Bluefield State
COLLEGE

BOARD OF GOVERNORS

December 13, 2018

Conley Hall, Room 201, Boyd Conference Room

Meeting @ 6:30 p.m.

BOARD OF GOVERNORS
BLUEFIELD STATE COLLEGE
December 13, 2018

Conley Hall, Room 201, Boyd Conference Room

AGENDA

1.	Welcome and Call to Order – Chairman Garry Moore, Sr.	6:30 p.m.
2.	Public Comment Period	6:30 p.m. – 7:00 p.m.
3.	Oath of Office for New Board Member(s)	7:00 p.m. – 7:05 p.m.
4.	Update from the BSC Foundation – Alice Ann Sarver/Kim Ross	7:05 p.m. – 7:15 p.m.
5.	Chair's Remarks – Chairman Garry Moore, Sr.	7:15 p.m. – 7:25 p.m.
6.	President's Report – Dr. Marsha Krotseng	7:25 p.m. – 7:35 p.m.

College Focus

7.	*CliftonLarsonAllen, Financial Audit – June 30, 2018 Ms. Shelia Johnson	7:35 p.m. – 7:55 p.m.
8.	BSC Staff Presentation – Dr. Deirdre Guyton	7:55 p.m. – 8:15 p.m.
9.	Online Harassment Prevention Courses Update – Dr. Guy Sims	8:15 p.m. – 8:20 p.m.

Current Operations

10.	*Approval of Minutes of October 18, 2018 Meeting	8:20 p.m. – 8:25 p.m.
11.	Financial Report and Update – Ms. Shelia Johnson	8:25 p.m. – 8:35 p.m.
12.	*Policy 6: Grade Point Average for Associate and Baccalaureate Degrees - Dr. Ted Lewis	8:35 p.m. – 8:45 p.m.
13.	*Approval of HEPC Compact Report – Dr. Mariam Dittmann	8:45 p.m. – 8:55 p.m.
14.	Governance Policy Manual Review – J. Ronnie Hypes	8:55 p.m. – 9:05 p.m.

Strategic Issues: Getting to the Vision

15.	Growing Enrollment – Dr. Jo-Ann Robinson	9:05 p.m. – 9:15 p.m.
16.	Delivering Quality Programs – Dr. Ted Lewis	9:15 p.m. – 9:25 p.m.

17. Possible Executive Session Under the Authority of WV Code § 6-9A4(b)(2)(A) to consider "matters arising from the appointment, employment...of a public officer or employee"

18. Adjournment

- Next meeting date: February 21, 2019

BLUEFIELD STATE COLLEGE

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2018 AND 2017

BLUEFIELD STATE COLLEGE
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YEARS ENDED JUNE 30, 2018

INDEPENDENT AUDITORS' REPORT

Board of Governors
Bluefield State College
Bluefield, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Bluefield State College (the College), a component unit of the West Virginia Higher Education Fund 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the discretely presented component unit of Bluefield State College Foundation, Inc. (a component unit of the College) or Bluefield State College Research and Development Corporation (a component unit of the College) for the years ended June 30, 2018 and 2017, which represent 100% of the total assets, total net assets and total revenues of the component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Bluefield State College Foundation, Inc., and Bluefield State College Research and Development Corporation is based solely on the reports 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. The financial statements of the Bluefield State College Foundation, Inc. and Bluefield State College Research and Development Corporation were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 the 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 aggregate discretely presented component units of the College as of June 30, 2018 and 2017, and the respective changes in financial position, and, where applicable, cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of TRS net pension liability and TRS schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We 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 23, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 23, 2018

Our discussion and analysis of Bluefield State College's (the College) financial performance provides an overview of the College's financial activities during the years ended June 30, 2018, 2017, and 2016. Since this discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts, please refer to the College's basic financial statements on pages 12 to 19 and the notes to financial statements on pages 20 to 75.

During the fiscal year 2003, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and an amendment to GASB Statement No. 14. As a result, the audited financial statements of the Bluefield State College Foundation, Incorporated (the Foundation) are presented here with the College's financial statements for the fiscal years ended June 30, 2018 and 2017. For the years ended June 30, 2018 and 2017, the College determined that the Bluefield State College Research and Development Corporation (the Corporation) resources were significant and required presentation in accordance with the GASB statements. The Foundation and the Corporation are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features.

Complete financial statements of the Foundation can be obtained from the Treasurer of the Bluefield State College Foundation at 1629 College Drive, Bluefield, West Virginia 24701. Complete financial statements of the Corporation can be obtained from the Bluefield State College Research and Development Corporation at 219 Rock Street, Bluefield, West Virginia 24701.

Financial Highlights from Bluefield State College

The following are brief summaries for the College:

- The College's assets and deferred outflows of resources exceeded its liabilities at the end of fiscal year 2018 by approximately $9.7 million, compared to approximately $9.4 million and $10.5 million in 2017 and 2016, respectively.
- The other postemployment benefits (OPEB) liability at fiscal year-end 2018 was approximately $4.5 million, all recorded as unrestricted.
- The net pension liability that was added for the first time in FY 2015 for GASB 68 decreased approx. $0.3 million in FY 2018 from FY 2017 to reflect the College's portion of the increase in the Teacher's Retirement System liability (See Notes 2 and 11).

Overview of the Financial Statements

The College has implemented GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities* beginning with fiscal year 2003. GASB No. 35 requires the College to present financial information as a whole rather than focusing on individual funds. Two major changes were the recording of depreciation for capital assets and reclassifying certain loan program equity balances as liabilities. In addition, federal and state loan and grant programs are no longer reported as revenues and expenses in the financial statements since the transactions are directly with the student receiving the loan or grant.

This report consists of management's discussion and analysis, the basic financial statements, and the notes to the financial statements. The basic financial statements include the statement of net position; statement of revenues, expenses and changes in net position; and statement of cash flows.

The statement of net position presents the College's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Increases or decreases in net position can be an indicator of improvement or deterioration of the College's financial position.

Changes in net position during the year are reported in the statement of revenues, expenses, and changes in net position. All revenues, expenses, and changes are reported as the underlying event occurs that results in the revenue, expense, or change. The statement of cash flows presents information on actual cash inflows or outflows as they occur.

Financial Analysis of the College

Of the College's net position of approximately $9.7 million, $15.5 million represents its net investment in capital assets of land, land improvements, buildings, equipment, and library books. These capital assets are utilized to provide educational and related services to students and the communities and are not available for future spending. Unrestricted net position is available to meet the College's obligations. The unrestricted net position increased to a reduce deficit of approximately ($6.3) million compared to ($7.2) million in 2017. There is approximately $4.5 million of unrestricted assets related to OPEB liability. The State of West Virginia has adopted a plan for elimination of the OPEB liability by 2035 for all state agencies. The unrestricted cash represents the amount not restricted via plant operations, auxiliaries, grant and loan funds, and state code restrictions.

