GLENVILLE STATE COLLEGE

AGENDA

Glenville State College Board of Governors

November 28, 2018
2:00 p.m.

Waco Center
Hall of Fame Room

Glenville State College
Board of Governors Meeting
Schedule
2018-19

All Executive Committee meetings will be held at 11:00 a.m. in the President's Conference Room in the Administration Building. All Board of Governors meetings will be held in the Waco Center, Hall of Fame Room, unless otherwise noted. The Enrollment Management Committee meetings will begin at 10:00 a.m. and all other Committee meetings will begin at 11:00 am. Board meetings will begin at ~~12:30~~ 1:00 p.m., with a noon luncheon prior to the meeting, unless otherwise noted as well.

Wednesday, August 1, 2018	Executive Committee
Tuesday, August 13, 2018 ***SPECIAL MEETING***	Executive Committee – 11:30 a.m.
Wednesday, August 15, 2018 * *No committee meetings will be held*.	Board of Governors– 1:30 p.m. @ Ike and Sue Morris' Residence 2888 US Hwy. 33 East, Glenville, WV
Wednesday, September 26, 2018	Executive Committee
Wednesday, October 24, 2018	Board of Governors

A Joint Committee meeting will be held @ 9:00 am @ Waco Center, Hall of Fame Room
The Enrollment Management Committee will be held @ 11:00 am

Wednesday, October 31, 2018 ***SPECIAL EMERGENCY MEETING*** * *No committee meetings will be held*.	Board of Governors– 10:00 a.m. @ SLS Land & Development Office 12 Vanhorn Drive, Glenville, WV
Wednesday, November 7, 2018 ***SPECIAL EMERGENCY MEETING*** * *No committee meetings will be held*.	Board of Governors– 10:00 a.m.
Monday, November 12, 2018	Enrollment Management Committee – 8:00 a.m.
Wednesday, November 14, 2018	Executive Committee
Wednesday, November 28, 2018 * *No committee meetings will be held*.	Board of Governors – 2:00 p.m.
Wednesday, January 23, 2019	Executive Committee
Wednesday, February 6, 2019	Board of Governors
Wednesday, April 3, 2019	Executive Committee
Wednesday, April 17, 2019	Board of Governors
Wednesday, May 29, 2019	Executive Committee
Wednesday, June 12, 2019	Board of Governors

Approved by the GSC Board of Governors June 13, 2018
Updated August 13, 2018
Updated September 24, 2018
Updated October 29, 2018
Updated October 30, 2018
Updated November 5, 2018

GLENVILLE STATE COLLEGE
BOARD OF GOVERNORS
NOVEMBER 28, 2018
WACO CENTER, HALL OF FAME ROOM
2:00 PM

AGENDA

1. Call to Order

2. Establishment of a quorum

3. **Approval of Minutes for October 24, 2018 *(Action Item)***

4. **Approval of Minutes for October 31, 2018 *(Action Item)***

5. **Approval of Minutes for November 7, 2018 *(Action Item)***

6. Public Comment Period

7. Report on FY2018 Audit from Hayflich, PLLC – *Mr. Rick Eskins, CPA, Director of Healthcare & Government*

8. Committee of the Whole
    A. **FY2018 Audit *(Action Item)***
    B. **Addition of Women's Golf *(Action Item)***
    C. **Addition of Cheer Squad *(Action Item)***
    D. **Reinstatement of Honor Students' Scholarships *(Action Item)***

9. Update on Hidden Promise Scholars Program – *Ms. Stacy Adkins, Director for Academic Success Center*

10. President's Report

11. Executive Committee
    A. Report from Tim Butcher, Vice Chair

12. Enrollment Management Committee
    A. Report from Steve Gandee, Chair

13. Announcements

14. Adjournment

Glenville State College
Board of Governors Meeting
October 24, 2018
Waco Center, Hall of Fame Room
Glenville, West Virginia

Members Present:	Mr. Greg Smith, Chairperson Mr. Tim Butcher, Vice Chair Mr. Stephen Gandee Mr. Richard Heffelfinger Mr. Ralph Holder Ms. Sue Morris Mr. Mike Rust, via teleconference Mr. Larry Baker, Faculty Representative Mr. Dustin Crutchfield, Staff Representative Mr. Justin Woods, Student Representative
Members Absent:	Dr. William Deel
Faculty & Staff Present:	Dr. Tracy L. Pellett, President Mr. John Beckvold, Vice President for Business & Finance Mr. Marty Carver, Vice President for Enrollment Ms. Sheri Goff, Financial Aid Assistant & Advisory Council for Classified Staff Rep. Mr. Tim Henline, Asst. Professor of Business and Faculty Senate President Mr. David Hutchison, Vice President for Advancement Mr. Jason Phares, Information Technology Manager Mr. Justin Rader, Residence Life Intern Mr. Jesse Skiles, Director of Athletics Ms. Krystal Smith, Chief Human Resources Officer Ms. Teresa Sterns, Executive Assistant to the President Ms. Chelsea Stickelman, Interim Director of Admissions Dr. Victor Vega, Provost & Vice President for Academic Affairs
Others Present:	Dr. Joe Evans, Professor Emeritus Mr. James Meads, Professor Emeritus Ms. Judy Meads, GSC Alumna Mr. Reed Ratliff, GSC Alumnus Mr. Harry Rich, Professor Emeritus Dr. John Westfall, GSC Alumnus

Call to Order
Chairperson Greg Smith called the meeting to order at 1:04 pm.

A quorum was established.

Mr. Smith moved agenda item 7-C to item 9-B.

Approval of Minutes
Mr. Smith asked that the presented minutes be changed on page three, final draft policies action statement. Change "Greg Smith moved….." to "Tim Butcher moved…"

SUE MORRIS MOVED TO APPROVE THE MINUTES OF THE AUGUST 15, 2018 MEETING AS AMENDED. JUSTIN WOODS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Public Comment
Mr. Smith announced that all persons presenting comments to keep comments to three minutes. He indicated that the Board seeks factual information and values input.

The following individuals presented comments regarding concerns with President Pellett's leadership:
Dr. Joe Evans, Mr. Jim Meads, Mr. Harry Rich, and Dr. John Westfall.

Mr. Smith thanked all for addressing the Board.

Executive Committee
Greg Smith, Chair, reported that the Committee discussed the following at its September 26th meeting:

- Enrollment Updates
- Annual Audit FY2018
- Blue Ribbon Commission Allocation
- Budget
- Student Success Collaborative with EAB
- Winter Term Tuition Rate Proposal, formerly called J-Term
- Set agenda for this meeting
- Entered into Executive Session to discuss the President's contract and compensation package

President's Report
President Pellett provided a list of activities he has been engaged in since the June 2018 meeting and reported the following:

- One less new student than last year enrolled at the College for fall 2018. A growth in enrollment is expected in spring 2019 in online courses, dual enrollment, and Second Chance Pell.
- The College has significantly decreased the tuition discounting rate from forty percent to near thirty percent.
- A recent NCAA compliance review of athletics was administered to assist the College in performing better in the area of compliance.
- The College is now following national standards in education as a whole to ensure positive evaluations by Council for the Accreditation of Educator Preparation (CAEP) and the Higher Learning Commission

(HLC). HLC is scheduled to review the Second Chance Pell off campus sites on October 30, 2018. The College's five year review by HLC is scheduled for April 2019.

- The new website is up and running. The Offices of Public Relations and Information Technology will be training departments on how to make updates on the site for their respective areas.
- Mr. Noah Balser, Director of Facilities, is preparing a maintenance plan to address facilities issues that the College is still experiencing including broilers, chillers, mold, etc.
- The College may expect to potentially lose near one million dollars in state appropriation per year if the WV Higher Education Policy Commission (HEPC) proposed funding model is approved. GSC is currently one of the top FTE funded institutions in West Virginia. President Pellett will be attending the Blue Ribbon Commission meeting this Friday.
- Dr. Pellett will be bringing a proposal for fall sports to the next meeting.

Business and Finance Committee

Mike Rust, Chair, reported the Committee discussed the recent FY2018 audit and asked Mr. Beckvold to provide a report.

Mr. Beckvold provided a handout to the Board regarding the current budget and announced that the College's audit was completed within the time limit.

Mr. Baker requested a digital copy of the report.

Enrollment Management Committee

Steve Gandee, Chair, provided a history of the Committee that was implemented three years ago. He invited all to attend the meetings that are held at 10:00 am prior to regular Board meetings. Mr. Gandee reported that 380 incoming students enrolled this academic year compared to 381 last year. Although, 564 was the expected goal for this year, Mr. Carver indicated to the Committee the first year he began that it would be hard to increase enrollment by two or three percent due to the economics and the area. An Enrollment Management Committee meeting will be scheduled prior to the next Board meeting and Mr. Gandee will send personal invitations in an effort to get all involved and work together. He further announced that a management plan for enrollment has been developed.

Student and Academic Affairs Committee

Ralph Holder, Vice Chair, asked all members of the Committee to report on what they presented at the Committee meeting. The presentation of reports included the following highlights:

Dr. Victor Vega - Discussed a partnership with Marshall University for students to attend GSC for three years and finish a Master's degree in professional athletic training at Marshall in the following two years. The College hopes to offer the program in fall 2019.

Justin Woods – Reported various groups that SGA will be collaborating with to offer events both on and off campus and noted he feels the student body is more unified than before.

Larry Baker – Reported that faculty are working with administration to allow students on waiting lists to be admitted into classes in the place of a student already admitted misses two consecutive classes within the first two weeks of the semester; Faculty Senate submitted comments regarding the departmental reorganization proposal; College is in need of math professors; issues of concerns include HLC, CAEP and overloads; and department chairs are expected to get a raise.

Mr. Butcher inquired to Mr. Baker if he felt he would lose his job if he disagreed with administration and if other faculty fears the president.

Mr. Baker responded, “No,” to both inquiries.

Mr. Smith suggested reinstating the alumni scholarship and inquired what the net is. He requested the net and a proposed plan be provided to the Board at the next meeting.

Mr. Carver and Mr. Beckvold responded that both would be provided at the next meeting.

> RICH HEFFELFINGER MOVED TO APPROVE THE 2019 WINTER TERM TUITION AND FEES AT A FLAT RATE OF $300.00 PER CREDIT HOUR. SUE MORRIS SECONDED THE MOTION.
>
> MOTION CARRIED UNANIMOUSLY.

Announcements

Mr. Smith made the following announcements:

- GSC Commencement – December 8, 2018 @ 10:00 am @ Waco Center
- HCC Commencement – December 13, 2018 @ 1:00 pm @ HCC
- Next Executive Committee Meeting – November 14, 2018
- Next Board Retreat and Meeting – November 28, 2018
  The retreat will be held at the Waco Center from 9:00 am – 2:00 pm with a break for lunch from 11:30 am – 12:30 pm. The Board meeting will begin at 2:00 pm.

Mr. Hutchison announced that anyone receiving letters or phone calls from University Promotions requesting money to not respond as it is a scam. He asked all to let him know in the event a phone call or letter is received requesting money for the College from any source other than the GSC Foundation.

The Board recessed at 2:45 pm.

The Board reconvened at 3:00 pm

Executive Session

> IT WAS MOVED BY RICH HEFFELFINGER THAT THE BOARD OF GOVERNORS GO INTO EXECUTIVE SESSION UNDER THE AUTHORITY OF WV CODE §6-9A-4(b)(2)(A)TO DISCUSS THE PRESIDENT’S CONTRACT. JUSTIN WOODS SECONDED THE MOTION.
>
> MOTION CARRIED UNANIMOUSLY.

Rise from Executive Session

> IT WAS MOVED BY JUSTIN WOODS THAT THE BOARD RISE FROM EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION. DUSTIN CRUTCHFIELD SECONDED THE MOTION.
>
> MOTION CARRIED UNANIMOUSLY.

Adjournment

With no further business and hearing no objection, Chairperson Smith adjourned the meeting at 5:03 pm.

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Greg Smith
Chairperson

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Teresa Sterns
Executive Assistant to the President

Glenville State College
Board of Governors Special Emergency Meeting
October 31, 2018
SLS Land & Energy Development Office
12 Vanhorn Drive
Glenville, West Virginia

Members Present:	Mr. Greg Smith, Chairperson Mr. Tim Butcher, Vice Chair Dr. William Deel Mr. Stephen Gandee, via teleconference Mr. Ralph Holder Ms. Sue Morris Mr. Mike Rust, via teleconference Mr. Larry Baker, Faculty Representative Mr. Dustin Crutchfield, Staff Representative Mr. Justin Woods, Student Representative
Members Absent:	Mr. Richard Heffelfinger
Others Present:	Mr. George Lilly, GSC Student

Call to Order
Chairperson Greg Smith called the meeting to order at 10:03 am.

A quorum was established.

Executive Session

IT WAS MOVED BY LARRY BAKER THAT THE BOARD OF GOVERNORS GO INTO EXECUTIVE SESSION UNDER THE AUTHORITY OF WV CODE §6-9A-4(b)(2)(A) TO DISCUSS THE PRESIDENTIAL CONTRACT AND COMPENSATION PACKAGE.
JUSTIN WOODS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Rise from Executive Session

IT WAS MOVED BY JUSTIN WOODS THAT THE BOARD RISE FROM EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION. LARRY BAKER SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Mr. Larry Baker announced that the faculty senate voted on 10/30, and the motion passed, to send a survey to full time faculty similar to the survey sent in 2017 to gather input regarding the state of the College.

Adjournment
With no further business and hearing no objection, Chairperson Smith adjourned the meeting at 12:56 pm.

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Greg Smith
Chairperson

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Dustin Crutchfield
Staff Representative

Glenville State College
Board of Governors Special Emergency Meeting
November 7, 2018
Waco Center, Hall of Fame Room
Glenville, West Virginia

Members Present:	Mr. Greg Smith, Chairperson
	Mr. Tim Butcher, Vice Chair
	Dr. William Deel
	Mr. Stephen Gandee, in person until 11:00 am and via teleconference after 11:00 am
	Mr. Richard Heffelfinger, via teleconference
	Mr. Ralph Holder
	Ms. Sue Morris
	Mr. Mike Rust, via teleconference
	Mr. Larry Baker, Faculty Representative
	Mr. Dustin Crutchfield, Staff Representative
	Mr. Justin Woods, Student Representative
Faculty/ Staff Present:	Mr. John Beckvold, Vice President for Business & Finance
	Mr. Marty Carver, Vice President for Enrollment
	Mr. Adrian Duelley, Interim Director of Student Activities
	Dr. Kevin Evans, Professor of Chemistry
	Ms. Sheri Goff, Financial Aid Assistant & Advisory Council for Classified Staff Rep.
	Mr. Tim Henline, Asst. Professor of Business and Faculty Senate President
	Mr. David Hutchison, Vice President for Advancement
	Dr. Gary Morris, Associate Vice President for Academic Affairs
	Ms. Krystal Smith, Chief Human Resources Officer
	Ms. Teresa Sterns, Executive Assistant to the President
	Dr. Marjorie Stewart, Associate Professor of English
	Ms. Chelsea Stickelman, Interim Director of Admissions
	Mr. Ron Taylor, Associate Director of Public Safety
	Dr. Victor Vega, Provost & Vice President for Academic Affairs
	Mr. Jacob Zimmers, Pioneer Media General Manager
Others Present:	Ms. Debra Brennan, GSC Alumna
	Dr. Joe Evans, Professor Emeritus
	Mr. James Meads, Professor Emeritus
	Mr. Reed Ratliff, GSC Alumnus
	Mr. Harry Rich, Professor Emeritus
	Dr. John Westfall, GSC Alumnus

Call to Order
Chairperson Greg Smith called the meeting to order at 10:01 am.

A quorum was established.

Public Comment Period
The following individuals presented comments regarding support or concerns with President Pellett's leadership: Ms. Debra Brennan, Dr. Kevin Evans, Dr. Gary Morris, Mr. Harry Rich (presented on behalf of Dr. Gary Gillespie who was unable to attend), and Dr. Victor Vega.

Mr. Smith and other members of the Board thanked everyone for their support.

Executive Session

IT WAS MOVED BY RALPH HOLDER THAT THE BOARD OF GOVERNORS GO INTO EXECUTIVE SESSION UNDER THE AUTHORITY OF WV CODE §6-9A-4(b)(2)(A) TO DISCUSS THE PRESIDENTIAL CONTRACT AND EVALUATION. LARRY BAKER SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Rise from Executive Session

IT WAS MOVED BY JUSTIN WOODS THAT THE BOARD RISE FROM EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION. LARRY BAKER SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Committee of the Whole

IT WAS MOVED BY TIM BUTCHER THAT THE BOARD OF GOVERNORS APPROVE TO OFFER DR. TRACY PELLETT A REVISED CONTRACT FOR A PERIOD OF ONE (1) YEAR FROM THE EXPIRATION OF HIS CURRENT CONTRACT ON JUNE 30, 2019. THE REVISED CONTRACT WILL COMPLY WITH STATUTE AND POLICY AND WILL BE SUBJECT TO CONFIRMATION BY THE HIGHER EDUCATION POLICY COMMISSION. BILL DEEL SECONDED THE MOTION.

MOTION CARRIED WITH SEVEN ASSENTING (GREG SMITH, TIM BUTCHER, BILL DEEL, RICH HEFFELFINGER, RALPH HOLDER, MIKE RUST, AND DUSTIN CRUTCHFIELD) AND FOUR OPPOSING (LARRY BAKER, STEVE GANDEE, SUE MORRIS, AND JUSTIN WOODS).

Mr. Larry Baker requested that the record reflect the faculty survey disseminated by faculty senate vote on 10/30 to full time faculty, and emailed to the Board was not prepared as an institutional research based (IRB) document and is to be used in house only and not used outside of the College community.

Executive Session

IT WAS MOVED BY LARRY BAKER THAT THE BOARD OF GOVERNORS GO INTO EXECUTIVE SESSION UNDER THE AUTHORITY OF WV CODE §6-9A-4(b)(2)(A) TO DISCUSS THE PRESIDENTIAL CONTRACT AND EVALUATION. TIM BUTCHER SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Rise from Executive Session

IT WAS MOVED BY LARRY BAKER THAT THE BOARD RISE FROM EXECUTIVE SESSION AND RECONVENE IN OPEN SESSION. JUSTIN WOODS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Adjournment

With no further business and hearing no objection, Chairperson Smith adjourned the meeting at 3:41 pm.

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Greg Smith
Chairperson

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Teresa Sterns
Staff Representative

Office of Academic Affairs Report to the Board of Governors November 2018

Submitted by: *Victor Vega, Provost and Vice President for Academic Affairs*

Highlights

1. Thanks to Dr. Dwight Heaster for organizing the first GSC Safe Zone training this past Wednesday, November 7th. Another ***Safe Zone*** training will be offered to all faculty and staff during welcome back week in the spring 2019.

