The resident students would normally take in-person classes prior to the pandemic.

Mr. Oden presented the five-year residential/commuter trend data. At the 30-Day Census, fall 2020 had 270 residential students and 2,919 commuter students. Mr. Oden stated the low number of resident students for 2020 is due to the pandemic and having to social distance in the residence halls. At the 30-Day Census, fall 2019 had 317 residential students and 3,803 commuter students. At the 30-Day Census, fall 2018 had 320 residential students and 3,457 commuter students. At the 30-Day Census, fall 2017 had 336 residential students and 3,543 commuter students. At the 30-Day Census, fall 2016 had 328 residential students and 3,186 commuter students.

Mr. Oden presented the Board with the headcount by residency. At the 30-Day Census, there were 85.20% of the total headcount from West Virginia. At the 30-Day Census, there were 7.75% of the total headcount from out-of-state. At the 30-Day Census, there were 7.06% of the total headcount from other countries. For total headcount by ethnicity at the 30-Day Census, 70.15% of the total headcount were White, 9.53% were Black, 6.62% were nonresident alien, 5.64% were unknown, 4.67% were multiracial, 1.76% were Hispanic, 1.07% were Asian/Pacific Islander, and 0.56% were Native American. For total headcount by gender at the 30-day Census, 58.04% female and 41.96% male.

Mr. Oden presented the first-time freshmen conversion and yield rate data. At the 30-Day Census, there were 5,170 total applications in 2020 compared to 4,160 in 2019. There were 1,987 incomplete applications in 2020 compared to 1,637 in 2019. There were 3,183 complete applications in 2020 compared to 2,523 in 2019. There were 2,815 admits in 2020 compared to 2,209 in 2019. There were 430 intent to enroll in 2020 compared to 394 in 2019. There were 289 enrolled students in 2020 compared to 273 in 2019. For the first-time transfer conversion and yield rate data at the 30-Day Census, there were 601 total applications in 2020 compared to 781 in 2019. There were 339 incomplete applications in 2020 compared to 427 in 2019. There were 262 complete applications in 2020 compared to 354 in 2019. There were 246 admits in 2020 compared to 331 in 2019. There were 136 intent to enroll in 2020 compared to 156 in 2019. There were 132 enrolled students in 2020 compared to 162 in 2019. Mr. Oden also presented information on New Student Orientations, four-year retention and attrition trend rates, and graduate exit surveys. Ms. Dooley said she would like to know the percentage of graduated students that are working in their chosen fields or if they are employed in a different field. Mr. Oden said he would attempt to have that information at the next meeting; however, it is not currently captured with the survey. Mr. Oden concluded the presentation by identifying the six Enrollment Priorities and Strategies.

VII. Athletics Update

Mr. Burton presented the Athletics Update. He reported on the 2019-2020 demographic of student-athletes, which were 52% White, 36% were Black, 7% were non-resident alien (NCAA labels International), 4% were multiracial, and 1% were Hispanic. The percentage of student-athletes by gender were 63.1% males and 37% females, compared with the overall student enrollment by gender, which is 58.04% females and 41.96% males. Mr. Burton reported the number of student-athletes by sport. The total number of student-athletes in spring 2020 was 281 and this fall there are 286. Mr. Burton stated that rosters next year would be high, but at a lower rate because of the NCAA extension of eligibility due to the pandemic.

Mr. Burton reported the top states that contribute to student-athlete demographics. There are 112 or 40% from West Virginia. The other top states are Ohio with 40, Virginia with 29, Kentucky and Maryland each with 15, California with 11, and North Carolina with 10. There are 21 international student-athletes.

Mr. Burton reported the number of athletes residing in the residence halls for fall 2020. There are 143 residing in Keith Hall, 29 reside in Dawson Hall, and 6 in Sullivan Hall. This breaks down to 62% of student-athletes residing on-campus and 38% residing in off-campus housing. Mr. Burton reported the top five majors for student athletes: 29% or 59 are in Sports Studies, 51 are Business majors, 29 are Biology majors, 25 are in Criminal Justice, and 15 are Communication majors. He also reported on their academic success, where all programs have a team average GPA of 3.0 or higher. Mr. Burton presented on a snapshot of the resources compared to other MEC intuitions. West Virginia State University is second to last in the budget amount for athletics. The combined total of athletic aid is \$2.3 million. Men's Basketball is the only sport that is awarded the maximum amount of scholarships at \$283,000. Men's Golf and Men's Tennis do not have athletic aid awarded to student-athletes. A total of 65 student-athletes were awarded over \$15,000 in aid, 157 student athletes were awarded partial aid, and 64 student athletes received no athletic aid.

Mr. Burton reported on the departmental operation expenses. He stated that he has lowered the operating expenses to \$405,954, compared to \$947,310 when he became the Athletic Director. The department has had an operation budget as low as \$300,000. The operating budget includes travel, accommodation, equipment, conferences, and other expenses except for salaries. He reported on contributions to the department. The last five years combined cost over \$1.7 million. The highest was two years ago at \$420,000. In FY 20, the department lost approximately \$150,000 in revenue due to the cancellation of camps and facility rentals due to the pandemic. The FY 19 contributions totaling \$250,000 or 59% were of non-charitable revenue, which are events, camps, facility rentals, and sponsorships. The charitable revenue was \$170,000 or 41%. The department knows the non-charitable revenue will be down for the current year due to the pandemic, so they are concentrating on charitable revenue. Currently, the inaugural Athletics Giving Week Challenge is underway. The team with the most revenue will receive \$2,500 and the team with the most number of donors will receive \$2,500. The goal of Giving Week was \$25,000 and as of yesterday they had received \$31,621 from 519 donors. The new goal is \$45,000 from 600 donors. Mr. Burton concluded his report by stating the department's long-term and short-term goals.

VIII. Adjournment with there being no further business, Mr. Gray requested a motion to adjourn. Mr. Davis made the motion. Ms. Dooley second the motion, and the motion carried. The meeting adjourned at 11:57 a.m.

Respectfully Submitted by Mrs. Rhonda Brogan, Committee Clerk, October 26, 2020.