The College's net position from 2018 and 2017 increased by approximately $0.3 million with net capital assets decreasing by approximately $0.4 million.

Condensed Statements of Net Position
June 30, 2018, 2017, and 2016
(in millions)

	2018	2017	2016
Cash	$ 1.6	$ 1.0	$ 1.0
Other Current Assets	1.0	1.0	1.0
Total Current Assets	2.6	2.0	2.0
Capital Assets	15.6	16.1	17.2
Other Noncurrent Assets	0.7	0.7	0.6
Total Noncurrent Assets	16.3	16.8	17.8
Total Assets	18.9	18.8	19.8
Deferred Outflows of Resources	0.6	0.3	0.1
Total	$ 19.5	$ 19.1	$ 19.9
Current Liabilities	$ 3.2	$ 2.3	$ 2.2
Noncurrent Liabilities	5.4	7.3	7.0
Total Liabilities	8.6	9.6	9.2
Deferred Inflows of Resources	1.2	0.1	0.2
Net Position:			
Net Investment in Capital Assets	15.5	15.9	17.0
Restricted	0.4	0.7	0.6
Unrestricted (Deficit)	(6.2)	(7.2)	(7.1)
Total Net Position	9.7	9.4	10.5
Total	$ 19.5	$ 19.1	$ 19.9

For the year ended June 30, 2018 there was an increase of approximately $0.5 million in net position. The OPEB liability as of June 30, 2018 was approximately $4.5 million compared to the approximately $6.1 million at June 30, 2017. Total assets and deferred outflows of resources increased by $0.7 million. Total liabilities and deferred inflows of resources increased approximately $0.5 million mainly due to a decrease of approximately. $1.6 million in the OPEB liability.

The following table summarizes the operating results and non-operating revenue for the past three fiscal years.

Condensed Statements of Revenues, Expenses, and Changes in Net Position
Years Ended June 30, 2018, 2017, and 2016
(in millions)

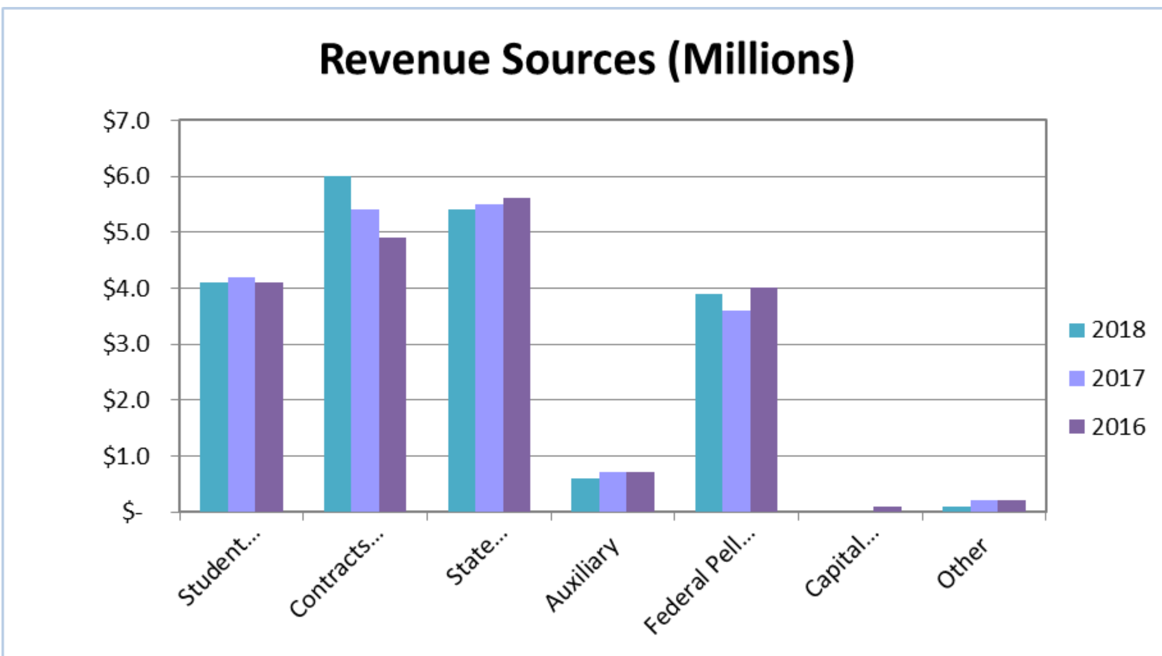
	2018	2017	2016
Operating Revenues:			
Tuition and Fees	$ 4.1	$ 4.2	$ 4.1
Contracts and Grants	6.0	5.4	4.9
Auxiliary	0.6	0.7	0.7
Other	0.2	0.1	0.2
	10.9	10.4	9.9
Less: Operating Expenses	21.0	20.8	22.0
Operating Loss	(10.1)	(10.4)	(12.1)
Nonoperating Revenues (Expenses):			
State Appropriations	5.4	5.5	5.6
Federal Pell Grants	3.8	3.6	4.0
Other	0.4	0.2	-
Net Nonoperating Revenue	9.6	9.3	9.6
Loss Before Other Revenues, Expenses, Gains, and Losses	(0.5)	(1.1)	(2.5)
Capital Proceeds from the Commission	-	-	-
Restatement July 1, 2017 OPEB Liability	0.8		
Total Change in Net Position	$ (0.3)	$ (1.1)	$ (2.5)

Gross tuition and fees decreased slightly to $4.1 in 2018 from approximately $4.2 million in 2017. The scholarship allowance increased from approximately $5.1 million in 2017 to approximately $5.6 million in 2018.

Total operating expenses increased slightly from 2017 from $20.8 million to $21.0 million in 2018.

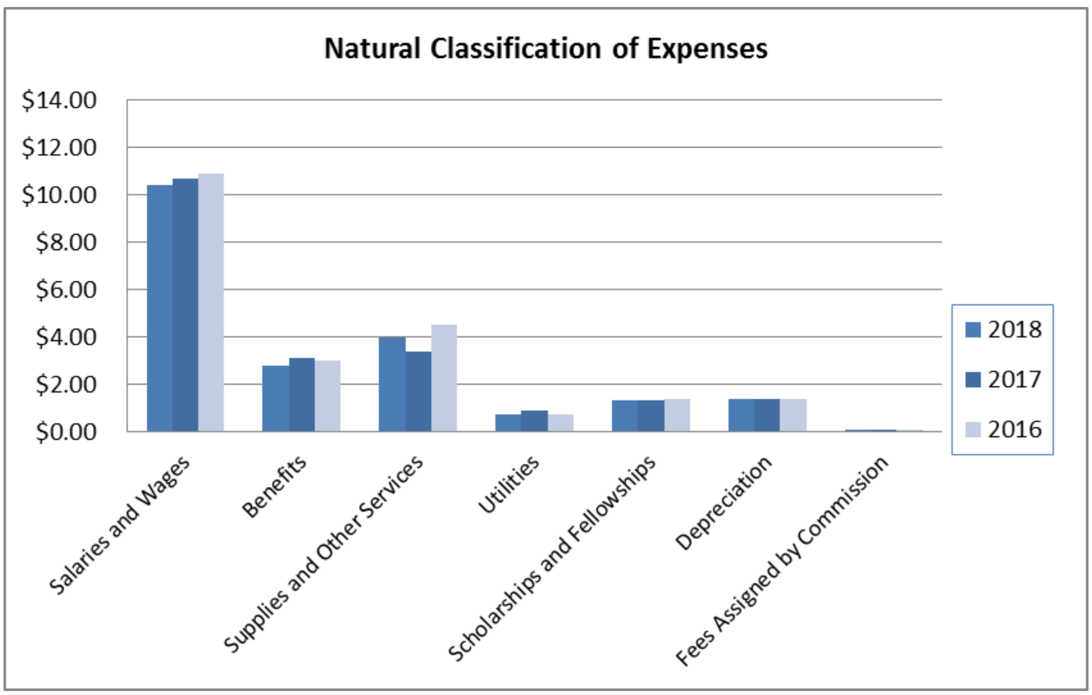
Revenue Sources
Years Ended June 30, 2018, 2017, and 2016
(in millions)