2. Dr. Johnathan Minton published his Poem book: ***Technical Notes for Bird Government****.*

3. Dr. Fred Walborn published his book: ***Two Days at The Asylum****.*

4. ***Faculty Reading*** featuring the recent works of with Drs. Minton, Walborn, and Stewart occurred on November 8th at 4:00 pm at the RFK Library. Poetry, short stories and music was open to the public.

5. The first ***GSC Appalachian Studies Conference*** was held on Thursday, November 15th at the Pioneer Stage from 8:00 am to 4:00 pm.

6. ***International Education Week*** was held from November 8 till November 15 at the Rusty Musket.

7. ***The Department of Fine Arts and GSC Jazz Band*** hosted Saxophonist **Derek Brown** in concert on November 9th at 7:00 pm in the GSC Fine Arts Auditorium. The event was ***free and open to the public***.

8. ***The Students of Solid Waste Management (ENVR 193) and Dr. Allyson Degrassi*** hosted a ***"Zero-Waste at GSC Tea-Party"*** on **Tuesday, November 13th from 1:00 pm to 3:00 pm in the MCCC Ballroom.** There was a brief presentation and a brief panel discussion followed by tea, treats, and a mini poster session.

9. ***The Health 332 students and Professor Maureen Gildein*** hosted a ***Health Fair*** on Tuesday, November 13, 9:00-12:00 at the Rusty Musket for all students, faculty and staff of GSC.

10. ***Registration*** is open and will continue open. Please encourage students and advisees to register, so they can get their classes and schedules in order.

Submitted by: *Marty Carver, Vice President of Enrollment Management*

Highlights/Challenges

Highlights

1. **EAB:** EAB applications are beginning to come in from Campaign 1 of 4 and Campaign 2 of 4. As of this report, (November 12, 2018) we have received 561 EAB applications and 830 non-EAB applications. Campaign 3 of 4 will launch in mid-December and Campaign 4 of 4 will launch in mid-January. EAB initially estimated between 1,000 and 1,200 applications would come in as a result of their campaigns.
2. **Fall 2019 Admissions Recruitment:** New student enrollment numbers are holding strong at this point for traditional recruitment. We are up 24.7% in Inquiries, 30.2% in Applicants compared to fall 2018. However, we are down 13% in Admits compared to the past three-year average. The Admitted shortfall is likely due to the Quick Admit deadline being moved from November 1st last year to November 15th this year. Overall, we are seeing good growth in all other areas and we believe the Total Admitted number will increase rapidly as the deadline approaches.
3. **Action/Recruitment Plans:** The Spring, Summer, and Fall 2019 Action/Recruitment Plans have been finalized and executed. We are tripling the number of face to face recruiting events, more than doubling the number of high school visits to VIP and/or Primary Markets, and making the Kanawha Valley a focus for future growth. *UPDATE: See the attached Recruitment Plan Summary.*

Challenges

1. None at this time

Attachments/Enclosures:

1. Admissions Summary Fall 2019
2. Recruitment Plan Summary

Glenville State College
Office of Admissions

Recruitment Plan Summary
2018-2019

Overview

The new student goal for FY2019 is 450 enrolled students. To accomplish this goal, the admissions office will use sound recruitment strategies and will rely on a true campus-wide approach to recruitment. This campus-wide approach will include the use of admissions staff, administrators, coaches, advisors, faculty, sponsors, and current students to execute a highly personalized plan that drives prospective students to make an informed decision about attending Glenville State College.

The Recruitment Plan is complex and involves many automated systems to make sure the right prospective students are getting the right information at the right time. The automated systems will send personalized mail, email, texts, as well as schedule phone calls at key benchmarks. In addition, the admissions team will work to provide consistent communication with prospective students and their families.

The Markets

Students are grouped into Primary VIP, Primary, Secondary, and Tertiary markets depending on the distance from campus, enrollment history, and GSC program involvement (GSC Dual Enrollment, Hidden Promise and etc.). In addition, markets are divided into traditional and online delivery methods to allow greater flexibility in the types of communication/messaging we use. All automated and manual recruitment efforts focus on face to face recruitment "calls to action" (ie., visit, apply, register) which will provide us with the highest yield possible.

The Primary VIP Market is made up of prospective students from Braxton, Calhoun, Doddridge, Gilmer, Kanawha, Lewis, Nicholas, Pocahontas, Raleigh, Ritchie, Roane, Upshur, Webster, Wirt, and Wood Counties. The Primary VIP market also includes Dual Enrollment, HSTA, Hidden Promise Scholar students, and all students from Pierpont CTC and New River CTC.

The Primary Market includes; Berkeley, Cabell, Clay, Fayette, Greenbrier, Grant, Harrison, Jackson, Jefferson, McDowell, Pendleton, Pleasants, Randolph, Summers, Tucker, Wetzel, and Wyoming counties. In addition, Online students are included in this market.

The Secondary Market includes; all WV counties not listed in the Primary VIP and Primary Markets as well as all transfer, returning/readmitted students, and selected areas with Eastern KY, MD, VA, and DC.

The Tertiary Market includes all states not listed in the Secondary Market.

The Athletics Market includes student-athletes identified by a member of the GSC coaching staff as an active recruit and is considered a sub-market to one of the aforementioned markets. Although the primary recruitment of these student-athletes it is the responsibility of a specific athletic program the admission office will support the effort to make sure prospective students receive consistent communication regarding the college and the recruitment process.

Segments

In addition to classifying prospective students based on their geographical location, this year we will also classify them based on involvement in one of several Segmented Focus Groups. These are groups we believe make a prospective student a better fit for a specific GSC program and allow us to leverage faculty, staff, coaches, and sponsors to specifically recruit a target group. For example, we will attempt to have a member from our fine arts department speak to all students that we identify as participating in high school theatre, drama, poetry, art and music clubs or events. Every effort will be made to have GSC faculty, coaches, and sponsors involved in travel to high schools as well as hosted on-campus events. Here are a few examples of high school clubs of interest:

HS Involvement	**GSC Program**
Drama/Theatre/Music/Choir/Art Activity or Club	Fine Arts/SciFi Guild
FFA/Boy Scouts	Land Resources
Student Council	Student Gov/SGA Day
Future Teachers of America	Early Ed Student Group
FBLA	PBL (Phi Beta Lambda)
Others to Consider:	
Fellowship of Christian Athletes	FCA
Science/Math Club	Science/Math Club
Social Science Club	Pi Gamma Mu
Criminal Justice	Sigma Pi Xi
Fishing Club	Fishing Club
Archery/Riffle	Pioneer Shooting Club
SciFi Club	SciFi Guild

Communication

We rely on both incoming and outgoing communication in the recruiting process. Incoming communication includes phone calls, emails, texts, face to face, and online instant messages. Outgoing communication includes phone calls, emails, texts, face to face, mail, and social media.

Students in the Primary VIP and Primary Markets receive all types of communication available in the recruitment process. Students from the Secondary and Tertiary Markets only receive phone calls, emails, and texts until the point of application. Once a student applies they are moved to the Primary Market.

Calls to Action

Every letter, postcard, email, text, and phone call that goes out from the admissions office should have a minimum of two "calls to actions," and three is recommended. Calls to action include Visit Campus, Apply Online, RSVP for an event, confirm intent to Register, Register, or turn in documentation needed to complete the file.

Face to Face Recruitment

Face to face recruitment is how we will earn a great incoming class. Face to face events will include:

- On-campus individual visits
- On-campus group visits
- County-based Pioneer Meet & Greets
- On-campus Open House events
- On-campus Department Open House events
- Off-site GSC Nights at Primary VIP high schools
- On and off-campus Segmented Focus Group events

In addition, we will focus on getting administrators, faculty, advisors, and coaches involved in the recruitment process as early as possible to encourage face to face involvement by the GSC campus.

EAB Application Platform

The EAB Application Platform is an application marketing service we have contracted with for FY2019. In previous years, we have purchased between 10K and 20K names from the National Research Center for College & University Admissions, CSS, and the College Board to help boost our prospective student search numbers. As part of the EAB contract, all search names will be purchase through EAB and processed through their advanced strategic marketing flow. Similar to our Admissions AutoProcess, EAB's proprietary strategic marketing flow has been developed through years of experience with over 350 colleges and universities nationwide and includes marketing by both mail and email.

The purpose of teaming with EAB is to help us attract additional prospective students from lower performing markets within West Virginia, Northwestern Virginia, Eastern Kentucky, and Southeastern Ohio that we would not reach otherwise. EAB will assist us in increasing the application pool, but it remains our responsibility to complete the student files, accept the students, register the students, and hopefully enroll the students. We will carefully monitor and report on the EAB process.

Summary

Focusing on face to face recruitment is expensive and time-consuming but should result in a much high yield than just casting a wide net hoping that prospective students randomly respond to some type of communication we send out. Successful face to face recruitment will require involvement by more than just the admissions team. It will require the involvement of the administrators, faculty, club sponsors, and coaches at every level of the recruitment funnel.

Identifying what students want to be involved in and connecting them to the right people on our campus is critical for the success of our Segment Group recruitment effort. We have wonderful people at GSC and we need to show them off at on-campus and off-campus events related to this initiative.

We have established that we have enough students in the recruitment funnel to meet our new student goals – we need to get them better connected to the campus as part of the recruitment process. For the campus to experience new student growth, it is imperative that we create a team atmosphere as it relates to new student recruitment.

Enrollment Outlook/Notes

Additional Athletic Programs: We are currently working with the athletics department to research and consider the startup of three to four additional athletic programs; Women's Cheerleading/Drill Team, Women's Golf, Women's Lacrosse, and eSports. Obviously, additional athletic programs mean additional students but careful consideration will be given to budget impact, program sustainability, coach availability, athlete availability, and facility availability.

Online Program Growth: The online program will continue to grow as many students prefer the online delivery method.

FY2019 New Student Profile: The projected new student profile for the FY2019 year is established by using three-year averages for each profile element.

Market

	Est #	% of Class
Admissions – TOTAL	**260**	**57.78%**
Non-Ath Primary VIP Market:	169	37.53%
Non-Ath Primary Market:	53	11.85%
Non-Ath Secondary Market:	28	6.17%
Non-Ath Tertiary Market:	10	2.22%
Athletics – TOTAL	**190**	**42.22%**
NEW STUDENT - TOTAL	**450**	

In-State/Out-of-State

	Est #	% of Class
Admissions – TOTAL	**260**	**57.78%**
In-State:	243	93.42%
Out-of-State:	17	6.58%
Athletics – TOTAL	**190**	**42.22%**
In-State:	89	46.75%
Out-of-State:	101	53.25%
NEW STUDENT - TOTAL	**450**	

Glenville State College
Office of Admissions

Summary Report as of 11/12/2018

Fall 2019

NEW STUDENTS

	INQs	(+/- %)	Total APPs	(+/- %)	*Regular APPs*	*(+/- %)*	ACCs	(+/- %)	*Regular ACCs*	*(+/- %)*	REGs	(+/- %)
2018	3,134		1,349		*830*		529		***529***		0	
2017	2,359	24.7%	942	30.2%	*942*	*-13.5%*	598	-13.0%	*598*	*-13.0%*	0	0.0%
2016	2,090	33.3%	694	48.6%	*694*	*16.4%*	313	40.8%	*313*	*40.8%*	0	0.0%
2015	1,616	48.4%	729	46.0%	*729*	*12.2%*	297	43.9%	*297*	*43.9%*	0	0.0%
3 YR AVG	2,022	35.5%	788	41.6%	*788*	*5.0%*	403	23.9%	*403*	*23.9%*	0	0.0%
vs High:	2,359	24.7%	942	30.2%	*942*	*-13.5%*	598	-13.0%	*598*	*-13.0%*	0	0.0%

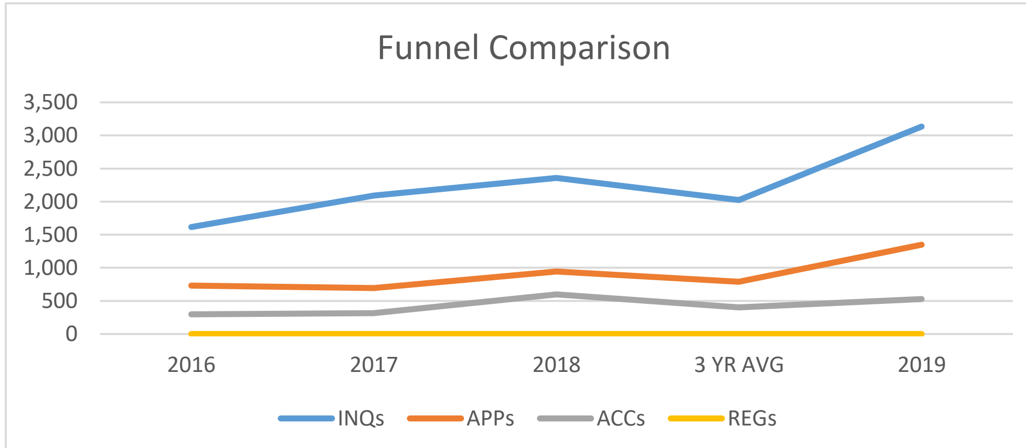
CONVERSION RATIOS

*Regular = Non-EAB & Non-Quick Admit

	2019	2018	2017	2016	3 YR AVG
INQ:	3,134	2,359	2,090	1,616	2,747
APP:	1,349	942	694	729	1,146
ACC:	529	598	313	297	564
REG:	0	0	0	0	0
INQ-APP%:	43.0%	39.9%	33.2%	45.1%	41.7%
APP-ACC%:	39.2%	63.5%	45.1%	40.7%	49.2%
ACC-REG%:	0.0%	0.0%	0.0%	0.0%	0.0%

PROJECTIONS

	2019	3YA*	(+/-)	This Week	Last Week
1st-time FR:	302.0				
Transfer/RA:	84.3				
TOTAL	386.3			386.3	384.6



*Cencus

(+/-) Notes:
-APPs / ACCs are unofficial pending new report from CSchmidt
-42 EAB Applications Pending Data Entry (561 Total EAB Applications Received)

Submitted by: *Jesse Skiles, Director of Athletics*

Highlights/Challenges

Highlights:

1. Four different fall sports moved up in the MEC standings this year. Football moved up four spots, from ninth to a tie for fifth, while women's cross country, golf, and volleyball all moved up one spot.
2. Each basketball team has opened up 2-0, winning both of their tournament games in Charleston over the past weekend.
3. A new Athletic Training intern (Nicole Schrader) was hired. She starts on November 15.
4. As a department, the fall sports came in well under their projected requisition dollar amounts as a whole.
5. The decorative blue wrap at the Stadium provided a nice new backdrop for the home football games.
6. A plan has been developed through the leaders on various teams to designate certain contests as "Blue Wave" events. Games in which we work to get the entire department involved in a festive home court environment.
7. Women's Basketball has been picked as the preseason favorite in the MEC.

Challenges:

1. The throwing area is in disrepair at the track and will need some cosmetic work before we host meets in the spring.
2. Scheduling for the winter practices with out of season teams will take cooperation from each program and head coach.
3. Continue to focus on health care for our growing student-athlete population.
4. As a department, we want to enhance the academic profile of GSC athletics as a whole. This is being addressed by our coaches and through the strong efforts of our partners in Admissions and Academic Success.

Submitted by: *John B. Beckvold, Vice President of Business and Finance*

Highlight/Challenges

Highlights

1. The FY2018 audit was completed on time to meet the HEPC deadline. Representative of Audit firm to present at November 28 BOG meeting.
2. Contract renewal discussions underway with new Assistant Warden responsible for all Department of Corrections training in WV.
3. Finalizing arrangements, in cooperation with Athletics department, for additional athletic trainers for Spring, including housing and modified board plans.

Challenges

1. Navigation of the complexity of the WV state accounting system in order to provide meaningful, timely financial reporting for management and the Board. Cited in Auditor's letter which is part of BOG materials
2. Developing a realistic projected operating result for the remainder of FY2019 based on lower than expected on-campus enrollment.
3. Funding capital projects with funds beyond Bond Refinancing proceeds. (More fundraising money needed.)
4. Executing timely monthly and quarterly financial reporting to all levels of leadership on campus.
5. Balancing the sometimes conflicting goals of high enrollment versus sound fiscal management of student account balances. (How hard do we push a student to leave if they can't pay?)
6. Continue to upgrade quality of Faculty/Staff housing units while achieving near 100% occupancy.

ACF/Faculty Senate Report to the Board of Governors November 2018

Submitted by: *Larry Baker, Faculty Representative*

Highlights/Challenges - *Advisory Council of Faculty*
ACF has not met since last BOG report. ACF will meet again on December 13, 2018

Highlights/Challenges – *Faculty Senate*

Highlights Faculty Senate
*10/16/18
Tim Henline has been meeting with Victor Vega and Gary Morris regarding reorganization plans. A second version will be submitted to Faculty Senate soon for comments.

ACF rep Larry Baker submitted a URL with information on salary compression for consideration. Also HEPC is investigating a state college library resources system. Updates on the Blue Ribbon Commissions and the new funding formula were shared.

Tracy Pellett reiterates core values such as transparency. Information concerning latest recruitment cycle was provided by Dr. Pellett including melt. Blue Ribbon Commission, retention, recruitment, and legislators sessions comments were also provided by Pellett.

Dr. Vega addressed advising refresher meetings to be on campus.

A question of why the conversion ratio is not included in the Admissions report. Dr. Vega is to address and agrees it should be included in the report.

Motion was made and seconded to move into executive session. Session began at 1:05 and ended at 1:15.

*10/30/18

Tim Henline noted the College Leadership Council is being reinstituted.

ACF rep Larry Baker shared a faculty salary adjustment plan from WVDD that shows how one institution has dealt with salary compression. ACF is concentrating on PEIA and the new ACF flyer to be distributed to legislators on higher education issues. Information was shared from the HEPC funding presenter that addressed the BOG along with BOG items discussed and approved.

Victor Vega (VPAA) reports the Blue Ribbon Commission meeting recently was spearheaded by the president of Fairmont; if their recommendations are approved, Glenville will receive only $40,000 of the $10 million being requested from the legislature. President Pellet has proposed an alternative plan to get more funding for Glenville State College, taking into account that GSC has not raised tuition and fees as all other state institutions have.

Gary Morris reports that the HLC rep is on campus to review the programs at the corrections facilities. Faculty Senate will receive a survey through Survey Monkey for faculty use of library resources to assess needs. The more faculty response we get, the more everyone's needs can be served. Larry Baker notes that the survey is long, and does not have to be completed all in one sitting.