Approved by:

Mr. Joseph R. Oden, Jr.
Assistant Vice President for Enrollment Management and Student Affairs
Recruitment and Retention Committee Administrator

Enrollment Management Strategies for the Future

Board of Governors Meeting
Recruitment and Retention Committee
Dwight Sanchez
November 20, 2020

Framework

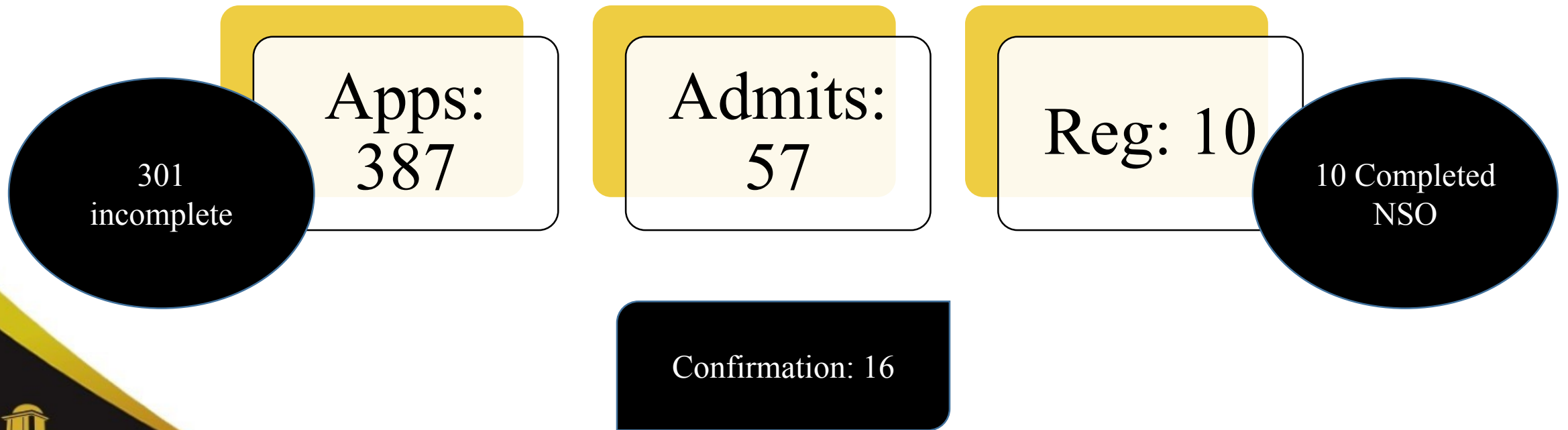
- I. EM Mission and Vision Statements
- II. Spring 2021 Update and Projections / Revenue
- III. External Landscape / Internal Factors
- IV. Three-Year Projections
- V. Strategy: The Way Forward
- VI. Conclusion



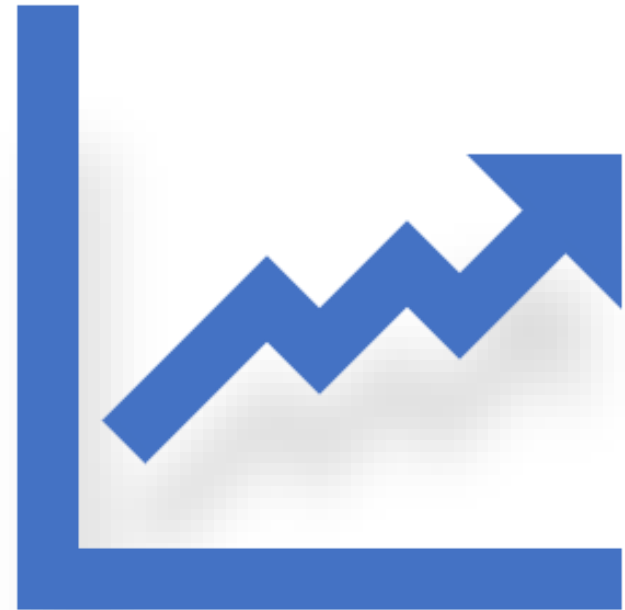
Enrollment Management Mission and Vision Statement

- Mission: To identify, recruit, and enroll students whose aspirations align with West Virginia State University's mission.
- Vision: To operate efficiently through practices embedded in policies and guidelines to achieve compliance and provide optimal service to all constituents who engage the offices within Enrollment Management to ensure the success of our students and the University.

Spring 2021 Admissions Update



Spring New Students' Projections and Revenue



UG Option 1	Goal	Tuition & Fees	Room & Board	Estimated Revenue From Financial Aid
New Freshman	37	\$252,962.68	\$239,094.00	\$74,294.00
Transfer	245	\$1,591,017.20	\$1,085,532.00	\$304,931.00
Total	282	\$1,843,979.88	\$1,324,626.00	\$379,225.00

UG Option 2	Goal	Tuition & Fees	Room & Board	Estimated Revenue From Financial Aid
New Freshman	32	\$218,771.90	\$206,784.00	\$66,931.38
Transfer	149	\$967,597.20	\$635,423.91	\$183,475.36
Total	181	\$1,186,369.10	\$842,207.91	\$250,406.74

UG Option 3	Goal	Tuition & Fees	Room & Board	Estimated Revenue From Financial Aid
New Freshman	27	\$184,581.12	\$174,474.00	\$59,568.93
Transfer	119	\$772,721.02	\$507,486.21	\$152,465.44
Total	146	\$957,302.14	\$681,960.21	\$212,034.37

A Look Ahead: WVSU Three-Year Enrollment Trajectory

Enrollment Outlook: National Landscape

- Increase enrollment by 2% in grades 11 and 12 between 2014 and 2026 to 16.5million.
- HS Graduation rate:
 - 6 % decrease 2012–13 and 2026–27 in Northeast
 - 3% lower in 2026–27 than in 2012–13 in the Midwest
 - increase 15% between 2012–13 and 2026–27 in the South; and,
 - increase 5% between 2012–13 and 2026–27 in West
- COVID-19 pandemic has fueled a drop of 13% year over year in first-time students enrolling, including steep declines among Native Americans, African-Americans and Hispanics
- Clearinghouse pointed out that there was a change upward in graduate enrollment data – it showed an increase from 2019 of 2.9%

Enrollment Outlook: National Landscape

- CCs enrollment numbers showing a nearly 10% decline
- HBCUs have reported a 5.5% drop overall
- Enrollment among Native Americans, Blacks and Hispanic freshman at community colleges is down almost 30% ... while Whites and Asians saw declines of around 19%
- While Hispanic enrollment increased 3.2%; International students also saw a dramatic dip at -14.9%
- At the regional levels, the Midwest has been the hardest hit of any area, with a 5.7% overall decline. The West, Northeast and South all showed declines in the 3.8%-4.7% range

Enrollment Outlook: National Landscape

- Idaho, Nebraska, New Hampshire, Utah and West Virginia showed increases
- South Dakota saw a steep 12.4% decline, and colleges in New Mexico, Alaska and Indiana all experienced a total drop of more than 9% in enrollments
- Deposits are [down 8.4 percent](#) among families making less than \$60,000 a year
- Frustration or uncertainty about online classes or changing class formats and content; fear of contracting the coronavirus; and inability to pay for classes after the student or parent lost a job or took a financial hit

Internal Factors: Opportunities

- Personnel

- Practical Experience
- Professional Development
- Data
 - Analysis
 - Interpretative
 - Assessment
- Processes
- Planning