	2018	2017	2016
Student Tuition and Fees	$ 4.1	$ 4.2	$ 4.1
Contracts and Grants	6.0	5.4	4.9
State Appropriations	5.4	5.5	5.6
Auxiliary	0.6	0.7	0.7
Federal Pell Grants	3.9	3.6	4.0
Capital Projects and Bond Proceeds	-	-	0.1
Other	0.1	0.2	0.2
Total Revenue Sources	$ 20.1	$ 19.6	$ 19.6

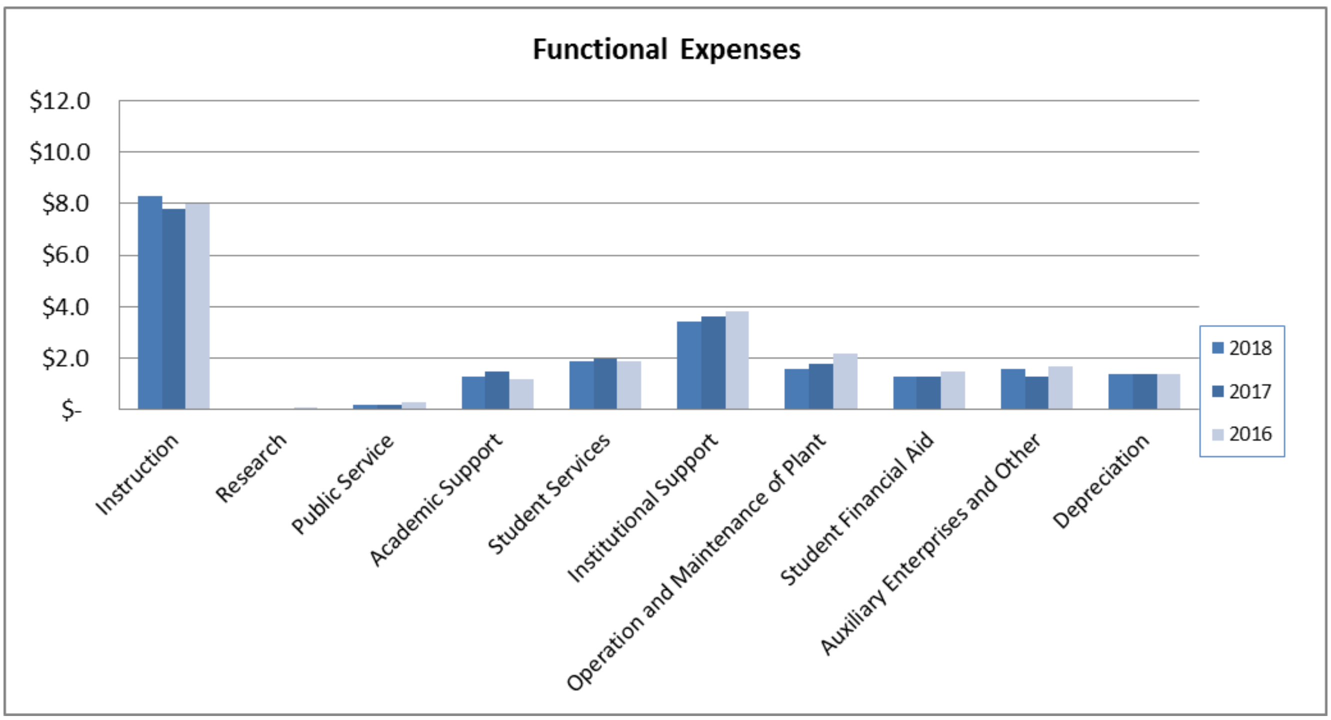


Operating Expenses
Years Ended June 30, 2018, 2017, and 2016
(in millions)

Natural Classification	2018	2017	2016
Salaries and Wages	$ 10.4	$ 10.7	$ 10.9
Benefits	2.8	3.1	3.0
Supplies and Other Services	4.3	3.4	4.5
Utilities	0.7	0.9	0.7
Scholarships and Fellowships	1.3	1.3	1.4
Depreciation	1.4	1.4	1.4
Fees Assigned by Commission	0.1	0.1	0.1
	$ 21.0	$ 20.9	$ 22.0



Functional Classification	2018	2017	2016
Instruction	$ 8.0	$ 7.8	$ 8.0
Research	-	-	0.1
Public Service	0.2	0.2	0.3
Academic Support	1.3	1.5	1.2
Student Services	1.9	2.0	1.9
Institutional Support	3.4	3.6	3.8
Operation and Maintenance of Plant	1.9	1.8	2.2
Student Financial Aid	1.3	1.3	1.5
Auxiliary Enterprises and Other	1.6	1.3	1.7
Depreciation	1.4	1.4	1.4
	$ 21.0	$ 20.9	$ 22.1



The statement of cash flows presents detailed information about the cash activities of Bluefield State College during the year. The statement is divided into five parts. The first section deals with operating cash flows and shows the net cash used in the operating activities. The second section reflects cash flows from noncapital financing activities. This section reflects the cash received and spent for nonoperating, noninvesting, and noncapital financing purposes. The third section deals with the cash flows from capital and related financing activities. This section deals with the cash used for the acquisition and construction of capital assets and related items and related funding received. The fourth section reflects the cash flows from investing activities and shows interest received from investing activities, and purchases and sales of investments. The fifth section reconciles the net cash used in operating activities to the operating loss reflected in the statement of revenues, expenses, and changes in net position. Cash and cash equivalents decreased by approximately $0.1 million for the year ended June 30, 2018.