Victor Vega notes that the online evaluations may not be rolling out as soon as we had hoped, which means the subcommittee working on questions potentially more time to work on those. IT is down two people, which created a backlog that has slowed progress on the online evaluations.

Ann Reed addressed the faculty senate on issues with students not attending first week of classes not allowing student on wait lists to enroll in the course if the course was full. After discussions, the issue was voted on and approved to be sent to Academic Policy Committee for investigation/deliberation.

Motion was made and seconded to move into executive session. Session began at 12:58 and ended at 1:26.

Motion to re-administer survey on faculty morale / state of the college, seconded, and carried.

Challenges Faculty Senate
HLC review, CAEP review, Budget deficit, Overloads, and continual work to improved communications among faculty, staff, community and administration to better GSC.

*11/13/18 NOTE: From unapproved minutes. Faculty senate agreed to share the following for this BOG report.

Motion for a vote of no confidence for President Pellett, seconded and carried. Voting will be Thursday and Friday – November 15th and 16th.

Submitted by: *David Hutchison, Interim Vice President for Advancement & Executive Director Foundation*

College Advancement

Staff Update:

- Hired Ashley Knight – Director of Fundraising to start November 26th, 2018.
- Website training

Living & Learning Campaign

- In the silent phase

Website: Staff is getting the training to make it a valuable resource

- Alumni Page
- Foundation Resources
- Planned Giving Section

Alumni Relations:

- Updating database
- Cleaning up the house
- Adding Events & Activating Chapters

Community Relations:

- GSC & Gilmer County Development Advisory Committee
- Gilmer County Economic Development Committee
- Region VII Planning and Development Council
- Lions Club
- Glenville Golf Club Board

Current Foundation Grants in progress

- Erickson Foundation – monies towards Academic Success Center
- USDA Grant – 35% of Academic Success Center Equipment
- Benedum Foundation – Health initiative or Nursing
- Alumni House – Historical Registry State Development Grant

New Scholarships in Progress

- Bill Bennett '55 – Reva Brown Bennett and Billy Bennett Scholarship
- Smokey Mathews '66 – memory of his son
- Wes Bargeloh '62 – memory of his late wife (IRA Rollover plan)
- Mark Downey '66 – memory of his father
- Dave Freshwater – Roane County graduates

Other Fundraising Initiatives upcoming this year:

- Athletic Lift-a-thon & Sponsorships
- Planned Giving: Partner with Graystone to create the right plan of attack
- President's Circle - spring
- Founders Day – Day of Giving

	Fiscal Year Through 10/2/2018		Fiscal Year Through 11/15/2018	
Donor Level	**# Deposits**	**Total $**	**# Deposits**	**Total $**
< $100	68	$2,698.78	168	$6,205.12
$100 – 499	188	$27,012.48	276	$35,911.10
$500 – 999	40	$14,080.33	62	$20,489.91
$1,000 – 2,499	39	$35,505.90	46	$43,244.12
$2,500 – 4,999	23	$21,613.15	33	$38,441.53
$5,000 – 9999	8	$24,850.63	47	$39,072.01
$10,000 – 24,999	77	$42,864.32	90	$68,894.05
$25,000 – 99,999	28	$140,323.38	39	$166,076.87
100,000 – 999,999	1	$200,000.00	1	$200,000.00
1,000,000 +				
Totals	472	$508,948.97	762	$618,334.71

The tables above recap the activities for the period 08/17/2018 through 11/15/2018:

The following table denotes deposits by category for the fiscal year:

2017-2018	**# Donors**	**Total $**
Repeat	81	$45,851.05
Increased	119	$303,400.19
New	145	$22,925.34
Recovered	84	$213,243.00
Decreased	54	$32,915.13
	483	$618,334.71

Office of Technology Report to the Board of Governors November 2018

Submitted by: *Jason M. Phares Information Systems Manager*

Highlights

1. Website training has started, giving departments control of their content to keep the information fresh and pertinent.
2. Installation of IT equipment on the second phase of the Riverside Residence is being completed.
3. Installation of IT equipment on the third floor of the Library for the Academic Success Center is being completed.
4. We have twenty-seven students in the online degree programs. The goal set for this program this fall was twenty. We have twenty-two students that have applied for spring and forty have applied for next fall semester.
5. Blackboard will be upgraded on December 18, 2018. The system will be offline for a few hours that day.
6. Glenville State will renew its contract with Quality Matters. This is a nationally recognized program to provide guidance to improve the quality of online courses. Over twenty of the faculty have participated in the program. Four faculty are certified peer reviewers.
7. The Database Administrator has been able to step in and complete all required reports for IPEDS and HEPC. These duties were the responsibility of the Institutional Reporter that retired in late August.
8. We are planning to replace the core switch, firewall, and internet shaper, which slows down Facebook and speeds up administrative internet needs. The current equipment is at end of life/support. The end user should see better speeds to shared drives, Office 365 applications, and the internet in general. We are working with a vendor for assistance to accomplish this on Black Friday, as to disrupt as few users as possible.

Challenges

1. The College's Institutional Reporter retired. This has transferred those duties of required reports onto the Database Administrator. Furthermore, our Web Developer that left in August was also a Database Administrator. Effectively, we have gone from three individuals that could assist in these reports to one. This has created a lag in building connections to Banner for other projects, namely, the EAB application process. A search for an Institutional Reporter is in progress.
2. We encountered some compatibility issues connecting the new fiber switch with our DNS server. We have acquired a stand-alone machine to test DNS within a test network. Once this is rectified, we will be able to replace the core switch and internet shaper/firewall. This issue is still in progress as we work to allocate time to complete this testing and project.

Submitted by: *Justin Woods, President SGA*

Highlights/Challenges

Highlights

1. SGA Movie Retreat
2. SGA outreach: High School outreach
3. Future SGA activities: Org Banquet, BOG Panel , and possible high school outreach

Challenges

1. Unifying the student body
2. Raising student morale

Staff Council November 2018

Submitted by: *Dustin Crutchfield, Staff Council Representative to the Board*

Highlights/Challenges

- *Highlights:*
  On October 26, the Staff Council Task Force met and reviewed the results of a vote to adopt the Constitution and Bylaws that were proposed earlier by the group. Twenty-nine of thirty individuals voted to adopt the Constitution and Bylaws as proposed. Additionally, twenty-six of twenty-nine indicated they approved to keep the previous slate of representatives from the Classified Staff Council EEOC categories and indicated they wished for current vacancies to be handled per newly adopted Constitution and Bylaws. An all staff meeting is being planned to notify staff of vacancies on the Council, receive nominations, and conduct elections for said vacancies.

  Board Representative has met with the full board several times as meetings have taken place regarding presidential contract extensions.

- *Challenges:*
  Getting an accurate reading of the feelings of staff across campus in terms of college operations, staff involvement/input, etc. in the absence of a Staff Council.
  Plan to meet with staff and resume regular Staff Council meetings ASAP to reestablish our portion of the governance structure.

- Attachments/Enclosures:
  N/A

Submitted by: *Marty Carver, Vice President of Enrollment Management*

Highlights/Challenges

Highlights

1. **Activities:** Student activities led by the director of activities, Adrian Duelley, are off to a strong start. Adrian is well connected to the student body and has brought fresh ideas to that position. A student survey will be conducted in November to gauge student satisfaction in this area. *UPDATE: Adrian is in the process of conducting a student satisfaction survey related to activities. Results of the survey will be available mid-December.*
2. **Organization and Staff Motivation:** The Office of Student Affairs is now meeting on a regular basis and is getting better about communicating with offices that depend on information from us to operate. To my surprise, I found that the student affairs staff had not met regularly in over a year. In addition, I now meet with all student affairs employees at the director level on a weekly basis. Initial feedback from staff members has been very good. *UPDATE: The Student Affairs Staff are united – pushing in the same direction and working to support each other as well as the campus.*
3. **Housing Plan:** We are currently in the process of developing a best practice plan for how to offer and process on-campus and off-campus housing applications for both spring and fall 2019. *UPDATE: We have made progress toward the development of this process but we still have some work to do. We plan to have a plan finalized prior to the November Board of Governor's meeting.*

Challenges

1. **Staffing:** We are finding it difficult (but not impossible) to offer high-level student services at our current staff ratio.
2. **Pioneer Village Remodel:** It is highly likely that we will begin remodeling one or two buildings at Pioneer Village after the first of the year. We are currently in the process of developing a plan to communicate with and move up to 32 students to other residence facilities on campus. Students will be moved prior to departing for Christmas break.

Glenville State College Board of Governors
Meeting of November 28, 2018

ACTION ITEM:	Glenville State College Audit Report for FY2018
COMMITTEE:	Committee of the Whole
RECOMMENDED RSOLUTION:	Be it RESOLVED that the Board of Governors approves the FY2018 audit presented by Hayflich, PLLC.
MEMBER:	Mr. Rick Eskins, Hayflich, PLLC

BACKGROUND:

An audit of the financial statements of Glenville State College was completed within the WV Higher Education Policy Commission deadline of October 15, 2018. The financial statements comprise the respective financial position of the business-type activities, the discretely presented component unit as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

GLENVILLE STATE COLLEGE

Glenville, West Virginia

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

GLENVILLE STATE COLLEGE

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors
Glenville State College
Glenville, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Glenville State College (The College) as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the College'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 Glenville State College Foundation, Inc. (the Foundation), a discretely presented component unit of the College. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the discretely presented financial statements of the Foundation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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 auditor's 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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2018 the College adopted new accounting guidance, Government Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans*. As a result of the implementation of this standard, the College's July 1, 2017 net position was restated. 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 management's discussion and analysis on pages 3–11, the schedule of proportionate share of net pension liability and contributions on page 68, and the schedule of proportionate share of net OPEB liability and contributions on page 69 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 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated October 15, 2018, on our consideration of the College'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the College's internal control over financial reporting and compliance.

Hayflich CPAs

Huntington, West Virginia
October 15, 2018

GLENVILLE STATE COLLEGE

Management's Discussion and Analysis
Fiscal Years 2018 and 2017

About Glenville State College

Glenville State College, West Virginia's only centrally located public college, was founded in 1872 to provide instruction and practice for common school teachers in the science of education and the art of teachers. In the early years, Glenville Normal was obliged to devote resources almost exclusively to secondary studies because of the absence of high schools in the area. Later, as high schools became more numerous, secondary offerings were gradually reduced and more college courses were developed. On May 1, 1930, the State Board of Education authorized the school to award the Bachelor of Arts in Education Degree, and on March 4, 1931, the Legislature changed the school's name to Glenville State Teachers College. Often referred to as the Lighthouse on the Hill, the name of the school was changed to Glenville State College in 1943.

Glenville State College has surpassed its original mission as a teacher's college, and currently prepares students for careers in teaching, business, land resources, music, the liberal arts, the sciences, criminal justice, and human services. With an enrollment of approximately 1,800 students, the College has a student to faculty ratio of 18 to 1. The College's enrollment is made up of many first generation students with over 80% coming from West Virginia.

Glenville State College is accredited by the Higher Learning Commission and is a member of the North Central Association of Colleges and Schools. The College holds unit accreditation from the National Council for Accreditation of Teacher Education and recognition from the Society of American Foresters. Glenville State College is part of the West Virginia Higher Education System and is governed by a local, twelve member Board of Governors.

Overview of the Financial Statements and Financial Analysis

Glenville State College (the "College") is pleased to present its financial statements for the fiscal years 2018 and 2017. The following management discussion and analysis provides an overview of the financial position and activities of the College for these years.

There are three financial statements presented: the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These statements provide both long-term and short-term financial information about the College.

Financial Highlights

Current assets and net capital assets each reflect decreases, while non-current and total assets reflect increases. Non-operating revenues and non-operating expenses each increased resulting in increased net non-operating revenues. All bond debt was refinanced in September, 2017, as discussed in Note 7 to the financial statements. The College continued receiving significant funding through various operational and research grants.

Net Position

The Statements of Net Position present the assets, liabilities, and net position of the College as of the end of the fiscal years. The purpose of the Statements of Net Position is to present to the readers of the financial statements a fiscal snapshot of the College. The Statements of Net Position present end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Position (Assets minus Liabilities).

The Statements of Net Position provides a way to measure the financial position of the College. It provides a picture of the net position and availability of resources for expenditure by the College. From the data presented, readers of the Statements of Net Position are able to determine the assets available to continue the operations of the College. They are also able to determine how much is owed to employees, vendors and lending institutions.

Net Position is divided into three major categories. The first category, net investment in capital assets, accounts for equity in the property, plant and equipment owned by the College. Title to all property was transferred to the Glenville State College Board of Governors by the Higher Education Policy Commission (HEPC, or the "Commission"), when the HEPC was formed in 2001. The next asset category is restricted, which is divided into two categories: nonexpendable (permanently restricted) and expendable. Expendable restricted resources are available for expenditure but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. Included in restricted expendable resources are balances that have been designated for specific purposes in West Virginia State Code. This category includes auxiliary enterprise balances as well as certain student fee funds that are designated within state code for specific general purposes such as housing operations or library operations. The final category is unrestricted resources, which are available for expenditure for any lawful purpose of the College.

Condensed Schedules of Net Position
For the Years Ended June 30, 2018 and 2017

Assets	**2018**	**2017**	
Current assets	$ 1,821,724	$ 2,743,747	-33.6%
Non-current assets	4,557,034	2,438,918	86.8%
Capital assets, net	76,510,208	77,445,312	-1.2%
Total Assets	82,888,966	82,627,977	0.3%
Deferred outflows of resources	1,090,284	431,622	152.6%
Total Assets and Deferred Outflows	$ 83,979,250	$ 83,059,599	1.1%
Liabilities			
Current liabilities	$ 3,585,689	$ 5,066,344	-29.2%
Non-current liabilities	45,472,882	42,261,853	7.6%
Total Liabilities	49,058,571	47,328,197	3.7%
Deferred inflows of resources	1,203,478	342,806	251.1%
Total Liabilities and Deferred Inflows	50,262,049	47,671,003	5.4%
Net Position			
Net Investment in Capital Assets	36,357,854	41,329,526	-12.0%
Restricted-expendable	4,112,030	1,602,468	156.6%
Unrestricted	(6,752,683)	(7,543,398)	-10.5%
Total Net Position	$ 33,717,201	$ 35,388,596	-4.7%
Total Liabilities, Deferred Inflows, and Net Position	$ 83,979,250	$ 83,059,599	1.1%

An indicator of short-term financial condition is the ratio of current assets to current liabilities, or current ratio. The current ratio was .50 and .54 as of June 30, 2018 and 2017, respectively

Significant Changes in Net Position

At June 30, 2018, the College's total net position decreased from the previous year by $1,671,395. Current cash and cash equivalents decreased by $722,625. The pension liability at June 30, 2018, was $1,570,250.

Non-current assets increased by $1,183,012. Non-current cash and cash equivalents increased by $2,129,531, primarily due to the unexpended proceeds of the Bond Refinancing of September, 2017. These funds are to be used only for certain capital projects and thus are reflected as non-current assets in the Statement of Net Position. Included in non-current receivables is $84,326 which represents "No Hardship" advances made to employees as a result of the transition from real time to arrearage pay in 2014. Those advances, which were required by the State, are recovered as deductions from an employee's last two paychecks upon termination or retirement.

Net capital assets decreased $935,104 due primarily to $2,415,715 in depreciation more than offsetting the additions during the year. Additions in capital assets amounted to approximately $1,480,612, comprising mainly of construction-in-progress on the new student housing and the creation of the Academic Success Center. The principal balances of five issues of refinanced bonds and other debt was eliminated in 2018 as part of the successful issuance of $36,285,000 of Improvement and Refunding Revenue Bonds.

Revenues, Expenses, and Changes in Net Position

Changes in total net position, as presented on the Statements of Net Position, are based on the activities presented in the Statements of Revenues, Expenses, and Changes in Net Position ("SRECNP"). The purpose of the SRECNP is to present the revenues earned, both operating and non-operating, and the expenses incurred, operating and non-operating, and any other revenues, expenses, gains and losses of the College.

Operating revenues are earned for providing goods and services to the various customers and constituencies of the College. Operating expenses are incurred to acquire or produce the goods and services provided in return for the operating revenues and to carry out the mission of the College. Revenues for which goods and services are not provided are reported as non-operating revenues. Non-operating revenues are primarily from (1) State appropriations, because they are provided by the West Virginia Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues, and (2) Pell grants, which are reported as non-operating revenue, not as a reduction in amounts due from students, because of specific guidance in the AICPA industry audit guide.

Condensed Schedules of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2018 and 2017

	2018	2017	% Change
Operating revenues	$ 14,487,620	$ 15,318,406	-5.4%
Operating expenses	24,711,813	24,600,028	0.5%
Operating loss	(10,224,193)	(9,281,622)	10.2%
Non-operating Revenues	10,819,487	9,478,654	14.1%
Non-operating Expenses	2,776,323	1,449,358	91.6%
Net Non-operating income	8,043,164	8,029,296	0.2%
Loss before other revenues, expenses, gains or losses	(2,181,029)	(1,252,326)	74.2%
Capital Gifts and Grant	-	22,849	-100.0%
Increase (Decrease) in Net Position	(2,181,029)	(1,229,477)	77.4%
Net Position, beginning of year	35,388,596	36,618,073	-3.4%
Cumulative effect of change in accounting principle	509,634	-	
Net Position--Beginning of year restated	35,898,230	36,618,073	-2.0%
Net Position, end of year	$ 33,717,201	$ 35,388,596	-4.7%

An analysis of the individual revenue and expense categories that contributed to the overall decrease in net position is as follows:

Revenues:

	2018	2017	% Change
Program revenues:			
Tuition & fees before allowances	$ 10,183,410	$ 9,018,375	12.9%
Less: discounts & allowances	(4,542,784)	(3,811,434)	19.2%
Net program revenues	5,640,626	5,206,941	
Research grants & contracts	3,342,301	4,781,312	-30.1%
Auxiliary enterprise sales & services, net	4,979,752	4,247,783	17.2%
Other	524,941	1,082,370	-51.5%
General revenues			
State appropriations	5,622,099	5,773,569	-2.6%
Payments made on behalf of College	1,207,109	276,406	336.7%
Federal Pell Grants	3,708,382	3,413,819	8.6%
Investment Income	42,706	14,860	187.4%
Gain on Forgiveness of Debt	239,191		
Capital Grants and Gifts		22,849	-100.0%
Total Revenues	$ 25,307,107	$24,819,909	2.0%

The major sources of revenue for the College include student tuition and fees, state appropriations, grants and gifts, government grants, auxiliary enterprise (housing and meals primarily) revenues, investment income, and miscellaneous income.