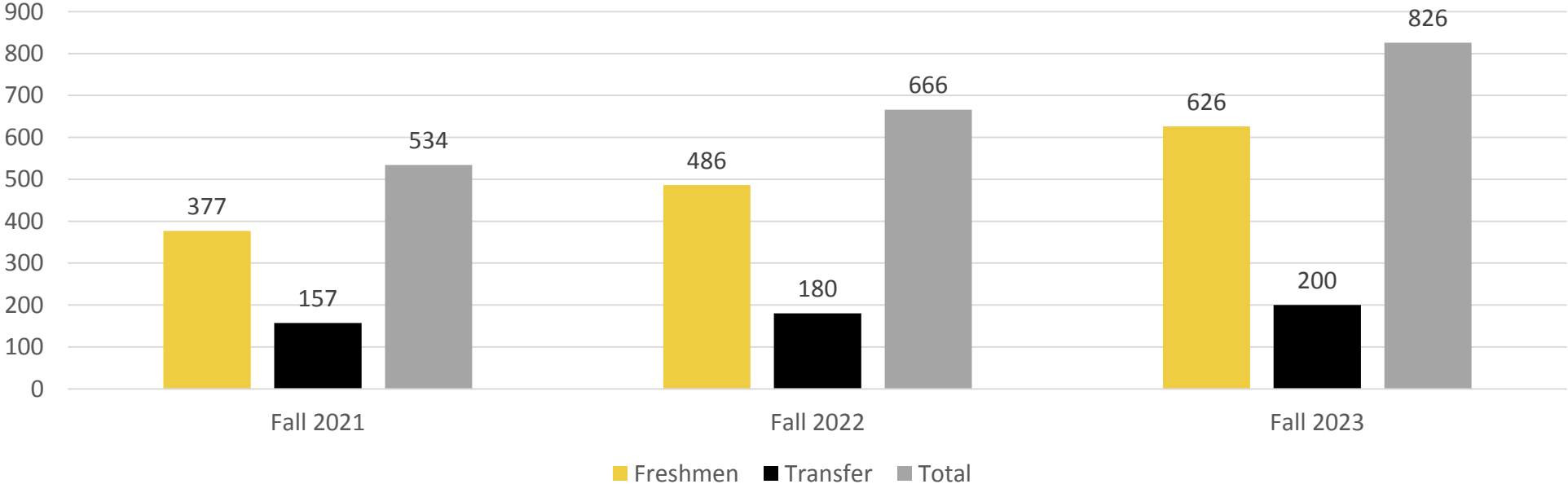
- Operational

- Recruitment Plan
- CRM
- Marketing Strategy
- Communication and Engagement Effort
- Retention Management
- Affinity Relationship Development
 - University-wide
 - Regional Focus and National Interest