Condensed Statements of Cash Flows
Years Ended June 30, 2018, 2017, and 2016
(in millions)

	2018	2017	2016
Cash Provided by (Used in):			
Operating Activities	$ (7.6)	$ (8.8)	$ (10.1)
Non Capital Financing Activities	9.1	9.1	9.5
Capital Financing Activities	1.0	(0.4)	(0.3)
Investing Activities	-	-	-
Increase (Decrease) in Cash and Cash Equivalents	0.6	(0.1)	(0.9)
Cash and Cash Equivalents - Beginning of Year	1.0	1.1	2.0
Cash and Cash Equivalents - End of Year	$ 1.6	$ 1.0	$ 1.1

Capital Asset and Debt Administration

The debt service obligation payable to the Commission for the College for the years ended June 30, 2018, 2017, and 2016 was approximately $103 thousand, $143 thousand, and $184 thousand, respectively. The College entered into a loan agreement with the Commission during fiscal year 2011 to fund capital projects. The outstanding balance on the loan at June 30, 2018 was approximately $103 thousand.

The following is a brief summary of capital asset activity for the College as a whole:

- Construction in progress (CIP) additions of $0.4 million due to Student Housing/Parking Plaza.
- There was $0.02 million in purchases towards buildings in fiscal year 2018. There were no disposals of land or buildings during fiscal year 2018.
- Equipment purchases totaled $0.6 million and disposals of equipment during the year were $0.1 million.
- Library book purchases were $0.002 million.
- Depreciation expense was $1.4 million.

Readers interested in more detailed information regarding capital assets and debt administration should review the accompanying Notes 7 and 8 to the financial statements.

Economic Outlook

The College's overall financial position is stable. The College's enrollment is stabilizing.

With the national economy continuing to be challenging, the College continues to be mindful of our students, keeping tuition at the level lowest in the State for baccalaureate institutions, and competitive with nearby Virginia counties. The "Other Postemployment Benefit" liability also will continue to be a challenge for a few years until the liability is fully funded. We are very appreciative for the State of West Virginia addressing this issue.

Contacting the College's Financial Management

This financial report is designed to provide a general overview of Bluefield State College's finances. Questions concerning any of the information provided in this report should be addressed to the Vice President of Financial and Administrative Affairs at Bluefield State College, 219 Rock Street, Bluefield, West Virginia 24701.

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

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 1,598,287	$ 994,047
Accounts Receivable, Net of Allowance of $1,458,540 and $1,216,874, Respectively	816,792	743,657
Prepaid Expenses	3,201	2,974
Due from the Commission	10,691	5,393
Inventories	198,966	280,639
Total Current Assets	2,627,937	2,026,710
NONCURRENT ASSETS		
Cash and Cash Equivalents - Restricted	146,307	145,018
Investments	511,167	486,015
Loans Receivable, Net of Allowance of $104,129 and $116,512, Respectively	46,447	36,276
Capital Assets, Net of Accumulated Depreciation	15,599,993	16,055,363
Total Noncurrent Assets	16,303,914	16,722,672
Total Assets	18,931,851	18,749,382
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows OPEB	381,097	-
Deferred Outflows TRS Plan	171,832	283,008
Total Deferred Outflows of Resources	552,929	283,008
Total Assets and Deferred Outflows of Resources	$ 19,484,780	$ 19,032,390
LIABILITIES, DEFERRED INFLOWS, AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable	$ 1,792,996	$ 768,687
Due to the Commission	1,350	4,750
Accrued Liabilities	951,809	959,719
Unearned Revenue	120,811	138,968
Compensated Absences, Current Portion	351,131	351,141
Debt Service Obligation Payable to the Commission, Current Portion	41,000	41,000
Total Current Liabilities	3,259,097	2,264,265
NONCURRENT LIABILITIES		
Advances from Federal Sponsors	107,254	95,335
Compensated Absences	222,389	203,430
Other Post Employment Benefits Liability	4,480,843	6,066,813
Net Pension Liability	498,691	790,228
Debt Service Obligation Payable to the Commission, Net of Current Liabilities	61,500	102,500
Total Noncurrent Liabilities	5,370,677	7,258,306
Total Liabilities	8,629,774	9,522,571
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows OPEB	956,916	-
Deferred Inflows TRS Plan	240,924	115,569
Total Deferred Inflows of Resources	1,197,840	115,569
Total Liabilities and Deferred Inflows of Resources	9,827,614	9,638,140
NET POSITION		
Net Investment in Capital Assets	15,497,493	15,911,863
Restricted for:		
Nonexpendable Endowment	552,667	527,515
Expendable Scholarships	220,755	117,013
Expendable Loans	85,500	85,959
Expendable Grants	(438,849)	(51,236)
Unrestricted (Deficit)	(6,260,400)	(7,196,864)
Total Net Position	9,657,166	9,394,250
Total Liabilities, Deferred Inflows, and Net Position	$ 19,484,780	$ 19,032,390

BLUEFIELD 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 $5,283,446 AND $5,133,808, Respectively)	$ 4,139,271	$ 4,187,954
Contracts and Grants:		
Federal	3,338,551	3,102,028
State	1,781,162	1,805,266
Private	875,905	509,086
Interest on Student Loans Receivable	583	756
Sales and Services of Educational Activities	100,975	77,461
Auxiliary Enterprise Revenue (Net of Scholarship Allowance of $236,243 and $241,907 Respectively)	632,402	717,358
Miscellaneous - Net	37,270	44,013
Total Operating Revenues	10,906,119	10,443,922
OPERATING EXPENSES		
Salaries and Wages	10,406,513	10,685,968
Benefits	2,820,665	3,024,204
Supplies and Other Services	4,277,216	3,387,977
Utilities	726,482	913,591
Student Financial Aid - Scholarships and Fellowships	1,336,329	1,282,766
Depreciation	1,410,064	1,423,716
Assessments by the Commission for Operations	61,334	67,286
Total Operating Expenses	21,038,603	20,785,508
OPERATING LOSS	(10,132,484)	(10,341,586)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	5,379,199	5,524,125
State Appropriations Expire	(3,548)	
Federal Pell Grants	3,768,642	3,574,806
Investment Income	56,928	49,453
Payments on Behalf of the College	389,460	133,608
Assessments by the Commission for Debt Service	(5,545)	(5,611)
Net Nonoperating Revenues	9,585,136	9,276,381
DECREASE IN NET POSITION	(547,348)	(1,065,205)
Net Position - Beginning of Year	9,394,250	10,459,455
Cumulative Effect of Change in Accounting Principle	810,264	-
Net Position - Beginning of Year Restated	10,204,514	10,459,455
NET POSITION - END OF YEAR	$ 9,657,166	$ 9,394,250