- Student tuition and fees (net of scholarship and discount allowance) made up 38.93% of the College's operating revenues and 22.29% of total revenues. Resident tuition and fees increased 2.23% and non-resident tuition and fees decreased 3.33%, respectively. Tuition and fee revenues remained steady between years as there were basically no changes in tuition or fee rates or in housing or board charges and enrollment remained level.

- Other revenues such as contracts and grants, auxiliary enterprise revenue, and miscellaneous revenues comprised 34.96% and 40.74% of the College's total revenues in FY 2018 and FY 2017, respectively. FY 2018 grant awards included receipts of $131,581 from the US Department of Education, $1,005,057 from various West Virginia Agency sponsored scholarship programs, and $947,156 in West Virginia Higher Education scholarship programs. Federal Revenues, non-operating, consisted of $3,708,382 and $3,413,819 in 2018 and 2017, respectively in PELL Grants received and distributed for student financial aid and made up 14.65% of the College's total revenues in FY 2018.

- State appropriation revenues amount $5,622,099 and $5,773,569, 22.22% and 22.64% of total revenues in FY 2018 and FY 2017, respectively. These appropriations are used to pay salaries and benefits in support of the operations of the College.

Expenses:

The operating expenses of the College by natural classification are as follows:

	2018	2017	% Change
Salaries & Wages	$ 9,519,560	$ 9,457,524	0.7%
Benefits	2,821,104	2,918,470	-3.3%
Supplies and other services	4,652,546	4,552,438	2.2%
Utilities	1,577,506	1,430,680	10.3%
Student financial aid, scholarships, and fellowships	3,604,979	3,825,422	-5.8%
Depreciation	2,415,715	2,341,091	3.2%
Loan cancellations and write-offs	1,065	992	7.4%
Miscellaneous--net	48,794		
Fees retained by Commission for operation	70,544	73,411	-3.9%
Total Operating Expenses	$ 24,711,813	$24,600,028	0.5%

- Salaries and wages, and employee benefits made up approximately 50 % of the operating expenses of the College in both FY 2018 and FY 2017.
- Utility costs remained steady between years at approximately 6% of operating expenses.
- Scholarship expenses decreased $220,443 or 5.8% from FY 2017. They represented 14.59% and 15.55% of the total operating expenses in FY 2018 and FY 2017, respectively.
- Non-operating expenses consisted primarily of interest on indebtedness and the amount incurred to accomplish the bond refinancing in September, 2017 of $1,130,067.

Cash Flows

The Statements of Cash Flows presents detailed information about the cash activities of the College during the year. These statements assist the users in analyzing the College's ability to generate net cash flows, meet obligations as they come due, and determining its need for external financing.

The Statement of Cash Flows is divided into five parts:

1) *Cash flows from operating activities*. This section shows the net cash used by the operating activities of the College.

2) *Cash flows from non-capital financing activities*. This section reflects the cash received and paid for non-operating, non-investing, and non-capital financing purposes.

3) *Cash flows from capital financing activities*. This section includes cash used for the acquisition and construction of capital and related items.

4) *Cash flows from investing activities*. This section shows the purchases, proceeds, and interest received from investing activities.

5) Reconciliation of net operating loss to net cash used in operating activities. This part provides a schedule that reconciles the accrual-based operating income or loss and net cash flow used in operating activities to the operating loss reflected in the SRECNP.

Condensed Schedules of Cash Flows
For the Years Ended June 30, 2018 and 2017

	2018	2017	% Change
Cash provided by (used in)			
Operating activities	$ (7,482,028)	$(6,054,688)	23.6%
Non capital financing activities	9,330,481	9,187,388	1.6%
Capital financing activities	(2,613,784)	(2,567,723)	1.8%
Investing activities	42,706	14,133	202.2%
(Decrease) Increase cash and cash equivalents	(722,625)	579,110	-224.8%
Cash and cash equivalents, beginning of year	1,901,989	1,322,879	43.8%
Cash and cash equivalents, end of year	$ 1,179,364	$ 1,901,989	-38.0%

Capital Asset and Debt Administration

The College had capital asset additions of $1,480,611 and $86, 777, for the years ended June 30, 2018 and 2017, respectively. In FY 2018, the College began construction of the student housing at the site of the former Conrad Motel, now known as Riverfront Residences and the Academic Success Center on the third floor of the Robert F. Kidd Library.

Economic Outlook

Glenville State College anticipates FY2019 with heightened expectations for expanding its mission-driven role in providing higher education opportunity to first generation, needs-based, and rural students from central West Virginia and beyond. The College remains determined to counter the state's retreat from higher education funding through a regimen of operational efficiencies, bond refinancing savings, reducing total student cost of attendance and increasing student enrollment from expanding and more diverse populations.

Glenville's expectations for FY2019 are based on:

- The College has a competent, stable leadership team:

    1. Now into his second year, Dr. Tracy L. Pellett brings enthusiasm and significant experience in various strategic areas in higher education (online, student retention and success, strategic planning, enrollment growth) critical to the success of the College.

    2. Four (4) Vice Presidents, are also returning for FY 2019 each with extensive careers in academia, to build on the good work which has taken place during FY 2018.

    3. An experienced Vice President of Academic Affairs and Provost, Dr. Victor Vega, began in July, 2018. Dr. Vega brings many years of academic experience to this important leadership role.

- Academic Affairs recently completed a planning and prioritization study that will allow for more intentionally directed campus resources to high employer and student demand programs, while increasing faculty efficiency and effectiveness.

- The College has made a determined effort to reduce the total cost of student attendance to enhance recruitment and retention. This is being accomplished by reducing tuition and course fees and remaining constant with room and board charges. In addition, efforts have been made to reduce book costs through open educational resources and through an on-line bookstore and other associated reduced fees (parking and courses).

- A significant element of the College's financial well-being follows from headcount and FTE (full time equivalent) enrollment growth. Despite a declining population of graduating high school seniors in West Virginia, overall enrollment and the number of students in the residence halls has increased over levels of several years ago.

- The college administration believes that the current growth is sustainable:

  1. The College has received federal approval for an expansion of Pell Grant offering to high school students electing college-level studies (dual degree students). Students from all 55 counties in West Virginia are eligible to participate in this program. The College has realized a growth of over 100 additional students from two years ago to a level of more than 300 students and expects significant growth in subsequent academic years. Historically, dual-credit has been limited by an ability-to-pay, a limitation relieved with the expanded Pell Grant eligibility.

  2. The College received Second Chance federal funding to offer college-level classes at FCI-Gilmer and the Huttonsville Correctional Centers. The College estimates the total number of student participants from these facilities for FY201 to be in excess of 300 each semester, an increase over existing levels.

  3. The College expects to expand enrollment through existing Hidden Promise Scholars programming. The current program identifies and attracts low-come and first-generation high school graduates, an underserved population of students who demonstrate some academic aptitude but, for family, cultural, and economic circumstances. Prior to FY18, these students were not intentionally recruited to come to Glenville State College.

  4. The College expects to enhance overall enrollment through several retention initiatives. The most significant is the creation and staffing of an Academic Success Center. The Center will provide advising, tutoring, mentoring, and specialized services for those with disabilities and specialty groups including veterans. The substantive remodeling of the third floor of the library and centering of services to that location will provide a comfortable and learning focused area to serve students.

  5. The Glenville State College Foundation continues to hold significant assets for the current on longer-term use by the College. The Foundation fundraising efforts during FY 2018 increased the net assets of the Foundation by over $1,000,000 during this fiscal year.

  6. In September, 2017, the College successfully completed a refinancing of its previous multiple issues of debt into one, fixed rate 30-year revenue bond, as discussed in footnote 7. This simplified structure provides stability for the College and results in improved cash flows while the College in in the interest-only period for the first two years.

Overall, the future and outlook of the College seems bright and positive. New and invigorated leadership, fiscal conservancy, and an enrollment and retention driven growth strategy all bode well for FY19 and beyond.

GLENVILLE STATE COLLEGE

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

ASSETS AND DEFERRED OUTFLOWS	2018	2017
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,179,364	$ 1,901,989
Accounts receivable—net	641,851	839,941
Loans to students—current portion	509	1,817
Total current assets	1,821,724	2,743,747
NONCURRENT ASSETS:		
Cash and cash equivalents	4,472,708	2,343,177
Other accounts receivable	84,326	95,741
Capital assets - net	76,510,208	77,445,312
Total noncurrent assets	81,067,242	79,884,230
TOTAL ASSETS	82,888,966	82,627,977
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred loss on refunding	326,505	81,350
Related to Pension Plans	380,693	350,272
Related to OPEB	383,086	
Total deferred outflows of resources	1,090,284	431,622
TOTAL	$ 83,979,250	$ 83,059,599

See notes to financial statements

GLENVILLE STATE COLLEGE

STATEMENTS OF NET POSITION (Continued)
AS OF JUNE 30, 2018 AND 2017

LIABILITIES, DEFERRED INFLOWS, AND NET POSITION	2018	2017
Accounts payable	$ 1,160,404	$ 2,071,316
Accrued liabilities	1,313,196	1,017,622
Compensated absences	437,719	305,762
Unearned revenue	282,202	165,146
Total bonds, capital leases, and notes payable - current portion	334,869	1,443,267
Higher Education Policy Commission debt payable—current portion	57,299	63,231
Total current liabilities	3,585,689	5,066,344
NONCURRENT LIABILITIES	45,472,882	42,261,853
Total liabilities	49,058,571	47,328,197
DEFERRED INFLOWS OF RESOURCES:		
Related to Pension Plans	325,940	342,806
Related to OPEB	877,538	-
Total deferred inflows of resources	1,203,478	342,806
TOTAL LIABILITIES AND DEFERRED INFLOWS	50,262,049	47,671,003
NET POSITION:		
Net Investment in capital assets	36,357,854	41,329,526
Restricted for:		
Loans	39,292	37,839
Capital projects	1,475,555	70,331
Debt service	2,597,183	1,872,864
Other	-	(378,566)
Unrestricted	(6,752,683)	(7,543,398)
Total net position	33,717,201	35,388,596
TOTAL	$ 83,979,250	$ 83,059,599

See notes to financial statements.

GLENVILLE STATE COLLEGE

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

	2018	2017
OPERATING REVENUES:		
Student tuition and fees (net of scholarship allowance of $4,542,784 and $3,811,434)	$ 5,640,626	$ 5,206,941
Contracts and grants:		
Federal	479,478	638,857
State	2,063,132	2,505,498
Private	799,691	1,636,957
Sales and services of educational activities	482,625	314,841
Auxiliary enterprise revenue (net of scholarship allowance of $3,716,824 and $3,109,339)	4,979,752	4,247,783
Miscellaneous—net	42,316	767,529
Total operating revenues	14,487,620	15,318,406
OPERATING EXPENSES:		
Salaries and wages	9,519,560	9,457,524
Benefits	2,821,104	2,918,470
Supplies and other services	4,652,546	4,552,438
Utilities	1,577,506	1,430,680
Student financial aid—scholarships and fellowships	3,604,979	3,825,422
Depreciation	2,415,715	2,341,091
Loan cancellations and write-offs	1,065	992
Miscellaneous--net	48,794	
Fees assessed by the Commission for operations	70,544	73,411
Total operating expenses	24,711,813	24,600,028
OPERATING LOSS	(10,224,193)	(9,281,622)

See notes to financial statements

GLENVILLE STATE COLLEGE

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (Continued)
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
State appropriations	$ 5,622,099	$ 5,773,569
Payments made on behalf of College	1,207,109	276,406
Federal Pell grants	3,708,382	3,413,819
Investment income	42,706	14,860
Interest on indebtedness	(1,543,866)	(1,438,293)
Bond Refinance Cost	(1,130,067)	
Fees assessed by the Commission for debt service	(102,390)	(11,065)
Gain on Forgiveness of Debt	239,191	-
Net nonoperating revenues	8,043,164	8,029,296
LOSS BEFORE OTHER REVENUES, EXPENSES, GAINS OR LOSSES	(2,181,029)	(1,252,326)
CAPITAL GIFTS (PRIVATE)	-	22,849
INCREASE (DECREASE) IN NET POSITION	(2,181,029)	(1,229,477)
NET POSITION—Beginning of year previously stated	35,388,596	36,618,073
Cumulative effect of change in accounting principle	509,634	-
NET POSITION—Beginning of year restated	35,898,230	36,618,073
NET POSITION—End of year	$ 33,717,201	$ 35,388,596

See notes to financial statements

GLENVILLE STATE COLLEGE

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Student tuition and fees	$ 5,955,772	$ 5,293,749
Contracts and grants	3,342,301	4,783,179
Payments to and on behalf of employees	(11,780,565)	(12,367,344)
Payments to suppliers	(5,203,714)	(3,083,221)
Payments to utilities	(1,577,506)	(1,430,680)
Payments for scholarships and fellowships	(3,604,979)	(3,704,467)
Collection of loans to students	1,308	-
Sales and service of educational activities	482,625	436,146
Auxiliary enterprise charges	4,979,752	4,091,361
Fees assessed by the Commission for operations	(70,544)	(73,411)
Other receipts and payments--net	(6,478)	-
Net cash used in operating activities	(7,482,028)	(6,054,688)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
State appropriations	5,622,099	5,773,569
Federal Pell grants	3,708,382	3,413,819
William D. Ford direct lending receipts	5,848,745	5,953,631
William D. Ford direct lending payments	(5,848,745)	(5,953,631)
Net cash provided by noncapital financing activities	9,330,481	9,187,388
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:		
Purchases of capital assets	(1,480,611)	(66,725)
Debt service paid to Commission	(238,032)	(160,945)
Non-operating fees retained by the Commission	(102,390)	(11,065)
Principal paid on notes, bonds and leases	(572,862)	(1,308,540)
Proceeds from bonds	4,315,499	-
Interest paid on notes, bonds and leases	(1,514,981)	(1,403,824)
Bond Refinance Cost	(1,130,067)	
Withdrawals from (deposits to) noncurrent cash and cash equivalents	(2,129,531)	380,578
Other non-operating revenue and (expenses)	239,191	
Capital gifts and grants	-	2,798
Net cash used in capital financing activities	(2,613,784)	(2,567,723)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by investing activities	42,706	14,133
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(722,625)	579,110
CASH AND CASH EQUIVALENTS—Beginning of year	1,901,989	1,322,879
CASH AND CASH EQUIVALENTS—End of year	$ 1,179,364	$ 1,901,989

(Continued)

GLENVILLE STATE COLLEGE

STATEMENTS OF CASH FLOWS (Continued)
YEARS ENDED JUNE 30, 2018 AND 2017

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:

	2018	2017
Operating loss	$ (10,224,193)	$ (9,281,622)
Adjustments to reconcile net operating loss to net cash used in operating activities:		
Depreciation expense	2,415,715	2,341,091
Net effect-change in acctg principle	509,634	-
Payments on behalf-special funding pension & OPEB	607,109	-
Changes in assets and liabilities:		
Accounts receivable—net	209,505	(384,522)
Loans to students—net	1,308	-
Inventories	-	72,184
Accounts payable	(310,912)	915,469
Accrued liabilities and due to the Commission	295,574	(47,548)
Defined benefit pension plan and other post employment benefits	(1,065,936)	227,681
Compensated absences	(36,888)	(33,392)
Unearned revenue	117,056	135,971
NET CASH USED IN OPERATING ACTIVITIES	$ (7,482,028)	$ (6,054,688)
NONCASH TRANSACTIONS:		
Accretion of bond discount into bonds payable	$ 6,311	$ 6,779
Expenses paid on behalf of College	$ 1,207,109	$ 241,576

See notes to financial statements. (Concluded)

GLENVILLE STATE COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE COLLEGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	$ 74,157	$ 6,745
Investments, at fair value	10,425,750	9,492,263
Related party receivables	40,982	85,056
Other receivables	28,267	14,134
Total current assets	10,569,156	9,598,198
Fixed assets, net	3,249,693	3,369,568
Other assets		
Bequests and contributions receivable	966,986	867,313
Land and other assets held for investment	704,914	704,914
Total other assets	1,671,900	1,572,227
Total assets	**$ 15,490,749**	**$ 14,539,993**
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	$ 27,712	$ 69,680
Organization funds held for others	14,230	10,465
Current portion of loan payable	81,193	78,647
Total current liabilities	123,135	158,792
Long-term liabilities		
Loan payable	3,150,937	3,230,483
Total liabilities	3,274,072	3,389,275
Net assets		
Unrestricted		
Board designated	730,000	730,000
Undesignated	(653,950)	(632,195)
Temporarily restricted	2,621,034	1,667,991
Permanently restricted	9,519,593	9,384,922
Total net assets	12,216,677	11,150,718
Total liabilities and net assets	**$ 15,490,749**	**$ 14,539,993**

GLENVILLE STATE COLLEGE

GLENVILLE STATE COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE COLLEGE
STATEMENT OF ACTIVITIES
JUNE 30, 2018

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Bequests and contributions	$ 802,212	$ 1,318,825	$ 134,671	$ 2,255,708
Investment income	219,685	265,110	-	484,795
Realized and unrealized gains (losses) on investments	27,854	307,539	-	335,393
Increase in cash surrender value	-	99,673	-	99,673
Rental income	169,600	-	-	169,600
Net assets released from restrictions				
Purpose restrictions accomplished	1,038,104	(1,038,104)	-	-
Total revenues and other support	2,257,455	953,043	134,671	3,345,169
Expenses				
Expenditures for benefit of Glenville State College	1,291,214	-	-	1,291,214
Scholarships	363,375	-	-	363,375
Salaries and wages	96,575	-	-	96,575
Legal, consulting, accounting	16,450	-	-	16,450
Investment management fee	64,278	-	-	64,278
Miscellaneous	1,992	-	-	1,992
Promotions and publications	144,404	-	-	144,404
Office expense	3,425	-	-	3,425
Travel and advancement	8,994	-	-	8,994
Memberships and subscriptions	1,891	-	-	1,891
Insurance	14,635	-	-	14,635
Interest expense	105,961	-	-	105,961
Depreciation	119,875	-	-	119,875
Meals and meetings	280	-	-	280
Annual fund expense	7,830	-	-	7,830
Alumni expenses	9,860	-	-	9,860
Database management	28,171	-	-	28,171
Total expenses	2,279,210	-	-	2,279,210
Change in net assets	(21,755)	953,043	134,671	1,065,959
Net assets at beginning of year	97,805	1,667,991	9,384,922	11,150,718
Net assets at end of year	**$ 76,050**	**$ 2,621,034**	**$ 9,519,593**	**$ 12,216,677**

GLENVILLE STATE COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE COLLEGE
STATEMENT OF ACTIVITIES
JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support				
Bequests and contributions	$ 346,258	$ 660,769	$ 1,487,211	$ 2,494,238
Investment income	653,262	167,572	-	820,834
Realized and unrealized gains (losses) on investments	38,260	452,866	-	491,126
Gain (loss) on disposal of fixed assets	(16,435)	-	-	(16,435)
Increase in cash surrender value	-	21,360	-	21,360
Rental income	169,600	-	-	169,600
Net assets released from restrictions				
Purpose restrictions accomplished	1,191,755	(1,191,755)	-	-
Total revenues and other support	2,382,700	110,812	1,487,211	3,980,723
Expenses				
Expenditures for benefit of Glenville State College	888,532	-	-	888,532
Scholarships	422,550	-	-	422,550
Salaries and wages	104,986	-	-	104,986
Legal, consulting, accounting	15,750	-	-	15,750
Investment management fee	44,486	-	-	44,486
Miscellaneous	2,161	-	-	2,161
Promotions and publications	43,368	-	-	43,368
Office expense	1,886	-	-	1,886
Travel and advancement	4,098	-	-	4,098
Memberships and subscriptions	441	-	-	441
Insurance	22,782	-	-	22,782
Interest expense	108,125	-	-	108,125
Depreciation	119,079	-	-	119,079
Meals and meetings	663	-	-	663
Annual fund expense	2,036	-	-	2,036
Alumni expenses	8,672	-	-	8,672
Database management	31,485	-	-	31,485
Total expenses	1,821,100	-	-	1,821,100
Change in net assets	561,600	110,812	1,487,211	2,159,623
Net assets at beginning of year	(463,795)	1,557,179	7,897,711	8,991,095
Net assets at end of year	**$ 97,805**	**$ 1,667,991**	**$ 9,384,922**	**$ 11,150,718**

1. ORGANIZATION

Glenville State College (the "College") is governed by the Glenville State College 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 institution(s) under its jurisdiction, the duty to develop a master plan for the institution, the power to prescribe the specific functions and institution's budget request, the duty to review at least every five years all academic programs offered at the institution, and the power to fix tuition and other fees for the different classes or categories of students enrolled at its institution.