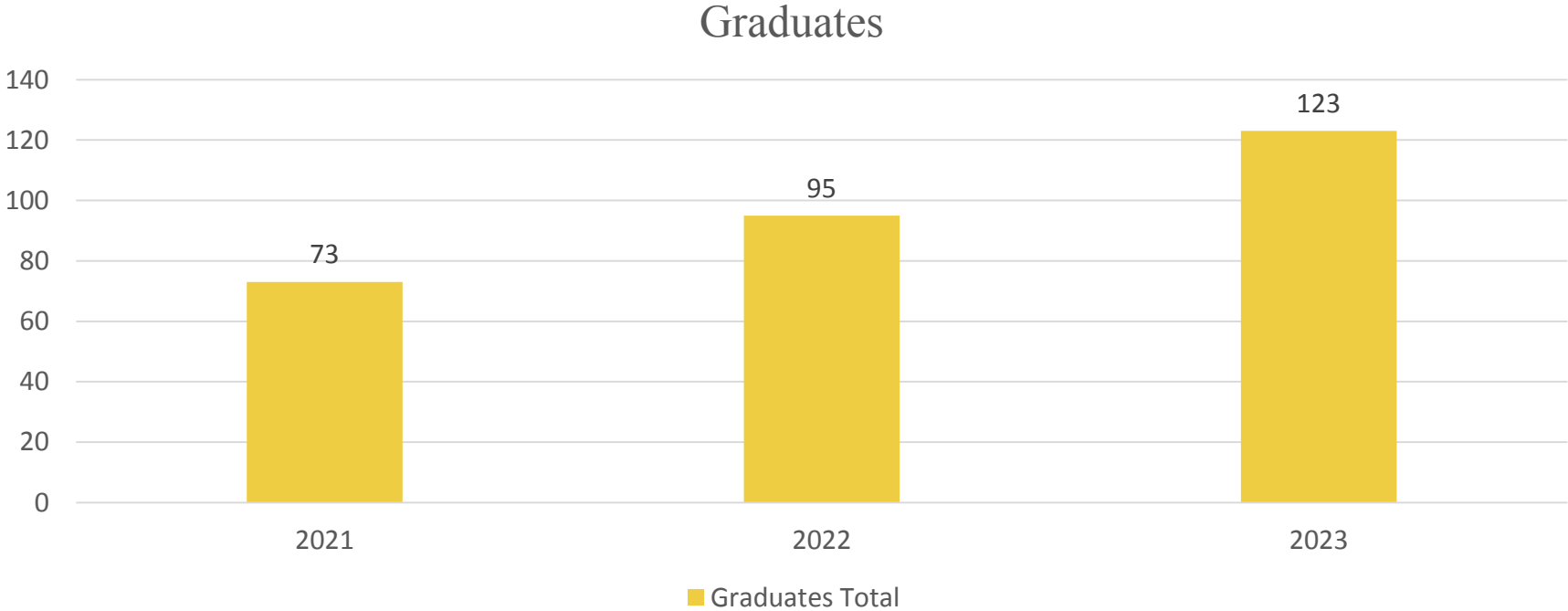
Three-Year Projections for New Students

New Undergraduates: Fall 2021-2023

Freshmen and Transfer

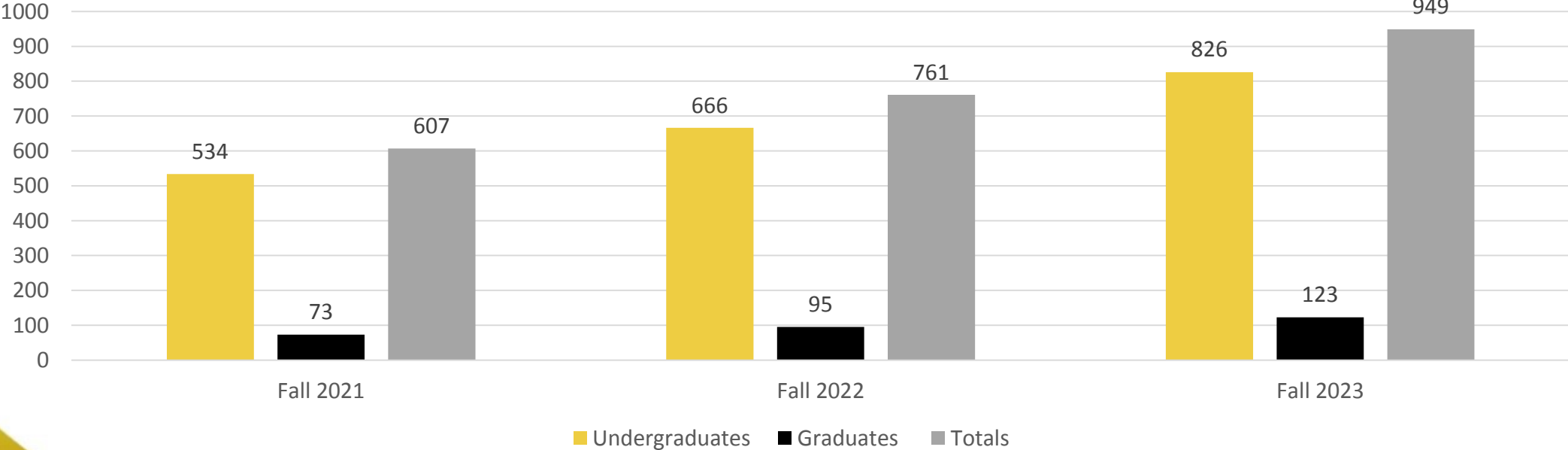


New Graduates: Fall 2021-2023



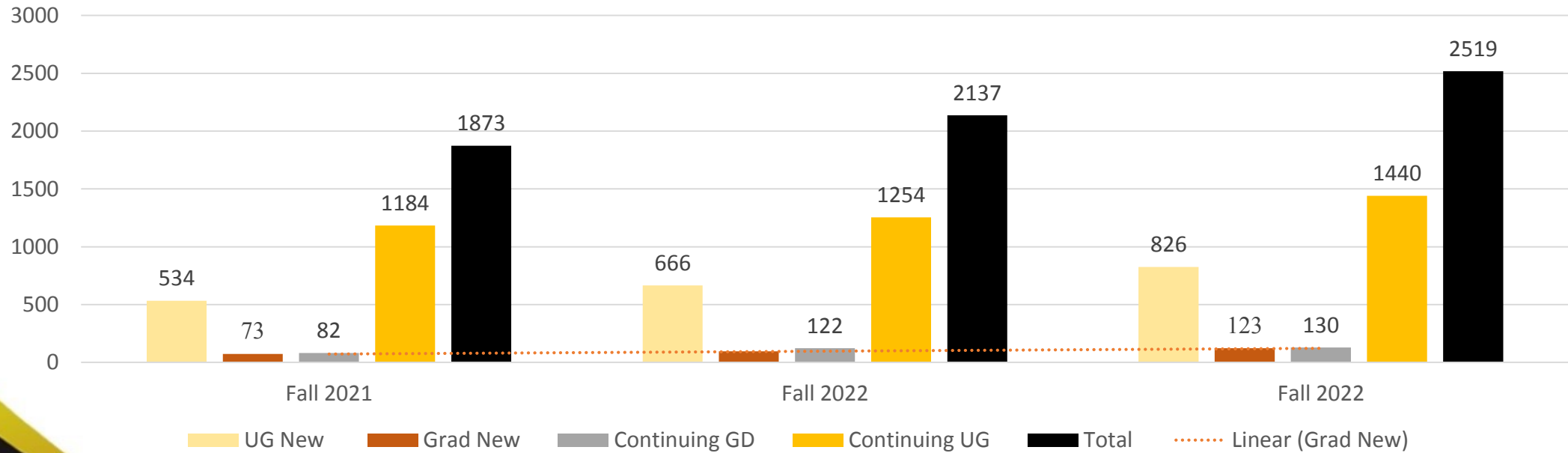
Total New Students: Fall 2021-2023

Total New Students: UGs and Grads

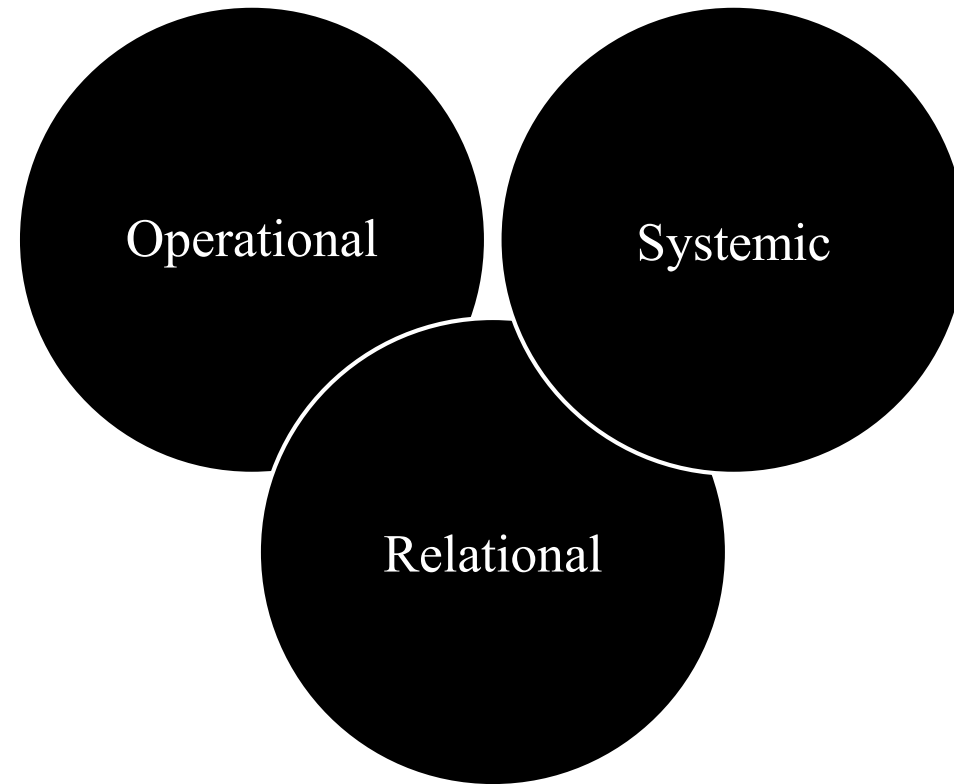


Projected Degree Seeking Enrollment: Fall 2021-2023

Degree Seeking Enrollment



Strategy: Target Best FIT

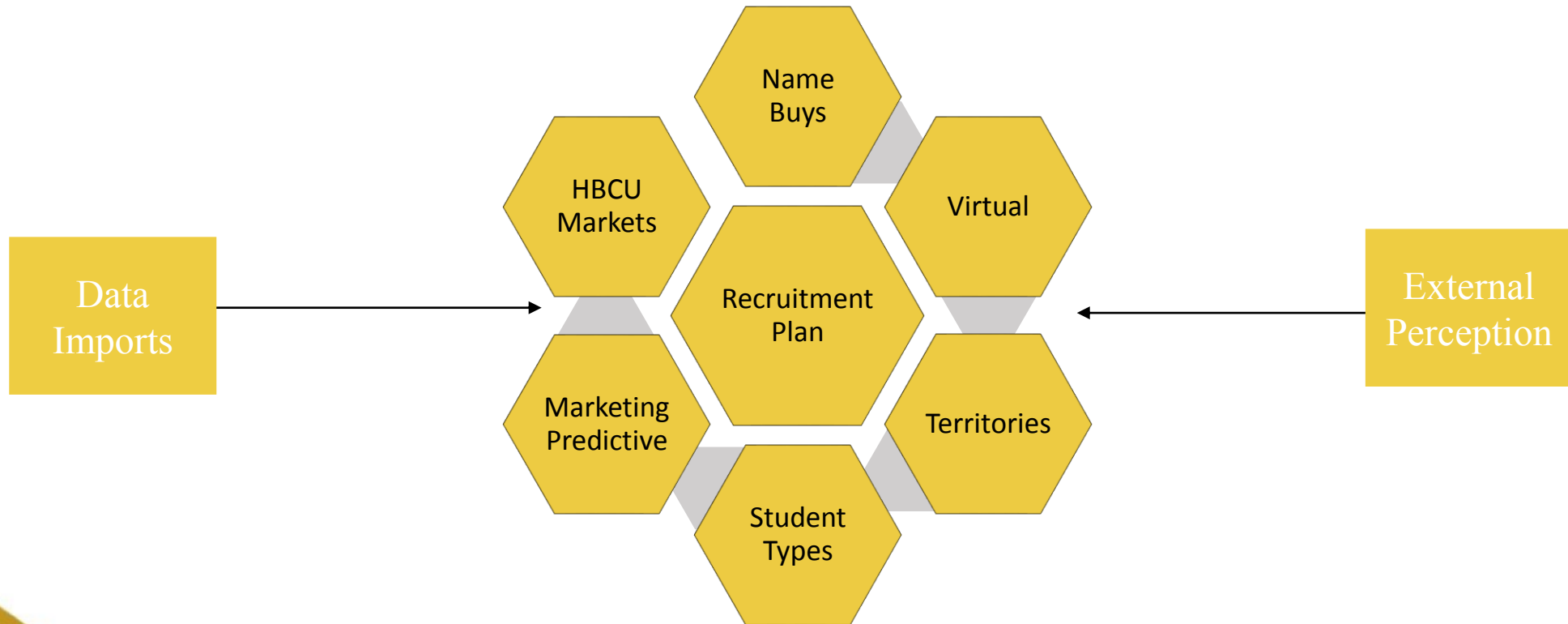


E3 Best Fit

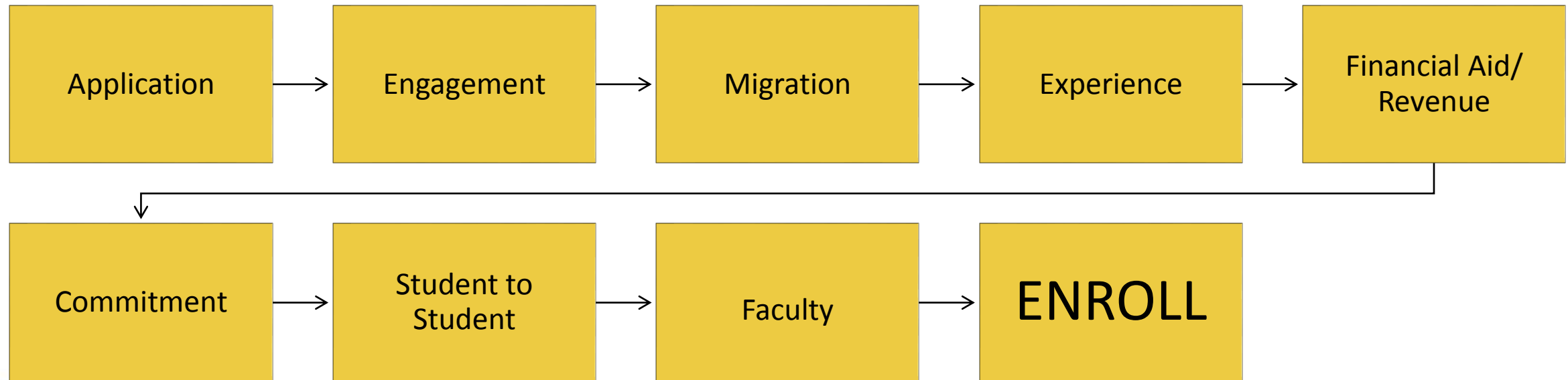
EVALUATE	ENGAGE	ENROLL
Market Analysis	Communication	“ WHY”
Competitive Edge	Outreach	Experience