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

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 4,116,716	$ 4,194,286
Contracts and Grants	6,816,933	5,371,524
Payments to and on Behalf of Employees	(13,058,821)	(13,593,547)
Payments to Suppliers	(4,020,088)	(3,478,506)
Payments to Utilities	(807,644)	(782,929)
Payments for Scholarships and Fellowships	(1,336,329)	(1,282,766)
Collections of Loans to Students	(9,588)	331
Sales and Service of Educational Activities	107,617	76,619
Auxiliary Enterprise Charges	653,411	672,742
Fees Assessed by Commission	(61,334)	(67,286)
Other Receipts, Net	29,826	44,242
Net Cash Used by Operating Activities	(7,569,301)	(8,845,290)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	5,375,651	5,524,125
Federal Pell Grants	3,768,642	3,574,806
Direct Lending Receipts	3,777,263	6,166,162
Direct Lending Payments	(3,777,263)	(6,166,162)
Net Cash Provided by Noncapital Financing Activities	9,144,293	9,098,931
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	(954,694)	(302,338)
Payments to Commission for Debt Service	(5,545)	(5,611)
Payments to Commission for Loan	(41,000)	(41,000)
Withdrawals from Noncurrent Cash and Cash Equivalents	(1,289)	(1,202)
Net Cash Used by Capital Financing Activities	(1,002,528)	(350,151)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	56,928	49,453
Purchase of Investments	(25,152)	(35,029)
Sale of Investments	-	-
Net Cash Provided by Investing Activities	31,776	14,424
DECREASE IN CASH AND CASH EQUIVALENTS	604,240	(82,086)
Cash and Cash Equivalents - Beginning of Year	994,047	1,076,133
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,598,287	$ 994,047
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating Loss	$ (10,132,484)	$ (10,341,586)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation Expense	1,410,064	1,423,716
Pension expense- special funding situation	389,460	133,608
Effect of Changes in Operating Assets and Liabilities:		
Accounts Receivables, Net	(73,135)	(71,555)
Due from the commission	(5,298)	4,898
Loans to Students, Net	(10,171)	331
Prepaid Expenses	(227)	116
Inventories	81,673	(88,676)
Deferred outflows of resources	(269,921)	(162,349)
Accounts Payable	1,024,309	104,425
Due to the Commission; Council	(3,400)	3,405
Accrued Liabilities	(7,910)	(144,371)
Compensated Absences	18,949	(58,104)
Other Postemployment Benefits	(775,706)	165,519
Net pension liability	(291,537)	219,189
Unearned Revenue	(18,157)	27,944
Advances from Federal Sponsors	11,919	760
Deferred inflows of resources	1,082,271	(62,560)
Net Cash Used in Operating Activities	$ (7,569,301)	$ (8,845,290)
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Expenses Paid on Behalf of the College	$ 389,460	$ 133,608

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

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Short-Term Investments	$ 711,390	$ 777,152
Interest Receivable	6,545	5,465
Contributions Receivable, Net of Discount and Allowance	362,587	4,885
Cash Restricted for Long-Term Investment	214,494	325,253
Investments	11,680,035	11,294,994
Note Receivable	2,000,000	2,000,000
Assets Held for Others	39,378	41,738
Other Assets, Net of Allowance	1,134	250
Total Assets	$ 15,015,563	$ 14,449,737
LIABILITIES AND NET ASSETS		
LIABILITIES		
Amounts Held on Behalf of Others	$ 39,378	$ 41,738
NET ASSETS		
Unrestricted	11,609,546	11,642,866
Temporarily Restricted	1,440,630	910,202
Permanently Restricted	1,926,009	1,854,931
Total Net Assets	14,976,185	14,407,999
Total Liabilities and Net Assets	$ 15,015,563	$ 14,449,737

BLUEFIELD STATE COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF BLUEFIELD STATE COLLEGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	2018			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Net Gifts	$ 4,631	$ 534,602	$ 71,078	$ 610,311
Interest Income	25,597	1,495	-	27,092
Dividend Income	179,692	52,766	-	232,458
Fundraising Income	26,620	-	-	26,620
Other Income	-	-	-	-
Net Realized and Unrealized Gains (Losses)	412,225	169,991	-	582,216
Net Assets Released from Restrictions	228,426	(228,426)	-	-
Total Revenues and Other Support	877,191	530,428	71,078	1,478,697
EXPENSES AND SUPPORT				
College Support:				
Student Support	272,484	-	-	272,484
Institutional Support	334,526	-	-	334,526
Conferences, Meetings, and Travel	9,671	-	-	9,671
Other Expenses	194,375	-	-	194,375
Total Expenses and Support	811,056	-	-	811,056
Donations to BSC R&D	54,669	-	-	54,669
Foundation Fund Raising Expenses	15,372	-	-	15,372
Financial Management Expenses	29,414	-	-	29,414
	910,511	-	-	910,511
CHANGE IN NET ASSETS	(33,320)	530,428	71,078	568,186
NET ASSETS				
Beginning of Year	11,642,866	910,202	1,854,931	14,407,999
End of Year	$ 11,609,546	$ 1,440,630	$ 1,926,009	$ 14,976,185

BLUEFIELD STATE COLLEGE FOUNDATION, INC.
A COMPONENT UNIT OF BLUEFIELD STATE COLLEGE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND OTHER SUPPORT				
Net Gifts	$ 10,773	$ 138,645	$ 133,046	$ 282,464
Interest Income	23,374	6,657	-	30,031
Dividend Income	183,227	29,980	-	213,207
Fundraising Income	18,050	-	-	18,050
Net Realized and Unrealized Gains	646,367	66,894	-	713,261
Net Assets Released from Restrictions	29,813	(34,335)	4,522	-
Total Revenues and Other Support	911,604	207,841	137,568	1,257,013
EXPENSES AND SUPPORT				
College Support:				
Student Support	251,477	-	-	251,477
Institutional Support	40,334	-	-	40,334
Conferences, Meetings, and Travel	5,945	-	-	5,945
Other Expenses	92,301	-	-	92,301
Total Expenses and Support	390,057	-	-	390,057
Donations to BSC R&D	628,318	-	-	628,318
Foundation Fund Raising Expenses	19,181	-	-	19,181
Financial Management Expenses	28,114	-	-	28,114
	1,065,670	-	-	1,065,670
CHANGE IN NET ASSETS	(154,066)	207,841	137,568	191,343
NET ASSETS				
Beginning of Year	11,796,932	702,361	1,717,363	14,216,656
End of Year	$ 11,642,866	$ 910,202	$ 1,854,931	$ 14,407,999

BLUEFIELD STATE COLLEGE RESEARCH AND DEVELOPMENT CORPORATION
A COMPONENT UNIT OF BLUEFIELD STATE COLLEGE
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ -	$ 54,405
Receivables, Net	103,910	88,541
Assets Held for Others	305,550	274,189
Inventory	862	10,649
Total Current Assets	410,322	427,784
Property and Equipment, Net	766,891	766,891
Total Assets	$ 1,177,213	$ 1,194,675
LIABILITIES AND NET ASSETS (DEFICIT)		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$ 173,977	$ 59,564
Cash overdraft	71,703	-
Unearned Revenue	11,123	11,863
Funds Held for Others	305,550	274,189
Current Portion of Long-Term Debt	90,065	85,257
Total Current Liabilities	652,418	430,873
Long-Term Debt, Less Current Portion	3,014,762	3,097,899
Total Liabilities	3,667,180	3,528,772
NET ASSETS (DEFICIT)		
Unrestricted (Deficit)	(2,489,967)	(2,334,097)
Total Liabilities and Net Assets (Deficit)	$ 1,177,213	$ 1,194,675