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

As a requirement of Governmental Accounting Standards Board standards (GASB), the College has included information from the Glenville State College Foundation, Inc.

Although the College benefits from the activities of the Foundation, the Foundation is independent of the College in all respects. The Foundation is not a subsidiary of the College and is not directly or indirectly controlled by the College. The Foundation has its own separate, independent Board of Directors. Moreover, the assets of the Foundation are the exclusive property of the Foundation and do not belong to the College. The College is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. The College does not have the power or authority to mortgage, pledge, or encumber the assets of the Foundation. The Board of Directors of the Foundation is entitled to make all decisions regarding the business and affairs of the Foundation, including, without limitation, distributions made to the College. Under State law, neither the principal nor income generated by the assets of the Foundation can be taken into consideration in determining the amount of State-appropriated funds allocated to the College. Third parties dealing with the College, the Board, and the State of West Virginia (the "State") (or any agency thereof) should not rely upon the financial statements of the Foundation for any purpose without consideration of all the foregoing conditions and limitations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the College have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by GASB. The financial statement presentation required by GASB provide a comprehensive, entity-wide perspective of the College's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows.

Reporting Entity—The College is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the State of West Virginia (the "State") that are not included in the State's general fund. The College is a separate entity which, along with all State institutions of higher education, the Commission, and West Virginia Council for 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 College, including its blended component units, Glenville State College Research Corporation (the “Research Corporation”), which was formed on December 10, 1990 as a nonprofit, nonstock corporation and Glenville State College Housing Corporation (the “Housing Corporation”), which received tax-exempt status on June 11, 1973 as a nonprofit corporation. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College’s ability to significantly influence operations and accountability for fiscal matters of related entities.

The audited financial statements of the Foundation are presented here as a discrete component unit with the College’s financial statements in accordance with GASB. The Foundation is a separate, 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 audited financial information as they are presented herein.

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 College as a whole. The components of net position are classified into four categories according to external donor restrictions or availability of assets for satisfaction of College obligations. The College’s components of net position are classified as follows:

- *Net Investment in Capital Assets* - This represents the College’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, net of related debt.

- *Restricted—expendable* - This includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

  The West Virginia 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 101 passed in March 2004 simplified the tuition and fee structure and removed the restrictions but included designations associated with auxiliary and capital items. These activities are fundamental to the normal ongoing operations of the College. These restrictions are subject to change by future actions of the West Virginia 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 College does not have any restricted nonexpendable components of net position at either June 30, 2018 or 2017.

- *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 College, and may be used at the discretion of the Board of Governors to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

Basis of Accounting—For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College'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 expenditures when materials or services are received. All intercompany accounts and transactions have been eliminated.

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

Cash and cash equivalents balances on deposit with the State of West Virginia Treasurer's Office (the "State Treasurer") are pooled by the State Treasurer with other available funds of the State for investment purposes by the West Virginia Board of Treasury Investments (BTI). These funds are transferred to the BTI, which is directed by the State Treasurer to invest the funds in specific external investment pools in accordance with West Virginia Code, policies set by the BTI, provisions of bond indentures, and the trust agreements when applicable. Balances in the investment pools are recorded at fair value or amortized cost, which approximates fair value. Fair value is determined by a third-party pricing service based on asset portfolio pricing models and other sources in accordance with GASB. The BTI was established by the State Legislature and is subject to oversight by the State Legislature. Fair value and investment income are allocated to participants in the pools based upon the funds that have been invested. The amounts on deposit are available for immediate withdrawal or on the first day of each month for the WV Short Term Bond Pool and, accordingly, are presented as cash and cash equivalents in the accompanying financial statements.

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the Commission may invest in. These pools have been structured as multi-participant variable net asset funds to reduce risk and offer investment liquidity diversification to the Fund participants. Funds not required to meet immediate disbursement needs are invested for longer periods. A more detailed discussion of the BTI's investment operations pool can be found in its annual report. A copy of that annual report can be obtained from the following address: 1900 Kanawha Blvd. East, Room E-122, Charleston, WV 25305 or http://www.wvbti.com.

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

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

Capital Assets—Capital assets include property, plant and 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. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. 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, 10 years for non-technology equipment, 7 years for library books, and 3 years for furniture and technology equipment. The College's capitalization threshold is $5,000.

Unearned Revenue—Amounts received as deposits or revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue.

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 or 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 ttps://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)

Compensated Absences and Other Post-Employment Benefits (OPEB)—-GASB provides for the measurement, recognition, and display of 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. The College is 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 the 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.

GASB requires the College 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 College'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, or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, 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 do not receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple-employer, cost-sharing plan sponsored by the State.

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, do not 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 College. 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 in the statements of revenues, expenses, and changes in net position.

Deferred Outflows of Resources—-Consumption of net position by the College that is applicable to a future fiscal year is reported as a deferred outflow of resources on the statement of net position. Deferred outflows consist of the deferred loss on refunding, which is accreted over the periods of the refunding bond issue, and deferred outflows of resources related to pension and OPEB plans.

Deferred Inflows of Resources—-An acquisition of net position by the College that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. Deferred inflows consist of those related to pension and OPEB plans.

Risk Management—-The State's Board of Risk and Insurance Management ("BRIM") provides general, property and casualty coverage to the College and its employees.

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the College or other participants in BRIM's insurance programs. As a result, management does not expect significant differences between the premiums the College is currently charged by BRIM and the ultimate cost of that insurance based on the College's actual loss experience. In the event such differences arise between estimated premiums currently charged by BRIM to the College and the College'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 Public Employees Insurance Agency (PEIA) and a third-party insurer, the College 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 College has transferred its risks related to health, life, prescription drug coverage, and job related injuries.

Classification of Revenues—The College has classified its 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.

- *Non-operating Revenues*—Non-operating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as non-operating revenues by GASB such as state appropriations, Federal Pell Grants, and investment income and sale of capital assets (including natural resources).

- *Other Revenues*—Other revenues consist primarily of non-governmental grants and gifts.

Use of Restricted Components of Net Position—The College 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 College attempts to utilize restricted resources first when practicable.

Federal Financial Assistance Programs—The U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through the College. Direct student loan receivables are not included in the College's balance sheets, as the loans are repayable directly to the U.S. Department of Education. In 2018 and 2017 the College received and disbursed $5,848,745 and $5,953,631 respectively, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which amounts are not included as revenue and expense on the statements of revenues, expenses and changes in net position.

The College also distributes other student financial assistance funds on behalf of the federal government to students under the Federal Pell Grant, Academic Competitiveness Grant, National Science and Mathematics Access to Retain Talent ("SMART") Grant, and Teacher Education Assistance for College and Higher Education ("TEACH") Grant, Supplemental Educational Opportunity Grant and College, and Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2018 and 2017, the College received and disbursed $3,979,926 and $3,641,544 respectively.

Scholarship and Discount Allowances—Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship allowances and discounts in the statements of revenues, expenses and changes in net position. Scholarship and discount allowances are the difference between the stated charge for educational services provided by the College, and the amount that is paid by students and/or third parties on the students' behalf.

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 ("NACUBO"). Certain aid such as loans, funds provided to students as awarded by third parties, and Federal Direct Lending is 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 College 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 audit. The College 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.

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

Cash Flows—Any cash and cash equivalents escrowed, restricted for noncurrent assets or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements 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 expenditures during the reporting period. Actual results could differ from those estimates.

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

Reclassifications—Certain reclassifications have been made to the 2017 financial statements to conform to the 2018 classifications.

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

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

Net Position - beginning of year, as previously stated	$ 35,388,596
Balance of the net OPEB liability and deferred outflows of resources and deferred inflows of resources	509,634
Net position beginning of year , as restated	$ 35,898,230

Recent Statements Issued by the Governmental Accounting Standards Board —

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

The GASB has also issued Statement No. 84, *Fiduciary Activities*, which is effective for fiscal years beginning after December 15, 2018. Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments to determine whether an activity should be reported in a fiduciary fund in the financial statements. The College 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, 2019. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In other words, most leases currently classified as operating leases will be accounted for and reported in the same manner as capital leases. The College has determined that the effect that the adoption of GASB Statement No. 87 may have on its financial statements is not significant.

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

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

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

3. CASH AND CASH EQUIVALENTS

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

	2018		
	Current	**Noncurrent**	**Total**
State Treasurer	$ 424,074	$ 43,456	$ 467,530
Trustee		4,029,282	4,029,282
Banks	755,290	399,970	1,155,260
Total	$ 1,179,364	$ 4,472,708	$ 5,652,072

	2017		
	Current	**Noncurrent**	**Total**
State Treasurer	$ 1,135,148	$ 70,331	$ 1,205,479
Trustee		1,767,165	1,767,165
Banks	766,841	505,681	1,272,522
Total	$ 1,901,989	$ 2,343,177	$ 4,245,166

Cash held by the State Treasurer includes $149,976 and $274,285 at June 30, 2018 and 2017, respectively, of restricted cash for grant programs, capital improvements, debt service, and student financial aid among others.

Funds kept in banks are covered by Federal Deposit Insurance Corporation up to $250,000 as noted below or were collateralized by securities held by the State's agent.

Amounts with the State Treasurer as of June 30, 2018 and 2017 are comprised of two investment pools, the WV 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 State's investment pools as of June 30:

	2018		2017	
External Pool	Carrying Value (in Thousands)	S&P Rating	Carrying Value (in Thousands)	S&P Rating
WV Money Market Pool	$ 418	AAAm	$ 1,118	AAAm
WV Short Term Bond Pool	10	Not Rated	19	Not Rated

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 funds held by 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.

	2018		2017	
External Pool	Carrying Value (in Thousands)	WAM Days	Carrying Value (in Thousands)	WAM Days
WV Money Market Pool	$ 418	34	$ 1,118	36

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

	2018		2017	
External Pool	Carrying Value (in Thousands)	Effective Duration (Days)	Carrying Value (in Thousands)	Effective Duration (Days)
WV Short Term Bond Pool	$ 10	370	$ 19	426

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.

Cash in Bank with Trustee

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Cash in bank with Trustee is governed by provisions of the bond agreement.

	Carrying Value	
Investment Type	**2018**	**2017**
Government money market funds	$ 1,645,799	$ 1,589,052
U.S. Government securities	746,075	178,113
Other fixed income securites	1,637,408	
Total	$ 4,029,282	$ 1,767,165

The objective of the money market fund is to increase the current level of income while continuing to maintain liquidity and capital. Assets are invested in high-quality, short term money market instruments.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the College will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The College's investment policy limits investment maturities from potential fair value losses due to increasing interest rates. No more than 5% of the money market fund's total market value may be invested in the obligations of a single issuer, with the exception of the U.S. government and its agencies.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The College has no investments with foreign currency risk.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2018 and 2017:

	2018	2017
Student tuition and fees, net of allowance for doubtful accounts of $3,430,857 and $2,990,466	$ 360,785	$ 540,107
Other state agencies	96,477	48,372
Federal grants receivable	144,503	205,076
Payroll advance	84,326	95,741
Other, net of allowance for doubtful accounts of $5,741 and $1,231	40,086	46,386
	726,177	935,682
Less: noncurrent	84,326	95,741
	$ 641,851	$ 839,941

The amounts due from other state agencies consisted of the following at June 30, 2018 and 2017:

	2018	2017
WV University	$ 8,880	$ 20,876
WV Division of Rehabilitation	11,971	27,496
WV Correctional Academy	44,550	
WV Regional Jail and Correction Facility	29,700	
WVNET	634	
WV HEPC	742	
	$ 96,477	$ 48,372

5. CAPITAL ASSETS

Capital assets consisted of the following at June 30, 2018 and 2017:

	2018			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated:				
Land	$ 1,287,096	$ -	$ -	$ 1,287,096
Construction in Progress		632,775		632,775
Total capital assets not being depreciated	$ 1,287,096	$ 632,775	$ -	$ 1,919,871
Other capital assets:				
Land improvements	$ 2,222,561			$ 2,222,561
Infrastructure	1,595,589			1,595,589
Buildings	103,051,766			103,051,766
Equipment	8,961,274	779,021		9,740,295
Library books	1,785,678	8,312	97,785	1,696,205
Leasehold improvements	132,236	60,503		192,739
Total other capital assets	117,749,104	847,836	97,785	118,499,155
Less accumulated depreciation for:				
Land improvements	1,291,429	83,484		1,374,913
Infrastructure	1,483,016	14,926		1,497,942
Buildings	29,261,492	1,875,913		31,137,405
Equipment	7,796,487	404,224		8,200,711
Library books	1,702,759	26,712	97,785	1,631,686
Leasehold improvements	55,705	10,456		66,161
Total accumulated depreciation	41,590,888	2,415,715	97,785	43,908,818
Other capital assets—net	$ 76,158,216	$ (1,567,879)	$ -	$ 74,590,337
Capital asset summary:				
Capital assets not being depreciated	$ 1,287,096	$ 632,775	$ -	$ 1,919,871
Other capital assets	117,749,104	847,836	97,785	118,499,155
Total cost of capital assets	119,036,200	1,480,611	97,785	120,419,026
Less accumulated depreciation	41,590,888	2,415,715	97,785	43,908,818
Capital assets—net	$ 77,445,312	$ (935,104)	$ -	$ 76,510,208

	2017			
	Beginning Balance	**Additions**	**Reductions**	**Ending Balance**
Capital assets not being depreciated:				
Land	$ 1,287,096	$ -	$ -	$ 1,287,096
Total capital assets not being depreciated	$ 1,287,096	$ -	$ -	$ 1,287,096
Other capital assets:				
Land improvements	$ 2,222,561	$	$	$ 2,222,561
Infrastructure	1,595,589			1,595,589
Buildings	103,051,766			103,051,766
Equipment	8,968,648	60,867	(68,241)	8,961,274
Library books	1,760,532	25,910	(764)	1,785,678
Leasehold improvements	132,236	-	-	132,236
Total other capital assets	117,731,332	86,777	(69,005)	117,749,104
Less accumulated depreciation for:				
Land improvements	1,207,945	83,484		1,291,429
Infrastructure	1,466,384	16,632		1,483,016
Buildings	27,401,115	1,860,377		29,261,492
Equipment	7,517,478	346,258	(67,249)	7,796,487
Library books	1,678,000	25,523	(764)	1,702,759
Leasehold improvements	46,889	8,816	-	55,705
Total accumulated depreciation	39,317,811	2,341,090	(68,013)	41,590,888
Other capital assets—net	$ 78,413,521	$ (2,254,313)	$ (992)	$ 76,158,216
Capital asset summary:				
Capital assets not being depreciated	$ 1,287,096	$	$	$ 1,287,096
Other capital assets	117,731,332	86,777	(69,005)	117,749,104
Total cost of capital assets	119,018,428	86,777	(69,005)	119,036,200
Less accumulated depreciation	39,317,811	2,341,090	(68,013)	41,590,888
Capital assets—net	$ 79,700,617	$ (2,254,313)	$ (992)	$ 77,445,312

Construction in progress as of June 30, 2018 consisted of (1) the refurbishment of the former Conrad Motel property into student housing now known as Riverfront Residence and (2) renovation of the third floor of the Robert L. Kidd Library into the Academic Success Center. There was no construction in progress at June 30, 2017.

Buildings include the Waco Center, a portion of which is owned and accounted for by the Foundation. A lease agreement, expiring in 2043, between the College and Foundation specifies that the portion of the Waco Center owned by the Foundation will transfer to the College at the expiration of the lease.

The College maintains certain collections of inexhaustible assets to which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. 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.

6. LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the years ended June 30, 2018 and 2017:

	2018				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds, capital leases, and notes payable:					
Student Housing bonds payable	$ 3,410,000	$ -	$ 3,410,000	$ -	$ -
Campus Community Center bonds	862,479		862,479	-	-
Science Building Bonds	2,800,639		2,800,639	-	-
Goodwin Hall Bonds	23,078,222		23,078,222	-	-
Capital lease obligations	158,617		38,939	119,678	39,412
Notes payable	5,000,651		2,297,109	2,703,542	295,457
Commission Debt Payable	761,815	(72,344)	65,688	623,783	57,299
Private Loans	400,000			400,000	-
Improvement and Refunding Revenue Bonds		36,285,000	126,090	36,158,910	-
Total bonds, capital leases, and note payable	36,472,423	36,212,656	32,679,166	40,005,913	392,168
Other liabilities:					
Accrued compensated absences	474,607		474,607	-	-
Net Pension Liability	1,634,806		64,556	1,570,250	
Other post employment benefits liability	5,492,277		1,203,390	4,288,887	
Total noncurrent liabilities	$ 44,074,113	$ 36,212,656	$ 34,421,719	$ 45,865,050	$ 392,168

	2017				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds, capital leases, and notes payable:					
Student Housing bonds payable	$ 3,590,000	$ -	$ 180,000	$ 3,410,000	$ 185,000
Campus Community Center bonds	943,186		80,707	862,479	84,322
Science Building Bonds	2,919,839		119,200	2,800,639	125,069
Goodwin Hall Bonds	23,582,054		503,832	23,078,222	618,749
Capital lease obligations	197,167		38,550	158,617	38,939
Notes payable	5,384,021		383,370	5,000,651	391,188
Commission Debt Payable	822,760		60,945	761,815	63,231
Private Loans	-	400,000		400,000	-
Total bonds, capital leases, and note payable	37,439,027	400,000	1,366,604	36,472,423	1,506,498
Other liabilities:					
Accrued compensated absences	586,634	310,738	422,765	474,607	305,762
Hedging derivative instruments	333,247		333,247	-	
Net Pension Liability	1,492,000	142,806		1,634,806	
Other post employment benefits liability	5,346,855	145,422		5,492,277	
Total noncurrent liabilities	$ 45,197,763	$ 998,966	$ 2,122,616	$ 44,074,113	$ 1,812,260

During 2017, the College's blended component unit, the Glenville State College Housing Corporation, Inc., borrowed $400,000 from private individuals, some of whom are members of the College's Board of Governors. The loans bear interest at a rate of the higher of 4.0% or the Wall Street Journal Prime Rate plus 0.5%. The loans are secured by revenue from rental properties.

7. BONDS PAYABLE

Bonds payable consisted of the following at June 30, 2018 and 2017:

	Interest Rate	Annual Principal Installment Due	Principal Amount Outstanding 2018	2017
Student Housing Bonds:				
Series 2011 A, mature various dates through October, 2030	3.00% to 5.25%	$185,000 to $325,000	$ -	$ 3,410,000
Campus Community Center Bonds:				
Series 2006, interest rate reset at November 1, 2016 to ten year LIBOR rate	4.30%	$84,322 to $106,748	-	862,479
Science Building Bonds:				
Series 2007, interest rate reset at October 1, 2017 to 68% of sum of ten year Treasury plus 250 basis points	4.68%	$125,069 to $237,286	-	2,800,639
Goodwin Hall Bonds:				
Series 2009, due through 2040	68% of 1 month LIBOR plus 1.625%	$618,750 to $1,516,981	-	23,078,222
Improvement and Refunding Revenue Bonds:				
Series 2017, mature dates from June, 2022 to June, 2047	3.25% to 5.25%		36,285,000	
Unamortized bond discount			(126,090)	
Total bonds payable			$ 36,158,910	$ 30,151,340

On September 28, 2017, the Glenville State College Board of Governors issued $36,285,000 in Improvement and Refunding Revenue Bonds, Series 2017, with maturities and interest rates as follows:

Amount	Interest Rate	Maturity
$ 2,135,000	3.25%	June 1, 2022
4,105,000	4.00%	June 1, 2027
5,040,000	4.50%	June 1, 2032
6,345,000	5.00%	June 1, 2037
18,660,000	5.25%	June 1, 2047
$ 36,285,000		

The Series 2017 Bonds bear interest at the rates shown above semiannually on June 1 and December 1 of each year until paid.

The Series 2017 Bonds were issued for the purpose of refunding and redeeming the following debt:

Campus Community Center Bonds, Series 2006
Science Center Bonds, Series 2007
Goodwin Hall Bonds, Series 2009
Student Housing Bonds, Series 2011A
Note Payable, 2011

The Series 2017 Bond proceeds were used to pay in full the Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, and the 2011 Note payable on September 28, 2017. Proceeds were escrowed in sufficient amount to pay in full the Series 2011A Bonds on October 10, 2017. Proceeds of $2,000,000 were deposited in a project fund for future capital improvements. As of June 30, 2018, $585,345 had been drawn down by the College from this fund. The College recorded a loss on refunding of $337,511 within the deferred outflows of resources on the statement of net position.

Future debt service requirements to maturity, as scheduled, for the Series 2017 Bonds at June 30, 2018, are as follows:

	Principal	Interest	Total
2019	$ -	$ 1,757,288	$ 1,757,288
2020	690,000	1,757,288	2,447,288
2021	710,000	1,734,863	2,444,863
2022	735,000	1,711,788	2,446,788
2023	760,000	1,687,900	2,447,900
2024-2028	4,265,000	7,959,300	12,224,300
2029-2033	5,270,000	6,958,125	12,228,125
2034-2038	6,660,000	5,563,500	12,223,500
2039-2043	8,575,000	3,659,250	12,234,250
2044-2047	8,620,000	1,160,250	9,780,250
	$ 36,285,000	$ 33,949,552	$ 70,234,552

8. CAPITAL LEASE OBLIGATIONS

The College leases various equipment, primarily technology related and accounts for them as capital leases. The following is the schedule of future annual minimum payments required under the lease obligations existing at June 30, 2018:

	FY	Principal	Interest	Total
	2019	$ 39,412	$ 1,230	$ 40,642
	2020	39,891	750	40,641
	2021	40,375	265	40,640
Total				121,923
Less interest				2,245
				$ 119,678

The net book value of leased assets was equal to the total future minimum payments.

9. NOTES PAYABLE

Notes payable consisted of the following at June 30, 2018 and 2017:

	Interest Rate	Payment terms	Amount Outstanding 2018	2017
$2,525,000 promissory note collateralized by 1st lien on various parcels of real estate and motel building Gilmer County, WV (This note was part of the Series 2017 Bond refinancing-see Note 7)	5.54%	$17,542 monthly through June, 2031	$ -	$ 2,007,573
$1,000,000 unsecured promissory note to HEPC	0.00%	$25,000, quarterly	450,000	550,000
$3,145,581 promissory note collateralized by 1st lien on equipment installed in various buildings on campus	3.10%	$131,907, semiannually through June, 2028	2,253,542	2,443,078
Total Notes Payable			**$ 2,703,542**	**$ 5,000,651**

The following is the schedule of future annual minimum payments required under the notes payable as of June 30, 2018:

FY	Principal	Interest	Total
2019	$ 295,457	$ 68,357	$ 363,814
2020	301,564	62,251	363,815
2021	307,860	55,954	363,814
2022	314,354	49,460	363,814
2023	271,051	42,763	313,814
2024-2028	1,213,256	105,815	1,319,071
Total	2,703,542	384,600	3,088,142
Less, interest			384,600
Principal			$ 2,703,542

10. OTHER POST EMPLOYMENT BENEFITS (OPEB)

As related to the implementation of GASB 75, following are the College's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal year ended June 30, 2018:

	2018
Net OPEB liability	$ 4,288,887
Deferred outflows of resources	383,086
Deferred inflows of resources	877,538
Revenues	270,428
OPEB expense	454,210
Contributions made by the College	383,086

Plan Description

The West Virginia Other Postemployment Benefit (OPEB) Plan (the Plan) is a cost-sharing, multiple employer, defined benefit other postemployment benefit plan and covers the retirees of State agencies, colleges and universities, county boards of education, and other government entities as set forth in the West Virginia Code. Financial activities of the Plan are accounted for in the West Virginia Retiree Health Benefit Trust Fund (RHBT), a fiduciary fund of the State established July 1, 2006 as an irrevocable trust. The Plan is administered by a combination of the West Virginia Public Employees Insurance Agency (PEIA) and the RHBT staff. Plan benefits are established and revised by PEIA and the RHBT management with the approval of the PEIA Finance Board. The plan provides medical and prescription drug insurance, as well as life insurance, benefits to certain retirees of State agencies, colleges and universities, county boards of education, and other government entities who receive pension benefits under the PERS, STRS, TDCRS, TIAA-CREF, Plan G, Troopers Plan A, or Troopers Plan B pension systems, as administered by the West Virginia Consolidated Public Retirement Board (CPRB). The plan is closed to new entrants.

The Plan's fiduciary net position has been determined on the same basis used by the Plan. The RHBT is accounted for as a fiduciary fund, and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP for fiduciary funds as prescribed or permitted by the GASB. The primary sources of revenue are plan members and employer contributions. Members' contributions are recognized in the period in which the contributions are due. Employer contributions and related receivables to the trust are recognized pursuant to a formal commitment from the employer or statutory or contractual requirement, when there is a reasonable expectation of collection. Benefits and refunds are recognized when due and payable.

RHBT 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. RHBT issues publicly available financial statements and required supplementary information for the OPEB plan. Details regarding this plan and a copy of the RHBT financial report may be obtained by contacting PEIA at 601 57th Street SE, Suite 2, Charleston, West Virginia 25304-2345, or by calling (888) 680-7342.

Benefits Provided

The Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

The medical and prescription drug insurance is provided through two options:

- Self-Insured Preferred Provider Benefit Plan – primarily for non-Medicare-eligible retirees and spouses
- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses

Contributions

Employer contributions from the RHBT billing system represent what the employer was billed during the respective year for its portion of the pay-as-you-go (paygo) premiums, retiree leave conversion billings, and other matters, including billing adjustments.

Paygo premiums are established by the PEIA 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 paygo rates related to the measurement date of June 30, 2017 were:

	July 2016-December 2016 2017	January 2017-June 2017 2017
Paygo premium	$ 196	$ 135

Members retired before July 1, 1997 pay retiree healthcare contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired after July 1, 1997 or hired before June 30, 2010 pay a 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 or annual leave days into 100% of the required retiree healthcare contribution.
- Members hired from July 1, 1988 to June 30, 2001 may convert accrued sick or annual leave days into 50% of the required retiree healthcare contribution.

The conversion rate is two days of unused sick and annual leave days per month for single healthcare coverage and three days of unused sick and annual leave days per month for family healthcare coverage.

The College's contributions to the OPEB plan for the years ended June 30, 2018, 2017, and 2016, were $383,086, $358,249, and $367,854, respectively.

Assumptions

The total OPEB liability for financial reporting purposes was determined by an actuarial valuation as of July 1, 2016 and rolled forward to June 30, 2017. The following actuarial assumptions were used and applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method: Entry age normal cost method.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method: Level percentage of payroll over a 21 year closed period
- Remaining amortization period: 21 years closed as of June 30, 2016.
- Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.
- Healthcare cost trend rates: Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% and 9.75% for pre and post-Medicare, respectively, and gradually decreases to an ultimate trend of 4.50%. 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 cost beginning in 2020 to account for the Excise Tax.
- Projected salary increases: Dependent upon pension system ranging from 3.0-6.5%, including inflation.
- Inflation rate: 2.75%.
- Mortality rates based on RP-2000 Mortality Tables.

Experience studies are performed at least once in every five-year period. The most recent experience study covered the period from July 1, 2010 to June 30, 2015. These assumptions will remain in effect for valuation purposes until such time as the RHBT adopts revised assumptions.

The projections of the net OPEB liability are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The projection of the net OPEB liability does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial estimated liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. However, the preparation and any estimate of future postemployment costs requires consideration of a broad array of complex social and economic events. Future changes in the healthcare reform, changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, changes in the investment rate of return, and other matters increase the level of uncertainty in such estimates. As such, the estimate of postemployment program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated net OPEB liability.

The long-term expected rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 3.00% for assets invested with the BTI.

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term geometric rates of return for each major asset class included in RHBT's target asset allocation as of June 30, 2017, are summarized below.

Asset Class	Target Allocation
Domestic equity	27.5%
International equity	27.5%
Fixed income	15.0%
Real estate	10.0%
Private equity	10.0%
Hedge funds	10.0%

Asset Class	Long-term Expected 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%

Discount rate - The discount rate used to measure the total OPEB liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that RHBT contributions will continue to follow the current funding policies. Based on those assumptions and that the OPEB plan is expected to be fully funded by the fiscal year ended June 30, 2036, 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.

Sensitivity of the net OPEB liability to changes in the discount rate - The following presents the College's proportionate share of the net OPEB liability as of June 30, 2018 calculated using the discount rate of 7.15%, as well as what the College's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate.

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB liability	$ 4,993,917	$ 4,288,887	$ 3,702,811

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate. The following presents the College's proportionate share of the net OPEB liability as of June 30, 2018 calculated using the healthcare cost trend rate, as well as what the College's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	$ 3,602,726	$ 4,288,887	$ 5,128,100

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

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

At June 30, 2018, the College's proportionate share of the net OPEB liability was $5,169,829. Of this amount, the College recognized $4,288,887 as its proportionate share on the statement of net position. The remainder of $880,942 denotes the College'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, 2017 and 2016. Employer contributions are recognized when due. At the June 30, 2017 measurement date, the College's proportion was 0.174416690%, a decrease of 0.040619102% from its proportion of 0.215035792% calculated as of June 30, 2016.

For the year ended June 30, 2018, the College recognized OPEB expense of $454,210. Of this amount, $183,782 was recognized as the College's proportionate share of OPEB expense and $270,428 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $270,428 for support provided by the State.

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

June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		$ 14,361
Changes in proportion and difference between employer contributions and proportionate share of contributions		794,724
Net difference between projected and actual investment earnings		68,453
Contributions after the measurement date	$ 383,086	-
Total	$ 383,086	$ 877,538

The College will recognize the $249,138 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, 2019. 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 Ended June 30,	Amortization
2019	$ 219,384
2020	219,384
2021	219,384
2022	219,386
	$ 877,538

Payables to the OPEB Plan

The College did not report any amounts payable for normal contributions to the OPEB plan as of June 30, 2018.

Prior to implementation of GASB 75, OPEB costs were accrued based upon invoices received from PEIA which were based on actuarially determined amounts. At June 30, 2017, the noncurrent liability related to OPEB costs was $5,492,277. The total OPEB expense incurred and the amount of OPEB expense that related to retirees in 2017 was $584,439 and $314,328, respectively.

11. STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

The State has chartered the Higher Education Policy 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 College. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the College and College Systems (the "Boards"). These obligations administered by the Commission are the direct and total responsibility of the Commission, as successor to the former Boards.

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 a capital obligation 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. The balances at June 30, 2018 and 2017 were $623,782 and $761,815, respectively.

For the years ended June 30, 2018 and 2017, debt service assessed by HEPC was as follows:

		2018		2017
Principal	$	138,032	$	60,945
Interest		8,878		36,214
	$	146,910	$	97,159

In December, 2010, the Commission issued $76,865,000 of the State of West Virginia Higher Education Policy Commission Revenue 2010 Series Bonds to fund approved HEPC Bond projects. The College received $11,000,000 of these proceeds, which was used for the construction of the Waco Center, a facility that houses an expanded Land Resources Education Center, a community and campus health care facility, and athletic facilities including administration, dedicated training areas, coaches' offices, and facilities for several indoor spectator sports. The Commission is responsible for repayment of this debt.

12. UNRESTRICTED COMPONENTS OF NET POSITION

The unrestricted component of the College's net position is composed of resources as follows:

	2018	2017
Designated for Auxiliaries	$ 32,669	$ 604,781
Designated for affiliated organizations	994,681	1,199,180
Undesignated	(1,920,896)	(2,220,276)
Total unrestricted net position before OPEB & Pension Liabilities	(893,546)	(416,315)
Less: OPEB Liability	4,288,887	5,492,277
Less: Pension Liability	1,570,250	1,634,806
Total unrestricted Net Position	$ (6,752,683)	$ (7,543,398)

13. RETIREMENT PLANS

Substantially all eligible full-time employees of the College participate in either the West Virginia State Teachers' Retirement System (TRS) or the Teachers' Insurance and Annuities Association - College Retirement Equities Fund (TIAA-CREF), now known as TIAA. In years past upon full-time employment, each employee was required to make an irrevocable selection between the TRS and TIAA-CREF. Effective July 1, 1991, the TRS was closed to new participants. Remaining participants in the TRS 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 (WVTDCP). Contributions to and participation in this Plan by College employees have not been significant to date.

The College's total payroll for the years ended June 30, 2018, 2017, and 2016 was $9,519,560, $9,457,524 and $10,140,407 respectively; total covered employees' salaries in the TRS and TIAA-CREF were $921,675 and $7,235,078 in 2018, respectively, $941,810 and $7,318,869 in 2017, respectively, and $1,028,446 and $7,829,523 in 2016, respectively.

DEFINED CONTRIBUTION PENSION PLAN

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 College 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 College.

Total contributions to the TIAA-CREF for the years ended June 30, 2018, 2017, and 2016, were $868,209, $878,264, and $939,543, respectively, which consisted of equal contributions from the College and covered employees in 2018, 2017, and 2016 of $434,105, $439,132 and $469,771, respectively.

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, 2018, no College employees were enrolled in the Educators Money 401(a) basic retirement plan.

DEFINED BENEFIT PENSION PLAN

Some employees of the College 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 College'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 years ended June 30, 2018 and 2017:

	2018	2017
Net Pension Liability	$ 1,570,250	$ 1,634,806
Deferred Outflows of Resources	380,693	350,272
Deferred Inflows of Resources	325,940	342,806
Revenues	336,681	276,406
Pension Expense	432,160	327,635
Contributions Made by GSC	188,147	136,104

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 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

Benefits Provided

TRS provides retirement, death, and disability benefits. A member is eligible for normal retirement at age 60 with five years of service, age 55 with 30 years of service or any age with 35 years of service. A member may retire with 30 years of credited service at any age with the pension reduced actuarially if the member retires before age 55. Terminated members with at least five, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is defined as the average of the 5 highest fiscal years of earnings during the last 15. 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: 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 Teachers' Defined Contribution Retirement System;
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 by 2034. As of June 30, 2017 and 2016, respectively, the College's proportionate share attributable to this special funding subsidy was $336,681, and $276,406.

The College's contributions to TRS for the years ended June 30, 2018, 2017, and 2016, were $188,147, $136,104, and $154,213, respectively.

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2016 and 2015 and rolled forward to June 30, 2016 and 2017, respectively. 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 3.00-6.00% and non-teachers 3.00–6.50%, based on age.
- Inflation rate of 3.0%.
- Discount rate of 7.50%
- Mortality rates based on RP-2000 Mortality Tables.
- Withdrawal rates: Teachers 0.8-35% and non-teachers 1.32-24.75%.
- Disability rates: 0.008-0.704%
- 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, 2010 to June 30, 2015. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

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, 2016, are summarized below.