Predictive	Differentiator	Yield



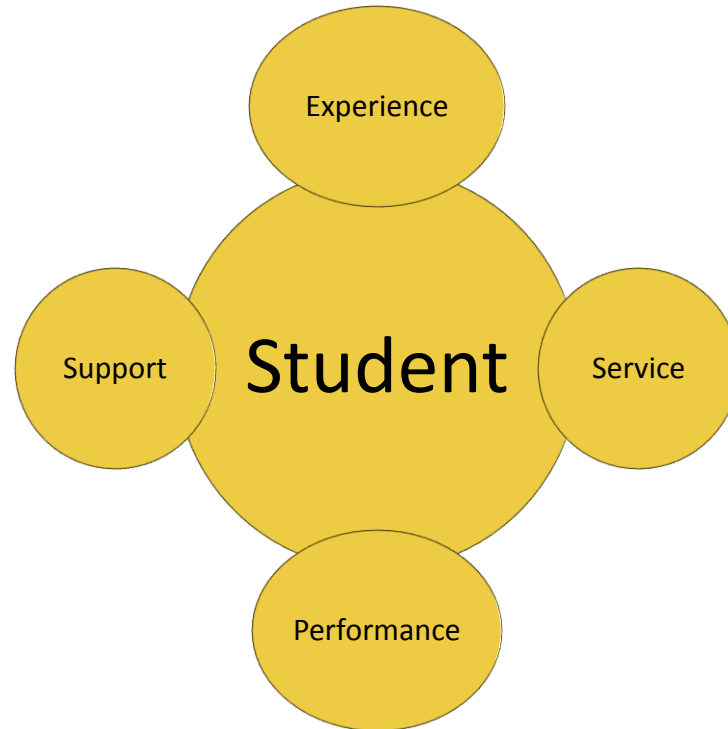
Operational: Find Best Fit



Systemic: Experience the Best Fit



Relational: Retain Best Fit



Anticipated Deliverables: Spring 2021



Take-Aways

2% increase
enrollment in grades
11-12: 2014-26

Penetrate South,
Eastern Corridor, and
West: On-
Ground/Online

Reframe student
experience

Increase Enrollment
for WVSU:
55% UG by 2023
68% GR by 2023
34% Degree seekers

Questions



**Board of Governors
FULL BOARD
Via Zoom**

<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>

Meeting ID: 959 6941 2647 | Passcode: 204689

Friday, November 20, 2020

11:00 a.m.