BLUEFIELD STATE COLLEGE RESEARCH AND DEVELOPMENT CORPORATION
A COMPONENT UNIT OF BLUEFIELD STATE COLLEGE
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2018 AND 2017

	2018	2017
SUPPORT AND REVENUE		
Rental Income	$ 308,653	$ 464,922
Federal, State, and Private Contracts and Grants	624,298	457,935
Contributions and Donations	154,669	728,318
Other Income	48,288	53,352
Total Revenue and Support	1,135,908	1,704,527
EXPENSES		
Program Services:		
Federal Programs	455,978	446,778
State Programs	743	9,030
Private and Unrestricted Programs	643,223	964,510
Total Program Expenses	1,099,944	1,420,318
Support Services:		
Management and General	144,016	170,945
Total Operating Expenses	1,243,960	1,591,263
Change in Net Assets from Operations	(108,052)	113,264
Impairment Loss	-	(820,090)
Donations to Bluefield State College	(47,818)	-
Change in Net Assets	(155,870)	(706,826)
Beginning Net Assets (Deficit)	(2,334,097)	(1,627,271)
ENDING NET ASSETS (Deficit)	$ (2,489,967)	$ (2,334,097)

NOTE 1 ORGANIZATION

Bluefield State College (the College) is governed by the Bluefield 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 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 (the Commission) and the West Virginia Higher Education Fund (the Fund). The Commission 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 Bluefield State College Foundation, Incorporated (the Foundation) and Bluefield State College Research and Development Corporation (the Corporation).

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. See Note 13 for additional disclosure.

Although the College benefits from the activities of the Corporation, the Corporation is independent of the College in all respects. The Corporation is not a subsidiary of the College and is not directly or indirectly controlled by the College. The assets of the Corporation are the exclusive property of the Corporation 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 Corporation. The College does not have the power or authority to mortgage, pledge, or encumber the assets of the Corporation. Any income resulting from the operations of the Corporation is for the benefit of the Corporation and is not distributed to the College. Third parties dealing with the College, the Board, and the State (or any agency thereof) should not rely upon the financial statements of the Corporation for any purpose without consideration of all the foregoing conditions and limitations. See Note 14 for additional disclosure.

NOTE 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 combined financial statement presentation required by GASB provides a comprehensive, entity-wide perspective of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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 (which includes West Virginia Network for Educational Telecomputing), and West Virginia Council for Community and Technical 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 basic criteria 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.

As of July 1, 2003, the College adopted GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, an amendment to GASB Statement No. 14. As a result, the audited financial statements of the Foundation are presented as a discrete component unit with the College's combined financial statements in accordance with GASB. The Foundation is a private nonprofit organization that reports under FASB standards, including the Presentation of Financial Statements for Not-for-Profit Entities Topic of the FASB Accounting Standards Codification. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein except that in accordance with governmental accounting standards, the Foundation's statements of cash flows are not presented.

The Corporation is presented as a discrete component unit with the College's combined financial statements as of and for the years ended June 30, 2018 and 2017 in accordance with GASB. The Corporation is a private nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Corporation's audited financial information as it is presented herein except that in accordance with governmental accounting standards, the Corporation's statements of cash flows are not presented.

The Center for Applied Research and Technology of Bluefield State College and the Bluefield State College Alumni Association are not part of the College reporting entity and are not included in the accompanying financial statements as the College has no ability to designate management, cannot significantly influence operations of the entity and is not accountable for the fiscal matters of the entity under GASB.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Net position is classified into four categories according to external donor restrictions or availability of assets for satisfaction of College obligations. The College's net position is 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 that 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 Net Position, 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 as 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 institution. These restrictions are subject to change by future actions of the State Legislature.

Restricted Net Position, 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.

Unrestricted Net Position

Unrestricted net position includes resources that are not subject to externally imposed stipulations. Such resources are derived from tuition and fees (not restricted as to use), state appropriations, sales and services of educational activities and auxiliary enterprises. Unrestricted net position is used for transactions related to the educational and general operations of the College and may be designated for specific purposes by action of the Board of Governors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 at the time of purchase 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 (the BTI). These funds are transferred to the BTI and the BTI 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, and by provisions of bond indentures and 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 College may invest in. These pools have been structured as multi-participant variable net position 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 audited financial report. A copy of the annual audited financial report can be obtained from the following address: 1900 Kanawha Boulevard East, Room E-122, Charleston, West Virginia 25305 or http://www.wvbti.com.

Permissible investments for all agencies include those guaranteed by the United States of America, its agencies and instrumentalities (U.S. Government obligations); corporate debt obligations, including commercial paper, which meet certain ratings; certain money market funds; repurchase agreements; reverse repurchase agreements; asset-backed securities; certificate of deposit; state and local government securities (SLGS); and other investments. Other investments consist primarily of investments in accordance with the Linked Deposit Program, a program using financial institutions in West Virginia to obtain certificates of deposit, loans approved by the legislature and any other program investments authorized by the legislature.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriations Due from Primary Government

For financial reporting purposes, appropriations due from the State are presented separate from cash and cash equivalents, as amounts are not specific deposits with the State Treasurer but are obligations of the State.

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 account, contract, grant and loan 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.

Inventories

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

Noncurrent Cash, Cash Equivalents, and Investments

Cash, cash equivalents, and investments that are (1) externally restricted to make debt service payments 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 position, are classified as a noncurrent asset in the accompanying combined statements of net position.

Investments

GASB requires the College to record certain investment balances at fair value. The College’s investments were on deposit with First Community Bank, Inc. and First Century Bank, Inc. These funds represented the George M. Cruise Endowed Chair of Health Sciences/Nursing and the James H. Shott Endowed Chair of Business, respectively. Funds on deposit are invested in Federal Agency Bonds, money market funds, the underlying securities of which are securities of the U.S. Government, Federated Prime Value Obligation Funds, equity market funds, fixed income securities, and other mutual funds invested in high-quality fixed income securities. These funds are classified as long term due to the restrictions on expenditure. Amounts held for restricted expenditures are available for immediate withdrawal.

Investments measured and reported at fair value are classified according to the following hierarchy. Level 1, investments reflect prices quoted in active markets. Level 2, investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active. Level 3, investments reflect prices bases upon unobservable inputs. The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

Investments are made in accordance with and subject to the provisions of the Uniform Prudent Investor Act codified as article six-C, chapter forty-four of the West Virginia Code.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 at acquisition value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements, 7 years for library books and 3 to 10 years for furniture and equipment. The College's capitalization threshold is $5,000. There was no interest capitalized during 2018 or 2017. The accompanying combined financial statements reflect all adjustments required by GASB.