Asset Class	Long-Term Expected Real Rate of Return	Target Allocation
Domestic Equity	7.0%	27.5%
International Equity	7.7%	27.5%
Core Fixed Income	2.7%	7.5%
High-yield Fixed Income	5.5%	7.5%
Real Estate	7.0%	10.0%
Private Equity	9.4%	10.0%
Hedge Funds	4.7%	10.0%
TIPS	2.7%	0.0%

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 3.13% 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, 2017.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability 2018	$2,067,303	$1,570,250	$1,145,552
Net Pension Liability 2017	2,068,172	1,634,806	1,264,389

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

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

At June 30, 2018, the College's proportionate share of the TRS net pension liability was $5, 042, 695. Of this amount, the College recognized $1,570,250 as its proportionate share on the Statement of Net Position. The remainder of $3,472,445 denotes the College'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, 2017 and 2016. Employer contributions are recognized when due. At June 30, 2017, the College's proportion was 0.045449%, a decrease of 0.005671% from its proportion calculated as of June 30, 2016.

For the years ended June 30, 2018 and 2017, the College recognized TRS pension expense of $432,160 and $327,635, respectively. Of these amounts, $95,779 and $51,229, respectively, were recognized as the College's proportionate share of the TRS expense and $336,681 and $276,406, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The College also recognized revenue of $336,681 and $276,406, respectively, for support provided by the State.

At June 30, 2018, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follow:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	$169,801	$248,611
Net Difference between Projected and Actual Investment Earnings		49,357
Differences between Expected and Actual Experience	13,652	27,972
Differences in Assumptions	58,989	
Contributions after the Measurement Date	138,251	
Total	**$380,693**	**$325,940**

At June 30, 2017, deferred outflows of resources and deferred inflows of resources related to the TRS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions		$333,258
Net Difference between Projected and Actual Investment Earnings	$134,536	
Difference between Expected and Actual Experience	14,966	9,548
Differences in assumptions	64,666	
Contributions after the Measurement Date	136,104	
Total	**$350,272**	**$342,806**

The College will recognize the $138,251 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 ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows.

Fiscal Year		Amortization
2019	$	(64,925)
2020		(5,052)
2021		(32,888)
2022		(13,357)
2023		32,724
Total	$	(83,498)

Payables to the pension plan

The College did not report any amounts payable for normal contributions to the TRS as of June 30, 2018 and 2017.

14. CONTINGENCIES

The nature of the higher educational industry is such that, from time-to-time, claims may be presented against the College 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 a judgement against the College would not seriously impact the financial status of the institution.

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

Several of the College properties are known to contain asbestos. The College is not required by federal, state or local law and Federal Environmental, Health and Safety Regulations to remove asbestos from its buildings, but is required by to manage the presence of asbestos in a safe manner. The College addresses this responsibility on a case-by-case basis. The College 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 manner.

15. CONDENSED COMPONENT UNIT INFORMATION

Condensed component unit information for the Glenville State College Housing Corporation and Glenville State College Research Corporation, the College's blended component units for the years ended June 30, 2018 and 2017, are as follows:

Condensed Schedules of Net Position

	GSC Housing Corporation		GSC Research Corporation	
	2018	2017	2018	2017
Assets:				
Current Assets	$ 1,153,186	$ 1,234,247	$ 202,656	$ 246,532
Noncurrent and capital assets	1,562,781	30,035,647	157,650	218,657
Total Assets	$ 2,715,967	$ 31,269,894	$ 360,306	$ 465,189
Liabilities:				
Current liabilities	41,715	1,012,084	52,104	707,000
Noncurrent liabilities	400,000	27,990,375	661,058	-
Total liabilities	441,715	29,002,459	713,162	707,000
Net Position				
Net investment in capital assets	501,723	(804,609)	157,650	218,657
Restricted: Debt Service	-	1,872,864	(661,058)	(460,468)
Unrestricted	1,772,529	1,199,180	150,552	-
Total Liabilities and Net Position	$ 2,715,967	$ 31,269,894	$ 360,306	$ 465,189

Condensed Statements of Revenues, Expenses and Change in Net Position

	GSC Housing Corporation		GSC Research Corporation	
	FY 2018	FY 2017	FY 2018	FY 2017
Expenses and Change in Net Position				
Operating				
Operating Revenue	$ 177,454	$ 2,593,281	$ 298,291	$ 400,142
Operating Expense	128,967	2,328,240	426,353	361,860
Net Operating Income (Loss)	48,487	265,041	(128,062)	38,282
Non-operating				
Non-operating Revenue	123	1,267	-	-
Non-operating Expense	41,793	-	-	-
Net Non-operating Income (Loss)	(41,670)	1,267	-	-
Changes in Net Position	6,817	266,308	(128,062)	38,282
Net position – beginning of year	2,267,435	2,001,127	(224,794)	(263,076)
Net position – end of year	$ 2,274,252	$ 2,267,435	$ (352,856)	$ (224,794)

Condensed Schedule of Cash Flows

	GSC Housing Corporation		GSC Research Corporation	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
Net cash from operating activities	$ 89,003	$ 1,086,444	$ (69,387)	$ 22,248
Net cash from non-operating activities	(1,872,865)	(566,004)	-	35,000
Net increase in cash	(1,783,862)	520,440	(69,387)	57,248
Cash and cash equivalents – beginning of year	2,837,055	2,316,615	116,573	59,325
Cash and cash equivalents – end of year	$ 1,053,193	$ 2,837,055	$ 47,186	$ 116,573

16. NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

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

	2018								
	Salaries and Wages	Benefits	Supplies and Services	Utilities	Scholarships and Fellowships	Depreciation	Cancellation and Write-offs	Fees assessed by HEPC	Total
Instruction	$ 3,998,216	$ 1,184,863	$ 376,107						$ 5,559,186
Academic support	380,782	112,844	188,054						681,680
Student services	1,332,738	394,955	423,121						2,150,814
General institutional support	1,903,912	564,221	799,228						3,267,361
Operations and maintenance of plant	666,369	197,477	611,174	$ 1,577,506					3,052,526
Student financial aid					$3,604,979				3,604,979
Auxiliary enterprises	1,237,543	366,744	2,303,656						3,907,943
Depreciation						$ 2,415,715			2,415,715
Fees assessed by HEPC							$ 1,065	$ 70,544	71,609
Total	$ 9,519,560	$ 2,821,104	$ 4,701,340	$ 1,577,506	$3,604,979	$ 2,415,715	$ 1,065	$ 70,544	$ 24,711,813

	2017								
	Salaries and Wages	**Benefits**	**Supplies and Services**	**Utilities**	**Scholarships and Fellowships**	**Depreciation**	**Cancellation and Write-offs**	**Fees assessed by HEPC**	**Total**
Instruction	$ 3,982,586	$ 1,192,028	$ 350,538						$ 5,525,152
Academic support	366,390	118,709	168,415						653,514
Student services	1,329,788	411,953	411,085	$ 1,245					2,154,071
General institutional support	1,882,859	522,496	781,654	82,479					3,269,487
Operations and maintenance of plant	619,317	309,962	596,369	825,175					2,350,823
Student financial aid					$3,825,422				3,825,422
Auxiliary enterprises	1,276,584	363,322	2,244,377	521,781					4,406,065
Depreciation						$ 2,341,091			2,341,091
Fees assessed by HEPC							$ 992	$ 73,411	74,403
Total	$ 9,457,524	$ 2,918,470	$ 4,552,438	$ 1,430,680	$3,825,422	$ 2,341,091	$ 992	$ 73,411	$ 24,600,028

17. SERVICE CONCESSION ARRANGEMENTS

The College has adopted GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The College has identified two contracts for services that meet the four criteria of a Service Concession Agreement (SCA). SCAs are defined as a contract between a government and an operator, another government or a 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. The contracts are with Aramark Educational Service, LLC (Aramark) and Follett Higher Education Group, Inc. (Follett).

The College contracts with Aramark to provide food services within the College's facilities. These services provide the College with a professional campus dining program that enhances the student's quality of life and is supportive of the education experience. The current contract continues through June 30, 2021, and allows for annual renewal options thereafter. In August, 2017, the College signed a new contract with Aramark as well as negotiated a substantial amount of debt forgiveness with Aramark. The College charges students for meals under several meal plans on a per semester fee basis. Aramark provides the meals and charges the college on a daily basis depending on how many students are covered under meal plans. The Aramark daily rate decreases as the number of students increases, thereby increasing the margin derived by the College from Aramark for providing meals to students. Aramark also provides on-campus event catering and retail food sales to the College community. The College receives commission payments from Aramark calculated as contractually agreed percentages of catering and retail sales. In 2018 and 2017, the College received $7,747 and $12,011, respectively, in commissions from Aramark. In addition, Aramark annually provides the following special funds to the College: (1) $15,000 for catering services and meal passes for the College president, (2) $40,000 for facility and equipment costs, and (3) up to $5,000 for meal plan scholarships. Aramark also reimburses the College for the actual wages and benefits of a single College employee who provides services to Aramark. No significant renovations to College facilities were made by Aramark in either 2018 or 2017.

Until February, 2017, the College contracted with Follett to operate its bookstore located within the College's facilities. Beginning with the summer 2018 term, the College began to utilize the dedicated on-line services of Follett (eFollett) for educational materials purchasing by students. The current contract with eFollett continues through May 30, 2019. The College receives commission payments calculated at a contractually agreed percentage of bookstore revenue. In 2018 and 2017, the College received $21,849 and $30,223 in commissions from Follett.

18. FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the state of West Virginia and has as its purpose, ". . . to aid, strengthen and further in every proper and useful way, the work and services of the College 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 College. In carrying out its responsibilities, the Board of Directors of the Foundation employ management, form policy and maintain fiscal accountability over funds administered by the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is therefore discretely presented with the College's financial statements in accordance with GASB. Based on the Foundation's audited financial statements as of June 30, 2018, 2017, and 2016, the Foundation's net assets (including unrealized gains) totaled $12,216,677, $11,150,718 and $8,991,095, respectively. Complete financial statements for the Foundation can be obtained from the Executive Director of the Glenville State College Foundation, Inc., 200 High Street, Glenville, WV 26351.

During the year ended June 30, 2018 and 2017, the Foundation contributed $309,465 and $422,550, respectively, to the College for scholarships. In 2017, the Foundation also paid $600,000 of expenses on behalf of the College.

The following notes on pages 57 – 67 are taken directly from the Foundation's audited financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Nature of activities and organization - Glenville State College Foundation, Inc. (the Foundation) was incorporated in 1959 under the laws of the State of West Virginia as a nonprofit organization to receive and provide funds for scholarships, endowments, educational research, and other general educational purposes for the benefit of Glenville State College and the students at Glenville State College.

Reporting entity - The financial statements of the Foundation include all funds, functions, and activities to which the Board of Directors has oversight responsibility. There are no additional entities required to be included in the reporting entity.

Basis of accounting - The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when they are incurred, whether or not cash is received or paid out at that time.

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.

Classification of net assets - These financial statements are prepared to focus on the entity as a whole and to present transactions according to the existence or absence of donor-imposed restrictions. Accordingly, transactions and balances are classified into three categories of net assets.

Unrestricted net assets are neither temporarily nor permanently restricted by donor-imposed stipulations. Unrestricted net assets are maintained and distributed at the discretion of the Foundation's Board of Directors.

Temporarily restricted net assets consist of contributions restricted by donor-imposed stipulations, which will either expire by the passage of time or by action of the Foundation. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets represent contributions with donor-imposed restrictions which do not expire.

Income tax status - By a letter issued February 1961, the Internal Revenue Service has determined that the Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, is not subject to federal and state income taxes on its exempt purpose activities. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). However, income from certain activities not directly related to the Foundation's tax-exempt purpose would be subject to taxation as unrelated business income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (Continued)

For the years ended June 30, 2018 and 2017, the Foundation has no material uncertain tax positions to be accounted for in the financial statements under professional standards. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. The Foundation's returns for years ending on or after June 30, 2015 remain subject to examination.

Cash and cash equivalents - For purposes of the statements of cash flows, the Foundation considers all cash accounts and all highly liquid instruments available for current use with an original maturity of three months or less, which are not held for long-term investment and are not subject to withdrawal restrictions or penalties, to be cash and cash equivalents.

Marketable investments - The Foundation carries investments with readily determinable market values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Receivables - Receivables consists of amounts due from the Foundation's lessee and the College. Uncollectible accounts are written off in the year they are determined to become uncollectible. As needed, the Foundation records an allowance for doubtful accounts from the determination of collectibility, which is based on historical bad debt experience and an evaluation of the periodic aging accounts. The Foundation believes no allowance for doubtful accounts is necessary as of June 30, 2018 and 2017, respectively.

Fixed assets - Fixed assets are recorded at cost, if purchased, or estimated fair value, if donated. The Foundation computes depreciation on the straight-line method over the estimated useful lives of the respective assets which ranges from 3 to 7 years for office equipment and vehicles and 29 years for buildings. Useful lives are revised when a change in life expectancy becomes apparent.

Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized. Gains or losses on dispositions of fixed assets are included in current operations as realized.

Bequests and contributions receivable - Bequests and contributions receivable consist of bequests and contributions to give stock, cash, and life insurance proceeds. Bequests and contributions to give cash and stock are recorded at fair value. Bequests and contributions to give life insurance proceeds are recorded at the cash surrender value. All bequests and contributions receivable as of June 30, 2018 and 2017 are, in the opinion of Foundation management, fully collectible.

Land and other assets held for investment - Contributions of land, mineral rights, works of art, and equipment are carried at their fair or appraisal value determined on the date of the gift.

Organization Funds Held For Others – Organization funds held for others are used to account for assets held by the Foundation as an agent. These funds are custodial by nature (assets equal liabilities) and do not involve measurement of operations. The funds are held on behalf of Glenville State College, a related party of the Foundation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES (Continued)

The Foundation maintains legal ownership of these funds and, as such, continues to report the funds as assets of the Foundation. However, a liability has been established for the fair value of the funds.

Contributions - Contributions received are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Advertising - It is the policy of the Foundation to expense advertising costs as incurred.

Risks and uncertainties - A substantial portion of the Foundation's assets consist of investment securities, which are exposed to various risks such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near-term and those changes could materially affect the investments reported in the statements of financial position, and the realized and unrealized gains (losses) in the statements of activities.

Reclassifications - Certain amounts in the 2017 financial statements have been reclassified to conform to the 2018 presentation.

Date of management's review of subsequent events - Management has evaluated subsequent events through September 12, 2018, the date which the financial statements were available to be issued.

NOTE 2 - MARKETABLE INVESTMENTS

Investments are stated at estimated fair value in the financial statements. The following is an analysis of the composition of the Foundation's investments:

	June 30,	
	2018	2017
Marketable investments, at fair value		
Cash, interest-bearing	$ 462,123	$ 647,852
Certificates of deposit	150,000	-
Mutual funds	3,675,904	2,941,992
Bonds	1,645,422	2,227,163
Stocks	4,492,301	3,675,256
Total marketable investments, at fair value	$ 10,425,750	$ 9,492,263

NOTE 3 - FAIR VALUE MEASUREMENTS

Determination of fair value - The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. In accordance with the *Fair Value Measurements and Disclosures* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Foundation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value, a reasonable point within the range, is most representative of fair value under current market conditions.

Fair value hierarchy - In accordance with this guidance, the Foundation groups its financial assets generally measured at fair value in three levels, based on markets in which the assets are traded and the reliability of the assumptions used to determine fair value.

Level 1 - Valuation is based on quoted prices in active markets for identical assets that the Foundation has the ability to access at the measurement date. Level 1 assets generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets.

Level 2 - Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. The valuation may be based on quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset.

Level 3 - Valuation is based on unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets. Level 3 assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis as of June 30, 2018 are as follows:

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices In Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Total cash, interest-bearing	$ 462,123	$ -	$ 462,123	$ -
Total certificates of deposit	150,000	-	150,000	-
Mutual funds				
Balanced	39,227	39,227	-	-
Energy limited partnership	246,089	246,089	-	-
Foreign large blend	589,151	589,151	-	-
High yield bond	169,259	169,259	-	-
Intermediate term bond	385,552	385,552	-	-
International large growth	20,193	20,193	-	-
Large growth	29,000	29,000	-	-
Large value	146,559	146,559	-	-
Multi-alternative	222,210	222,210	-	-
Multisector bond	676,882	676,882	-	-
S&P 500 index	691,090	691,090	-	-
S&P midcap 400 index	376,899	376,899	-	-
S&P smallcap 600 index	83,793	83,793	-	-
Total mutual funds	3,675,904	3,675,904	-	-
Bonds				
Corporate bonds	770,756	-	770,756	-
Federal agencies	434,269	-	434,269	-
Treasury securities	440,397	-	440,397	-
Total bonds	1,645,422	-	1,645,422	-
Stocks				
Consumer goods	360,399	360,399	-	-
Energy	464,632	464,632	-	-
Financials	883,048	883,048	-	-
Healthcare	651,034	651,034	-	-
Industrial goods	396,260	396,260	-	-
Materials	140,441	140,441	-	-
Real estate	86,631	86,631	-	-
Services	586,385	586,385	-	-
Technology	770,108	770,108	-	-
Utilities	153,363	153,363	-	-
Total stocks	4,492,301	4,492,301	-	-
Total investments	$ 10,425,750	$ 8,168,205	$ 2,257,545	$ -

NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured on a recurring basis as of June 30, 2017 are as follows:

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices In Active Markets For Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
Total cash, interest-bearing	$ 647,852	$ -	$ 647,852	$ -
Mutual funds				
Balanced	36,089	36,089	-	-
Corporate bond	39,769	39,769	-	-
Fixed income bond	516,325	516,325	-	-
Foreign large blend	527,673	527,673	-	-
Foreign large growth	17,650	17,650	-	-
Intermediate-term bond	79,694	79,694	-	-
Large growth	23,084	23,084	-	-
Large value	136,694	136,694	-	-
Multisector bond	661,214	661,214	-	-
S&P 500 index	583,210	583,210	-	-
S&P midcap 400 index	320,590	320,590	-	-
Total mutual funds	2,941,992	2,941,992	-	-
Bonds				
Corporate bonds	1,233,693	-	1,233,693	-
Federal agencies	411,283	-	411,283	-
Sovereign securities	33,720	-	33,720	-
Treasury securities	548,467	-	548,467	-
Total bonds	2,227,163	-	2,227,163	-
Stocks				
Consumer goods	470,111	470,111	-	-
Energy	138,020	138,020	-	-
Financials	789,105	789,105	-	-
Healthcare	515,888	515,888	-	-
Industrial goods	185,355	185,355	-	-
Materials	347,296	347,296	-	-
Real estate	4,557	4,557	-	-
Services	400,151	400,151	-	-
Technology	755,785	755,785	-	-
Utilities	68,988	68,988	-	-
Total stocks	3,675,256	3,675,256	-	-
Total investments	$ 9,492,263	$ 6,617,248	$ 2,875,015	$ -

NOTE 4 - FIXED ASSETS

Fixed assets consist of the following:

	June 30, 2018	June 30, 2017
Land improvements, nondepreciable	$ 550,043	$ 550,043
Buildings	3,067,718	3,067,718
Office equipment	54,627	54,627
Vehicles	75,169	75,169
Total	3,747,557	3,747,557
Less accumulated depreciation	(497,864)	(377,989)
Fixed assets - net	$ 3,249,693	$ 3,369,568

Depreciation expense for the years ended June 30, 2018 and 2017 was $119,875 and $119,079, respectively.