AGENDA

- | | |
|---|-----------------------|
| I. Call to Order | Charles E. Jones, Jr. |
| II. Roll Call | Crystal Walker |
| III. Verification of Appropriate Notice of Public Meeting | Charles E. Jones, Jr. |
| IV. Approval of October 22, 2020 and November 5, 2020 Meeting Minutes | Charles E. Jones, Jr. |
| V. Report from the University President <ul style="list-style-type: none">• State of the Future: Strategic Planning Process | President Pride |
| VI. Academic Degree Program Reviews (<i>Action Required</i>) <ul style="list-style-type: none">• Media Studies, M.A. | Katherine Dooley |
| VII. FY20 Audited Financial Statements (<i>Action Required</i>) | James Payne |
| VIII. Possible Executive Session under the Authority of West Virginia Code §6-9A-4 to Discuss Legal, Personnel and Property Matters (<i>Action Required</i>) | Charles E. Jones, Jr. |
| IX. Adjournment | Charles E. Jones, Jr. |

**Board of Governors
West Virginia State University
Full Board Meeting**

Date/Time: 11/20/2020 -- 11:00 AM

Location:

Meeting via Zoom
<https://zoom.us/j/95969412647?pwd=YStUbK5sQVR6ako5NmtjdEFsams3UT09>
Meeting ID: 959 6941 2647
Passcode: 204689

Purpose: To conduct regular business of the full board of governors.

Notes:

Meeting was approved : 11/12/2020 1:47:35 PM

Meeting Minutes
West Virginia State University Board of Governors
Full Board
James C. Wilson University Union and Zoom
October 22, 2020
12:30 p.m.

I. Call to Order

Mr. Jones called the meeting to order at 12:45 p.m.

II. Roll Call

The clerk called the roll. Members present were Mr. Davis, Ms. Dooley, Mr. Gray, Ms. Harper, Mr. Jones, Mr. Kelley, Mr. Kendrick, Mr. Lipscomb, Mr. Payne and Dr. Smith. Members absent were Mrs. Pitchford and Dr. Vaughan.

III. Verification of Appropriate Notice of Public Meeting

Mr. Jones verified the Appropriate Notice of Public Meeting.

IV. Approval of Agenda

Ms. Dooley motioned for approval of the agenda as presented. Mr. Kendrick seconded the motion, and the motion carried.

V. Approval of September 3, 2020 Meeting Minutes

Dr. Smith motioned for approval of the minutes of the September 3, 2020 meeting. Mr. Gray seconded the motion, and the motion carried.

VI. Report from the University President

President Pride recognized Student Government Association (SGA) President Zedan Martin and his cabinet. Mr. Martin shared the SGA's mission and goals for the year and asked his cabinet to introduce themselves. Everyone applauded the students for their commitment to serve their university.

President Pride said that she wanted to share information on the university's land-grant mission. She called on Dr. Ulises Toledo to present on the historical overview and growth of land-grant programs.

Ms. Dooley inquired about the purpose of collaborating with the other land-grant institution in the state. Dr. Toledo said that about five years ago, the United States Department of Agriculture required the institutions to work collaboratively to not duplicate programs and services. Additionally, Dr. Toledo stated that the university collaborates with local organizations, farmers, etc. Dr. Smith asked if there is a grant writing team. Dr. Toledo responded with information about the Office of Sponsored Programs, which consists of four staff who assist with grant writing. Mr. Jones commented about the university receiving 80% of the state match. He felt that the university needed to go a step further than the legislative agenda if the state does not match the federal funding at 100%. Dr. Toledo said that two years ago the university was close to getting 100% then the federal amount changed and there is a finite number. He said the legislative agenda language needed to change to request the state to match 100% of the federal allocation at whatever the amount is each year.

President Pride thanked Dr. Toledo for his report and the Board for their questions. She said it is important to have the conversation now because there is a significant opportunity for the university if we grow on our land-grant programs.

VII. Notice of Intent to Draft Revised BOG Policy #1-Procedures for Generating Policies, Guidelines, and Rules

Mr. Kelley reported that the notice of intent to draft a revised BOG Policy #1 was presented as an information item.

VIII. Notice of Intent to Draft Revised BOG Policy #13-WVSU Naming or Renaming of Buildings and Organizational Units

Mr. Kelley reported that the notice of intent to draft a revised BOG Policy #13 was presented as an information item.

IX. Revised BOG Policy #14-Sexual Harassment

Mr. Kelley said the revised policy was presented during the Adhoc Bylaws and Policies Review Committee as an emergency rule in order to be compliant with the Department of Education's Title IX final rule. The revised policy will repeal and replace the existing BOG Policy #14. The policy would be effective for 90 days and must go through the normal rule making process to be made final. Mr. Kelley motioned for approval by the full Board to adopt the revised BOG Policy #14-Unlawful Discrimination and Harassment and Sexual Harassment as presented. Ms. Dooley seconded the motion, and the motion carried.

X. Voluntary Separation Plan

Mr. Kelley said the Adhoc Bylaws and Policies Review Committee reviewed the Voluntary Separation Plan, which has two components. He motioned for approval by the full Board to adopt the Voluntary Separation Plan. Mr. Davis seconded the motion, and the motion carried.

XI. Academic Program Reviews

Ms. Dooley reported that the Academic Policy Committee reviewed a summary of the academic program reviews for the Biotechnology, M.A. and Biotechnology, M.B. The Committee voted in favor of the program reviews as presented. Ms. Dooley motioned for approval by the full Board that the programs continue at the current level, with an additional review in spring 2021. Mr. Davis seconded the motion, and the motion carried.

XII. Adjournment

With there being no further business, Mr. Kelley motioned to adjourn. Ms. Dooley seconded the motion, and the motion carried. The meeting adjourned at 1:49 p.m.

Respectfully submitted,

Katherine L. Dooley
Secretary

Approved:

Charles E. Jones, Jr.
Chair

Emergency Meeting Minutes
West Virginia State University Board of Governors
Full Board
Via Zoom
November 5, 2020
8:30 a.m.

I. Call to Order

Mr. Jones called the meeting to order at 8:30 a.m.

II. Roll Call

The clerk called the roll. Members present were Ms. Dooley, Ms. Harper, Mr. Jones, Mr. Kelley, Mr. Payne, Mrs. Pitchford, Dr. Smith and Dr. Vaughan. Members absent were Mr. Davis, Mr. Gray, Mr. Kendrick and Mr. Lipscomb.

III. Verification of Appropriate Notice of Public Meeting

Mr. Jones verified the Appropriate Notice of Public Meeting. The purpose of the emergency meeting is to discuss the implementation of workforce reduction actions that are time-sensitive.

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

Ms. Dooley motioned for approval to go into Executive Session under the authority of West Virginia Code §6-9A-4 to discuss legal, personnel and property matters. Dr. Smith seconded the motion, and the motion carried.

Ms. Pitchford motioned to arise from the executive session and reconvene into the regular session, and Mr. Payne seconded the motion. The motion carried. Mr. Jones asked for the record to reflect that the Board only discussed items related to the topics listed, that no decisions were made in executive session, and no motions or votes taken.

V. Workforce Reduction Implementation

Mr. Kelley moved that the Board approve the reduction of specific positions discussed in executive session and authorize the President to implement the reduction in force. Ms. Pitchford seconded the motion, and the motion carried.