Unearned Revenue

Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as unearned revenue, including items such as orientation fees and room and board. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Postemployment 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), 601 57th St. SE, Suite 2, Charleston, West Virginia 25304-2345 or http://www.wvpeia.com.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The 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 no longer 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences and Other Postemployment Benefits (OPEB) (Continued)

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3 1/3 years of teaching service extend health insurance for 1 year of single coverage, and 5 years extend health insurance for 1 year of family coverage. Faculty hired after July 1, 2009, will no longer receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the 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.

Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the West Virginia Teachers' Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board (CPRB), and additions to/reductions from the TRS fiduciary net position have been determined on the same basis as they are reported in the TRS financial statements, which can be found at 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 11.)

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. As of June 30, 2018 and 2017, the College had deferred outflows of resources related to pension of $552,929 and $283,008, respectively (see Note 11). As of June 30, 2018, the College had deferred outflows of resources related to OPEB of $381,097 (see Note 8).

Deferred Inflows of Resources

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. As of June 30, 2018 and 2017, the College had deferred inflows related to pensions of $1,197,840 and $115,569, respectively (see Note 11). As of June 30, 2018, the College had deferred inflows of resources related to OPEB of $956,916 (see Note 8).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management

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

BRIM engages an independent actuary to assist in the determination of its premiums so as to minimize the likelihood of premium adjustments to the 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 PEIA and the third-party insurer, the College has transferred its risks related to health, life, prescription drug coverage, and job related injuries.

West Virginia had a single private insurance company, BrickStreet Insurance, which provided workers' compensation coverage to all employers in the state. BrickStreet retains the risk related to the compensation of injured employees under the program.

Classification of Revenues

The College has classified its revenues as either operating or nonoperating revenues according to the following criteria:

- **Operating Revenues**
  Operating revenues include activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances, (2) sales and services of auxiliary enterprises, (3) most federal, state, local, and nongovernmental grants and contracts, and (4) sales and services of educational activities.

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

- **Other Revenue**
  Other revenues consist primarily of capital grants and gifts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Restricted 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 net position are available. Generally, the College attempts to utilize restricted net position first when practicable.

Federal Financial Assistance Programs

The College makes loans to students under the Federal Direct Student Loan Program. Under this program, 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 statement of net position as the loans are repayable directly to the U.S. Department of Education. In 2018 and 2017, respectively, the College received and disbursed approximately $4.0 million and $6.2 million, under the Federal Direct Student Loan Program on behalf of the U.S. Department of Education, which is 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, Supplemental Educational Opportunity Grant, and Federal Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2018 and 2017, the College received and disbursed approximately $5.8 million and $13.8 million, respectively, under these federal student aid programs.

Scholarship Allowances

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

Financial aid to students is reported in the financial statements under the alternative method as prescribed by the National Association of College and College 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 as described in Section 115 of the Internal Revenue Code.

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.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

		June 30, 2018
Net Position - Beginning of Year, as Previously Stated	$	9,394,250
Balance of the Net OPEB liability and Related Deferred Outflows of Resources and Deferred Inflows of Resources		810,264
Net Position - Beginning of Year, as Restated	$	10,204,514

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Reclassifications

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

NOTE 3 CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents held was as follows:

	June 30, 2018		
	Current	Noncurrent	Total
State Treasurer	$ 1,490,974	$ 41,073	$ 1,532,047
In Bank	100,013	105,234	205,247
On Hand	7,300	-	7,300
Total	$ 1,598,287	$ 146,307	$ 1,744,594

	June 30, 2017		
	Current	Noncurrent	Total
State Treasurer	$ 911,324	$ 41,073	$ 952,397
In Bank	75,423	103,945	179,368
On Hand	7,300	-	7,300
Total	$ 994,047	$ 145,018	$ 1,139,065

Cash held by the State Treasurer includes $1,530,411 and $940,090 at June 30, 2018 and 2017, respectively, of restricted cash for sponsored projects, loans, and other purposes.

The combined carrying amount of cash in bank at June 30, 2018 and 2017, was $205,247 and $179,367 as compared with the combined bank balance of $628,904 and $489,797, respectively. The difference is primarily caused by outstanding checks and items in transit. The bank balances were covered by federal depository insurance or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest-bearing accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Noninterest-bearing accounts are 100% insured through December 31, 2018.

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

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

	2018		2017	
External Pool	Carrying Value (in Thousands)	S&P Ratings	Carrying Value (in Thousands)	S&P Ratings
WV Money Market Pool	$ 872	AAAm	$ 872	AAAm
WV Government Money Market Pool	-	AAAm	-	AAAm
WV Short Term Bond Pool	20	Not Rated	20	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.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk — Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. All the amounts with the State Treasurer are subject to interest rate risk.

The following table provides information on the weighted-average maturities for the WV Money Market Pool and the WV Government Money Market Pool:

	2018		2017	
External Pool	Carrying Value (in Thousands)	WAM (Days)	Carrying Value (in Thousands)	WAM (Days)
WV Money Market Pool	$ 872	34	$ 872	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	$ 20	372	$ 20	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 as described below.

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. The College does not have a formal custodial credit risk policy.

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.

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable were as follows at June 30:

	2018	2017
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $741,220 and $597,074 in 2018 and 2017, Respectively	$ 283,257	$ 278,859
Grants and Contracts Receivable, Net of Allowance for Doubtful Accounts of $555,006 and $485,662 in 2018 and 2017, Respectively	198,124	218,443
Other Accounts Receivable	335,411	246,355
Accounts Receivable, Net	$ 816,792	$ 743,657

NOTE 5 INVESTMENTS

The College categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The College had the following recurring fair value measurements comprised of investments as of June 30, 2018 and 2017:

	2018			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market	$ 6,802	$ 6,802	$ -	$ -
Corporate Bonds	76,508	-	76,508	-
U.S. Government Agency Securities	102,151	-	102,151	-
Bond Mutual Funds				
Fixed Income	85,458	85,458	-	-
High Yield	10,477	10,477	-	-
Equity Mutual Funds				
Domestic Large Cap	107,111	107,111	-	-
Domestic Mid-Cap	15,025	15,025	-	-
Domestic Small Cap	28,708	28,708	-	-
International	66,085	66,085	-	-
Mid-Cap Blend	12,842	12,842	-	-
Total	$ 511,167	$ 332,508	$ 178,659	$ -

NOTE 5 INVESTMENTS (CONTINUED)

	2017			
		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money Market	$ 22,620	$ 22,620	$ -	$ -
Corporate Bonds	74,967	-	74,967	-
U.S. Government Agency Securities	89,714	-	89,714	-
Bond Mutual Funds				
Fixed Income	77,770	77,770	-	-
High Yield	10,560	10,560	-	-
Equity Mutual Funds				
Domestic Large Cap	96,574	96,574	-	-
Domestic Mid-Cap	13,985	13,985	-	-
Domestic Small Cap	26,931	26,931	-	-
International	53,634	53,634	-	-
Partnerships	4,801	4,801	-	-
Mid-Cap Blend	14,459	14,459	-	-
Total	$ 486,015	$ 321,334	$ 164,681	$ -

The investments are held with a third-party trustee. The money market funds invest in U.S. Government Securities and Federated Prime Value Obligation Funds. These funds are rated AAA by Standard & Poor's. The U.S. Government Securities are also rated Aaa by Moody's. The Federal Government Bonds are rated AAA by Standard & Poor's and Aaa by Moody's. The fixed income securities invest in Federal Home Loan Bank Bonds, Freddie Mac Notes and certificates of deposit under the CDARS program. The equity market securities, fixed income securities, and limited partnerships are rated AAA by Standard & Poor's. Management believes that there is no significant custodial credit risk nor interest rate risk for any of the funds. Furthermore, the funds are not exposed to any significant concentration of credit risk nor any foreign currency risk.