NOTE 5 - BEQUESTS AND CONTRIBUTIONS RECEIVABLE

Bequests and contributions receivable consist of the following:

	June 30, 2018	June 30, 2017
Total cash surrender value of life insurance policies	$ 966,986	$ 867,313

NOTE 6 - LAND AND OTHER ASSETS HELD FOR INVESTMENT

Land and other assets held for investment consists of the following:

	June 30, 2018	June 30, 2017
Land and mineral rights	$ 683,914	$ 683,914
Works of art	20,000	20,000
Storage equipment	1,000	1,000
Total	$ 704,914	$ 704,914

NOTE 7 - LOAN PAYABLE

Loan payable consists of the following:

	June 30, 2018	June 30, 2017
Loan payable to United Bank, Inc. for $3,530,000. Payments are to be made in monthly installments of $15,247 including a fixed interest rate of 3.19% and matures June 27, 2024. The loan is collateralized by a first deed-of-trust on Building A located at 921 Mineral Road and the assignment of all lease agreements.	$ 3,232,130	$ 3,309,130
Less: current portion of loan payable	(81,193)	(78,647)
Net long-term portion	$ 3,150,937	$ 3,230,483

Scheduled principal payments for long-term debt are as follows:

For the year ended June 30,	
2019	$ 81,193
2020	83,821
2021	86,534
2022	89,336
2023	92,227
Thereafter	2,799,019
Total	$ 3,232,130

NOTE 8 - RELATED PARTY TRANSACTION

The Foundation entered into an operating lease agreement effective July 1, 2013 with the Glenville State College Board of Governors for 2.74 acres of a 76.2 acre tract. The lease is payable in annual installments of $1 and expires on June 30, 2043.

The Foundation entered into a lease agreement effective July 1, 2013 with Glenville State College Board of Governors for 18,000 square feet of the second floor of the Waco Center's Building A. The lease is receivable in annual installments of $1 and expires on June 30, 2043 at which time the lease provides for the transfer of ownership of Building A to the College.

NOTE 9 - LEASES – LESSOR

Operating - The Foundation entered into a cancellable operating lease with Minnie Hamilton for 10,585 square feet of the first floor of the Waco Center's Building A. The lease was effective for July 15, 2014 and shall expire on July 14, 2054, unless sooner by mutual agreement. The cost of the space was $889,638 and $889,638 at June 30 2018 and 2017, respectively. Accumulated depreciation on the space was $122,709 and $92,032 at June 30, 2018 and 2017, respectively. The minimum lease receivable for the first five years is $14,113 per month ($169,360 per year) with each succeeding five year period being readjusted, but at no time exceeding a 2.5% increase per year.

NOTE 10 - ADMINISTRATIVE FEE ASSESSMENT

As provided by the West Virginia Code, the Foundation is entitled to charge an administrative fee for the management of the various assets held in trust. For the years ended June 30, 2018 and 2017, the Foundation charged an administrative fee sufficient to cover operating expenses of $81,762 and $223,604, respectively. For financial statement purposes, the administrative fee income assessed by the Foundation is netted against the administrative fee expense recognized by the funds. These amounts net to zero, and no income or expense is reported.

NOTE 11 - CONCENTRATIONS

The Foundation places its cash with local high-credit quality financial institutions under normal financial arrangements. During the year ended June 30, 2018, the Foundation's cash balances periodically exceeded the FDIC insured deposit limit of $250,000.

NOTE 12 - ENDOWMENT FUNDS

The Foundation's endowment funds consist of individual funds established by donors for a variety of purposes, including scholarships and Foundation specified projects. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation has adopted investment and spending policies for endowment assets that support the Foundation's mission and purpose which are best served over the long term through a flow of interest income and an expanding flow of dividends and capital gains. Achieving these desired ends will help preserve the current purchasing power originating with the Foundation's invested funds, and it will not place at risk the principal value of those funds. The overriding investment objective is to earn a real total rate of return (interest and dividend income, plus realized and unrealized appreciation expressed as a percentage of market value, both adjusted for inflation) averaging at least 5.0 percent per annum, measured over a three-year to five-year period.

The permanent nature of the endowment funds requires that the Board of Directors work to maintain the purchasing power of endowment assets into perpetuity. To accomplish this, the Foundation links its investment objectives with its spending policy. The goal is to ensure that funds currently available from the endowment will provide the same level of support to Glenville State College, both now and in the future.

In an effort to protect the endowment funds, meet current spending needs, and provide long-term growth, the Foundation has established the following spending policy. This policy is designed to meet two objectives:

1. To release as much current income as possible in a steady and consistent stream; and,
2. To protect the value of the endowment assets against inflation so as to allow College programs, at a minimum, to be supported at today's level far into the future.

NOTE 13 - ENDOWMENT FUNDS (Continued)

The portfolio encompassing endowment funds generates a total investment return consisting of four components: interest income, dividend income, realized capital gains, and unrealized capital appreciation measured by growth in market value. A portion of this total investment return on the portfolio is to be distributed to all endowment accounts to be expended annually in support of the needs of the Foundation and the College in conformity with the purposes and restrictions on each specific account. The total investment return is to be calculated on June 30 of each year.

The annual amount to be distributed to endowment accounts during the fiscal year beginning each July 1, shall be the minimum of 5.0 percent of the endowment portfolio's market value on June 30.

The Board of Directors of the Foundation has interpreted the West Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the duration and preservation of the fund, the purposes of the Foundation and the donor-restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, and other resources of the Foundation.

The endowment net assets consisted of the following types of funds:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2018				
Total endowment funds	$ (567,470)	$ 1,270,001	$ 9,519,593	$ 10,222,124
June 30, 2017				
Total endowment funds	$ (682,043)	$ 1,033,292	$ 9,384,922	$ 9,736,171

NOTE 12 - ENDOWMENT FUNDS (Continued)

Change in endowment net assets for the years ended June 30, 2018 and 2017 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment funds at June 30, 2016	$ (1,048,721)	$ 854,851	$ 7,897,711	$ 7,703,841
Bequest and contributions	-	134,021	1,487,211	1,621,232
Investment return	22,494	598,478	-	620,972
Expenditures	(20,073)	(489,801)	-	(509,874)
Purpose restrictions accomplished	364,257	(364,257)	-	-
Change to endowment	-	300,000	-	300,000
Endowment funds at June 30, 2017	(682,043)	1,033,292	9,384,922	9,736,171
Bequest and contributions	-	83,165	76,088	159,253
Investment return	20,109	670,137	-	690,246
Expenditures	(17,283)	(348,802)	-	(366,085)
Purpose restrictions accomplished	114,370	(114,370)	-	-
Change to endowment	(2,623)	(53,421)	58,583	2,539
Endowment funds at June 30, 2018	$ (567,470)	$ 1,270,001	$ 9,519,593	$ 10,222,124

NOTE 13 - RESTRICTIONS ON NET ASSETS

	June 30, 2018	June 30, 2017
Temporarily restricted net assets available for grants, scholarships, and donor-designated charitable purposes for the benefit of Glenville State College	$ 2,621,034	$ 1,667,991
Permanently restricted net assets to be held in perpetuity	$ 9,519,593	$ 9,384,922

For the years ended June 30, 2018 and 2017, the Foundation's Board of Directors has designated $730,000 and $730,000, respectively, as cash reserves to support the College's bond covenant requirement.

GLENVILLE STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of TRS Net Pension Liability

Measurement Date	College's Proportionate Share as a Percentage of Net Pension Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	College's Plan Fiduciary Net Position as a Percentage of Total Pension Liability
30-Jun-14	0.525160%	$1,811,863	$4,093,721	$5,905,584	$1,305,234	139%	65.95%
30-Jun-15	0.043056%	$1,492,000	$3,404,353	$4,896,353	$1,028,446	145%	66.25%
30-Jun-16	0.039778%	$1,634,806	$3,113,871	$4,748,677	$907,360	180%	65.57%
30-Jun-17	0.045449%	$1,570,250	$3,472,445	$5,042,695	$921,675	170%	67.85%

Schedule of Employer Contributions

Measurement Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
30-Jun-14	$239,000	$241,922	($2,922)	$1,305,234	18.54%
30-Jun-15	$239,000	$195,785	$43,215	$1,028,446	19.04%
30-Jun-16	$166,922	$154,213	$12,709	$907,360	17.00%
30-Jun-17	$188,148	$188,146	$2	$921,675	20.41%

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

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

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only four years 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.

GLENVILLE STATE COLLEGE
REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY AND CONTRIBUTIONS

Schedule of Proportionate Share of Net OPEB Liability

Measurement Date	College's Proportionate Share as a Percentage of Net OPEB Liability	College's Proportionate Share	State's Proportionate Share	Total Proportionate Share	College's Covered Employee Payroll	College's Proportionate Share as a Percentage of Covered Payroll	College's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability
30-Jun-17	0.17441669%	$4,288,887	$880,942	$5,169,829	$3,835,528	111.82%	25.10%

Schedule of Employer Contributions

Measurement Date	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
30-Jun-17	$358,249	$358,249	$0	$3,835,528	9.34%

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

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

There are no factors that affect trends in the amounts reported, such as a change of benefit terms or assumptions. With only one year reported in the required supplementary information, there is no additional information to include in notes. Information, if necessary, can be obtained from the West Virginia Retiree Benefit Health Benefit Trust Fund Audited Schedules of Employer Other Post-Employment Benefits Allocations and Other Post-Employments Benefits Amounts by Employer.

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INDEPENDENT AUDITOR'S 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*

To the Board of Governors
Glenville State College
Glenville, 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 the business-type activities and the discretely presented component unit of Glenville State College (the College) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 15, 2018. Our report includes a reference to other auditors who audited the financial statements of Glenville State College Foundation, Inc., as described in our report on the College's financial statements. The financial statements of Glenville State College Foundation, Inc. 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 the College'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 the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College'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 results 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.

Hayflich CPAs

Huntington, West Virginia
October 15, 2018

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October 15, 2018

Finance Committee of the Board of Governors and Management
Glenville State College
200 High Street
Glenville, WV 26251

In planning and performing our audit of the financial statements of Glenville State College (the College) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the College's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

However, during our audit we became aware of a matter that is an opportunity for strengthening internal controls and operating efficiency. This letter does not affect our report dated October 15, 2018, on the financial statements of the College.

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the financial statements of financial position, results of operations, and cash flows, including the notes to financial statements, in conformity with U.S. generally accepted accounting principles.

During our audit, we noted that the accounting department employs competent and knowledgeable personnel who understand the College's operations. However, the College lacks a viable general ledger system. As a result, the financial reporting process involves numerous spreadsheets, databases, and data processing practices that rely on significant manual procedures, reconciliations, and reviews to develop trial balances for use in preparing financial statements. Such procedures are extremely time consuming, overly complicate the process, and are subject to error, which increases the risk that account balances will be materially misstated when period-end financial reporting is performed. This is especially true at fiscal year-end reporting.

As a State agency subject to centralized cash-basis accounting systems, the College is somewhat constrained in purchasing or developing its own general ledger system. To compensate, we recommend that the accounting department develop monthly procedures for accumulating data and begin monthly reporting. Monthly data accumulation and financial reporting should streamline the process and decrease the time required for period-end reporting.

This communication is intended solely for the information and use of management, the Finance Committee of the Board of Governors, and others within the College, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Hayflich CPAs

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HAYFLICH.

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October 15, 2018

Finance Committee of the Board of Governors
Glenville State College
200 High Street
Glenville, WV 26251

We ~~have~~ audited the financial statements of the business-type activities of Glenville State College for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 1, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Glenville State College are described in Note 2 to the financial statements. As described in Note 2 to the financial statements, Glenville State College changed accounting policies related to postemployment benefits by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the Statements of Revenues, Expenses, and Changes in Net Position. We noted no transactions entered into by Glenville State College 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 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 Glenville State College's financial statements were:

1. Management's estimate of the value of accounts receivable is based historical collection percentages and other factors.

2. Management's estimate of the value of the defined benefit pension plan liability, deferred outflows of resources, and deferred inflows of resources is based on actuarial studies obtained by the West Virginia Consolidated Public Retirement Board and audited allocations of the actuarial determinations.

3. Management's estimate of the value of the defined postemployment benefit other than pension liability, deferred outflows of resources, and deferred inflows of resources is based on actuarial studies obtained by the West Virginia Retiree Health Benefit Trust Fund and audited allocations of the actuarial determinations.

We evaluated the key factors and assumptions used to develop the above-mentioned estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

1. The issuance of the Improvement and Refunding Revenue Bonds (Series 2017) - Note 7 to the financial statements discusses this bond issue.

2. Change in accounting principle – Notes 2 and 10 to the financial statements discuss the adoption of a new accounting standard related to postemployment benefits other than pensions.

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

Difficulties Encountered in Performing the Audit

Due to time consuming procedures required by the College to accumulate the financial data needed to prepare financial statements and the inexperience of accounting staff with this process, our audit fieldwork had to be halted for a period of time and restarted. This caused inefficiencies in the audit process, as well as requiring extensive overtime by both College and firm staff in order to get the audit done by the due date mandated by the Higher Education Policy Commission.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and 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 auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 15, 2018.

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 Glenville State College's financial statements or a determination of the type of auditor's 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.

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to: (1) Management's Discussion and Analysis, (2) the Schedules of Proportionate share of Net Pension Liabilities and Contributions, and (3) the Schedules of Proportionate Share of Net OPEB Liability and Contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the information and use of the Finance Committee of the Board of Governors and management of Glenville State College and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Hayflich CPAs

HAYFLICH CPAS

Glenville State College
Schedule of Misstatements
2018

	Assets	Deferred Outflows	Liabilities	Deferred Inflows	Net Position	Revenue	Expenses	Loss
Trial balance before adjustments	$82,910,676	$1,090,284	$(49,162,307)	$(1,203,478)	$(35,898,230)	$(25,099,655)	$27,362,710	$2,263,055
Adjustments:								
Eliminate intercompany receivable	(21,710)		21,710					
Reclassify interest reimbursement						(207,452)	207,452	-
Adjust accrued payroll			82,026				(82,026)	(82,026)
Effect of adjustments	(21,710)	-	103,736	-	-	(207,452)	125,426	(82,026)
As Adjusted	**82,888,966**	**1,090,284**	**(49,058,571)**	**(1,203,478)**	**(35,898,230)**	**(25,307,107)**	**27,488,136**	**2,181,029**
Passed adjustments:								
Cash account difference-Housing Corporation	(17,323)						17,323	17,323
Cash account difference-FA Clearing	(9,399)						9,399	9,399
Cash account difference-Bond Fund	(7,126)					7,126		7,126
Cash account difference-NWVRHEC	10,310						10,310	10,310
Effect of passed adjustments	(23,538)	-	-	-	-	7,126	37,032	44,158
Total	$82,865,428	$1,090,284	$(49,058,571)	$(1,203,478)	$(35,898,230)	$(25,299,981)	$27,525,168	2,225,187
Percent of passed adjustments to as-adjusted total	-0.03%	0.00%	0.00%	0.00%	0.00%	-0.03%	0.13%	

Glenville State College Board of Governors
Meeting of November 28, 2018

ACTION ITEM:	Women's Golf
COMMITTEE:	Committee of the Whole
RECOMMENDED RSOLUTION:	Be it RESOLVED that the Board of Governors approves the addition of Women's Golf.
STAFF MEMBER:	Mr. Jesse Skiles, Director of Athletics

BACKGROUND:

Women's Golf is currently being sponsored by nine of the current twelve Mountain East Conference schools. A roster goal of seven new student-athletes in year one will be implemented and expand the roster goal to two more in year two. The addition of another women's sport will benefit the institution in terms of Title IX Compliance. This is a sport addition that will not add to facility complications.

With several student-athletes expected to be out of state, this will help diversify the department to a greater extent. The plan includes to scholarship the sport at thirty percent of NCAA Equivalencies in year one, forty percent in year two, and fifty percent by year three.

Glenville State College Board of Governors
Meeting of November 28, 2018

ACTION ITEM:	Cheer Squad
COMMITTEE:	Committee of the Whole
RECOMMENDED RSOLUTION:	Be it RESOLVED that the Board of Governors approves the addition of a Glenville State College Cheer Squad.
STAFF MEMBER:	Mr. Jesse Skiles, Director of Athletics

BACKGROUND:

The College's goal is to bring in eighteen new students for the Glenville State College Cheer Squad. There are currently twelve West Virginia Colleges with cheerleading (RecruitTalk.com). There is a long standing tradition of cheerleading at Glenville State College and an active and athletic cheer squad will add to the "Game Day" experience. The sport will produce a solid profit margin by hitting the projected roster goals. Cheerleading is also popular in the high schools of Glenville State College recruiting VIP markets.

Glenville State College Board of Governors
Meeting of November 28, 2018

ACTION ITEM:	Honor Student Academic Scholarship
COMMITTEE:	Committee of the Whole
RECOMMENDED RSOLUTION:	Be it RESOLVED that the Board of Governors approves the reinstatement of the Honor Student Academic Scholarship.
STAFF MEMBER:	Dr. Tracy L. Pellett, President

BACKGROUND:
The Honors Program was formed in fall 2012 designed to provide the framework and opportunities necessary to create a community of advanced learners through the engagement of selected faculty and students in intellectual exploration and collaborative scholarship.

First-time, full-time students admitted to the Honors Program are awarded academic scholarships in the amount of $750 per semester for up to eight semesters. The scholarships may be applied to tuition charges only. Honors Program students are also awarded a residential life scholarship to cover the difference between the cost of a double and single room in Goodwin Hall or Pickens Hall. The residential life scholarship is terminated if the student is permitted to reside off campus.

In summer 2017, the criteria was amended to require all honor students to live on campus in order to receive the academic scholarship. After reassessing the requirements, it was determined by the President's Cabinet that the original academic scholarship criteria should be reinstated to accommodate the financial needs of the students in this elite program.