VI. Adjournment

With there being no further business, Ms. Pitchford motioned to adjourn. Dr. Smith seconded the motion, and the motion carried. The meeting adjourned at 9:48 a.m.

Respectfully submitted,

Katherine L. Dooley
Secretary

Approved:

Charles E. Jones, Jr.
Chair



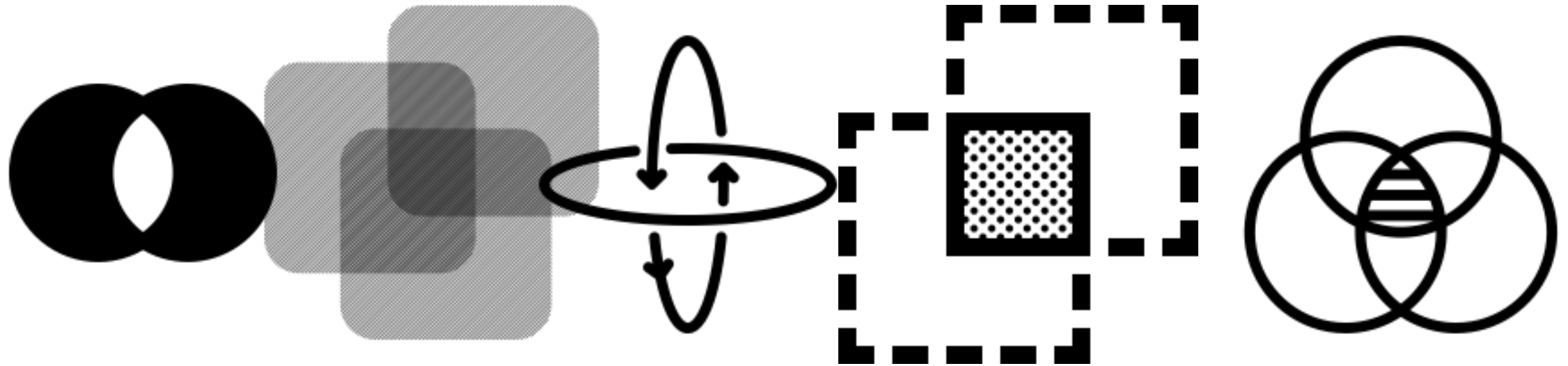
STRATEGIC PLANNING PROCESS
WEST VIRGINIA STATE UNIVERSITY

NEHEMIAH - THE LEADERSHIP COMPANY

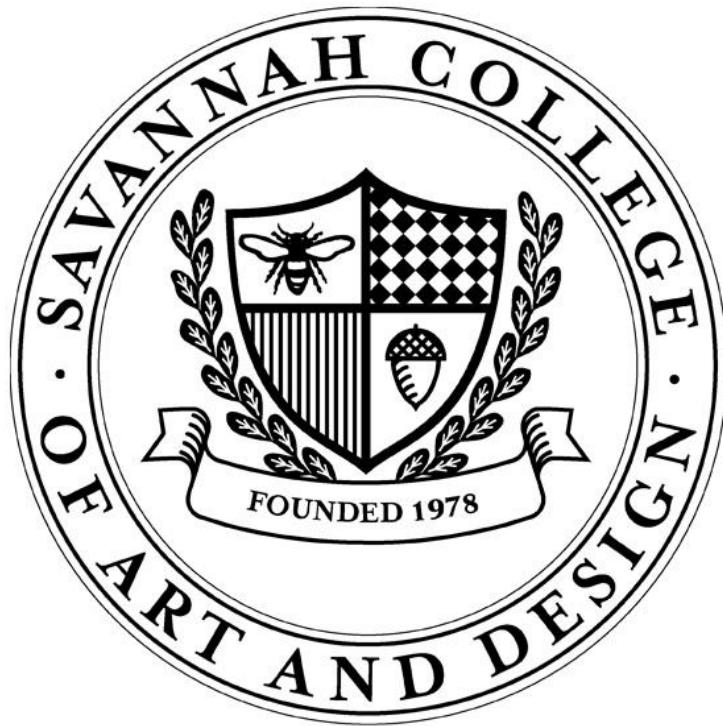


INTRODUCTION

WHAT DO EACH OF THESE IMAGES HAVE IN COMMON?

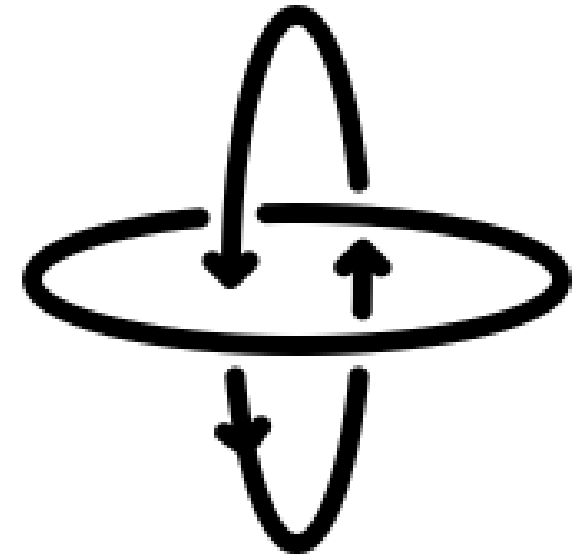


NICHE EXAMPLES IN HIGHER EDUCATION



PURPOSE AND SCOPE

As part of the strategic planning process, identify critical elements that should be included in the overall strategic plan so that it aligns with the mission, vision, and values of the institution.




APPROACH

- People are inspired by vision and motivated by mission
- It is all about design and process
- Data wins in the end
- Organizational engagement empowers people to act
- Dynamic assessment keeps the conversation alive




PLANNING PRINCIPLES


A plan that fosters academic excellence and commitment to the mission.



A process that inspires robust internal and external engagement and values dynamic exchange.



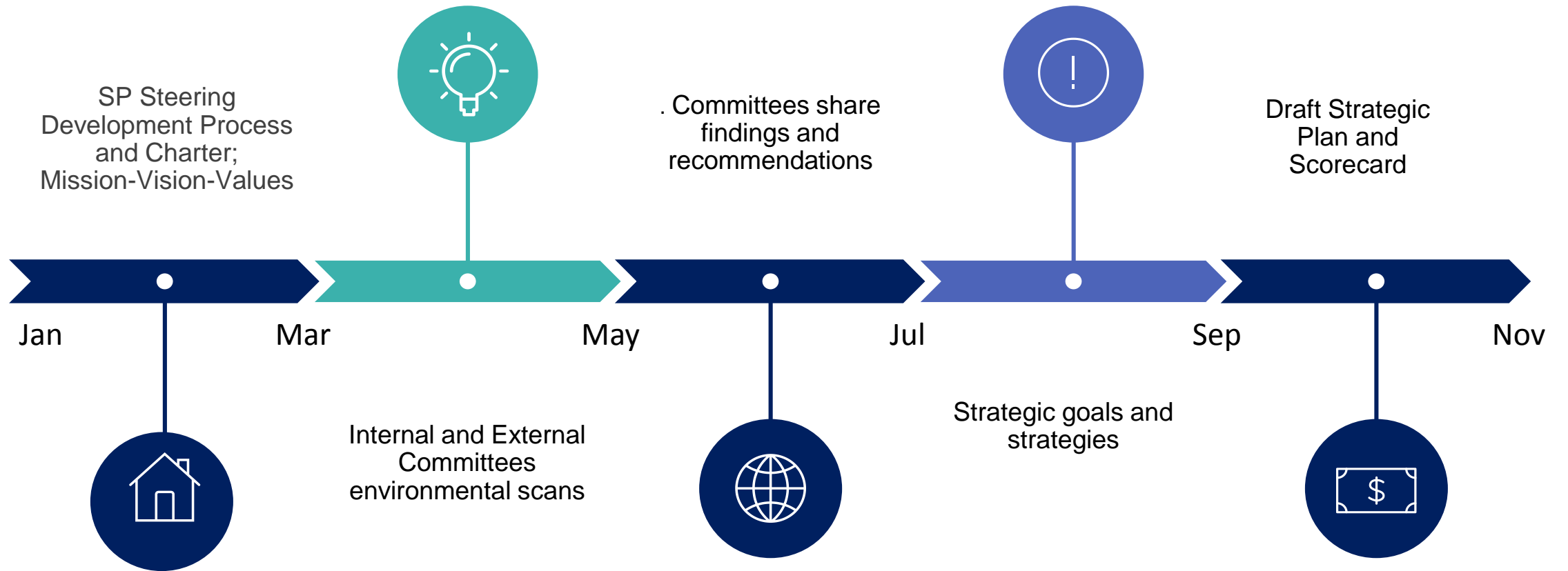
A plan that captures and articulates the unique niche in ways that brings the university community and its constituents together.



A process that utilizes information, data and metrics to make informed decisions.



TIMELINE

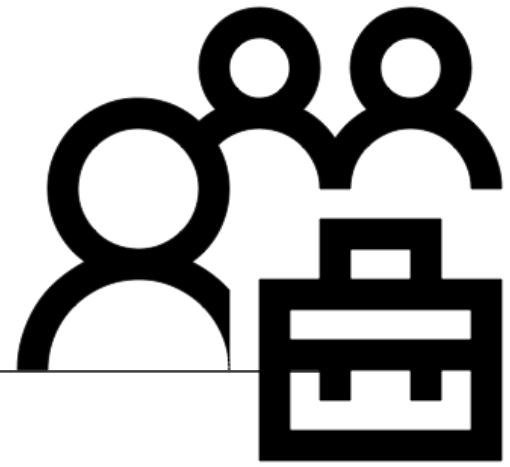


QUESTIONS FOR THE "REVOLVING EXERCISE"

- What is it that is uniquely "WVSU" – what are you building now that puts WVSU in a class of its own?
- What benefits are we reaping as a result of being uniquely "WVSU"? How do you know?
- What barriers exist that can "stunt" our growth?
- What untapped opportunities can keep us moving in the right direction?



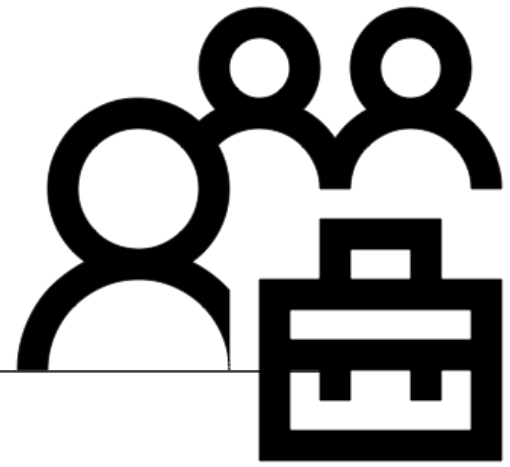
DATA ANALYSIS



- Emerging trends
- Revenue generated from fundraising, grants, state and federal sources
- Sustainability analysis
- Bog/leadership/faculty/staff survey
- Regional/community-based survey
- Integrated S.W.O.T. Analysis



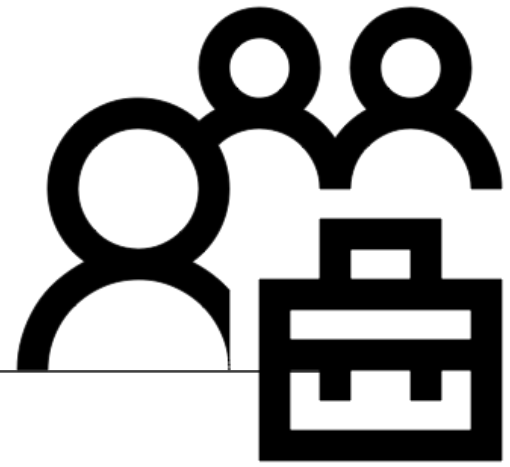
DATA ANALYSIS



- Target group demographic data and impact
- Community service metrics
- Financial stability
- Physical infrastructure
- Benchmarking
- Compliance



STRATEGIC GOALS



- Identifying goals/priorities
 - Students are the primary customers.
 - Vision and mission alignment.
 - What areas require breakthrough?
 - What are the most compelling metrics?
 - What are the long term institutional needs?
 - What are the unmet needs?



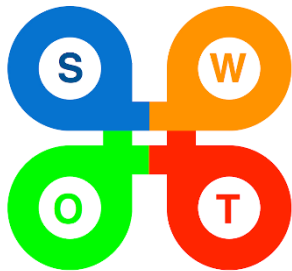
STRATEGIC GOALS PHASES



	Development Stages	Responsibility Matrix
Vision-Mission-Values	Visioning Stage <ul style="list-style-type: none"> • Direction • Purpose 	<ul style="list-style-type: none"> • Board of Governors • Cabinet • Administrative Team (SP Team)
Data Gathering Data Analysis	Defining Stage <ul style="list-style-type: none"> • Clarity • Priority 	<ul style="list-style-type: none"> • Administrative Team (SP Team) • Internal Planning Committees • External Planning Committees
Strategic Goals	Planning Stage <ul style="list-style-type: none"> • Integrate • Commit 	<ul style="list-style-type: none"> • Administrative Team (SP Team) • University Community • Key Stakeholders / Constituents
Implementation	Executing Stage <ul style="list-style-type: none"> • Enroll • Execute 	<ul style="list-style-type: none"> • Administrative Team (SP Team) • Institutional Assessment



STRATEGIC GOALS COMMITTEES



Committee Analysis	Step 1	Step 2	Step 3
<ul style="list-style-type: none">• Mission - Community Need (Metrics)• Human Resources and Services• Physical and Technology Resources• Systems and Processes• Community, Agencies and Government• Business and Industry Partnerships• Fiscal Resources and Funding	Internal/External Priorities	4 - 5 Strategic Goals	Aspirational target - Goals



NEXT STEPS