NOTE 6 CAPITAL ASSETS

The following is a summary of capital asset transactions for the College for the years ended June 30:

	2018				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets not being Depreciated:					
Land	$ 277,942	$ -	$ -	$ -	$ 277,942
Construction in Progress	295,989	356,363	-	-	652,352
Total Capital Assets not being Depreciated	$ 573,931	$ 356,363	$ -	$ -	$ 930,294
Capital Assets Being Depreciated:					
Land Improvements	$ 4,381,817	$ -	$ -	$ -	$ 4,381,817
Buildings	31,631,933	26,125	-	-	31,658,058
Equipment	3,955,154	570,056	104,924	-	4,420,286
Library Books	1,428,667	2,150	-	-	1,430,817
Total Other Capital Assets	41,397,571	598,331	104,924	-	41,890,978
Less Accumulated Depreciation for:					
Land Improvements	3,291,274	239,477	-	-	3,530,751
Buildings	17,737,618	986,812	-	-	18,724,430
Equipment	3,480,245	176,993	104,924	-	3,552,314
Library Books	1,407,002	6,782	-	-	1,413,784
Total Accumulated Depreciation	25,916,139	1,410,064	104,924	-	27,221,279
Capital Assets Being Depreciated - Net	$ 15,481,432	$ (811,733)	$ -	$ -	$ 14,669,699
Capital Asset Summary:					
Capital Assets not being Depreciated	$ 573,931	$ 356,363	$ -	$ -	$ 930,294
Other Capital Assets	41,397,571	598,331	104,924	-	41,890,978
Total Cost of Capital Assets	41,971,502	954,694	104,924	-	42,821,272
Less: Accumulated Depreciation	25,916,139	1,410,064	104,924	-	27,221,279
Capital Assets - Net	$ 16,055,363	$ (455,370)	$ -	$ -	$ 15,599,993

NOTE 6 CAPITAL ASSETS (CONTINUED)

	2017				
	Beginning Balance	Additions	Reductions	Transfers	Ending Balance
Capital Assets not being Depreciated:					
Land	$ 277,942	$ -	$ -	$ -	$ 277,942
Construction in Progress	151,062	144,927	-	-	295,989
Total Capital Assets not being Depreciated	$ 429,004	$ 144,927	$ -	$ -	$ 573,931
Capital Assets Being Depreciated:					
Land Improvements	$ 4,381,817	$ -	$ -	$ -	$ 4,381,817
Buildings	31,490,258	141,675	-	-	31,631,933
Equipment	4,080,557	13,674	139,077	-	3,955,154
Library Books	1,426,605	2,062	-	-	1,428,667
Total Other Capital Assets	41,379,237	157,411	139,077	-	41,397,571
Less Accumulated Depreciation for:					
Land Improvements	3,051,797	239,477	-	-	3,291,274
Buildings	16,724,228	1,013,390	-	-	17,737,618
Equipment	3,455,898	163,424	139,077	-	3,480,245
Library Books	1,399,577	7,425	-	-	1,407,002
Total Accumulated Depreciation	24,631,500	1,423,716	139,077	-	25,916,139
Capital Assets Being Depreciated - Net	$ 16,747,737	$ (1,266,305)	$ -	$ -	$ 15,481,432
Capital Asset Summary:					
Capital Assets not being Depreciated	$ 429,004	$ 144,927	$ -	$ -	$ 573,931
Other Capital Assets	41,379,237	157,411	-	-	41,397,571
Total Cost of Capital Assets	41,808,241	302,338	-	-	41,971,502
Less: Accumulated Depreciation	24,631,500	1,423,716	139,077	-	25,916,139
Capital Assets - Net	$ 17,176,741	$ (1,121,378)	$ (139,077)	$ -	$ 16,055,363

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.

Title for certain real property is with the Commission. Title for some land was with the original Board of Directors. Those deeds/records have not been converted to BSC. At some point in the future, title can be changed to BSC.

At June 30, 2018, the College had no outstanding contractual commitments for property, plant, and equipment expenditures.

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of long-term obligation transactions for the College for the years ended June 30:

	2018				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Advances from Federal Sponsors	$ 95,335	$ 11,919	$ -	$ 107,254	$ -
Accrued Compensated Absences	554,571	18,949	-	573,520	351,131
OPEB Liability	6,066,813	-	1,585,970	4,480,843	-
Net Pension Liability	790,228	-	291,537	498,691	-
Debt Obligation Due Commission	143,500	-	41,000	102,500	41,000
Total Noncurrent Liabilities	$ 7,650,447	$ 30,868	$ 1,918,507	$ 5,762,808	$ 392,131

	2017				
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Advances from Federal Sponsors	$ 94,575	$ 760	$ -	$ 95,335	$ -
Accrued Compensated Absences	612,675	-	58,104	554,571	351,141
OPEB Liability	5,901,294	165,519	-	6,066,813	-
Net Pension Liability	571,039	219,189	-	790,228	-
Debt Obligation Due Commission	184,500	-	41,000	143,500	41,000
Total Noncurrent Liabilities	$ 7,364,083	$ 385,468	$ 99,104	$ 7,650,447	$ 392,141

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

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

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

Net OPEB Liability	$ 4,480,843
Deferred Outflows of Resources	381,097
Deferred Inflow of Resources	956,916
Revenues	282,532
OPEB Expense	463,742
Employer Contributions	381,097

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Plan Description

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

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

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

Benefits Provided

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Contributions

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

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

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

Employees hired on or after July 1, 2001 no longer receive sick and/or vacation leave credit toward the required retiree healthcare contribution when they retire. All retirees have the option to purchase continued coverage regardless of their eligibility for premium credits.

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions

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

- Actuarial cost method: Entry age normal cost method.
- Amortization method and period: Level percentage of payroll over 21 years; closed as of June 30, 2016.
- Investment rate of return: 7.15%, net of OPEB plan investment expense, including inflation.
- Projected salary increases: dependent on pension system ranging from 3.00% to 6.50%, including inflation.
- Healthcare cost trend rates: Actual trend used for fiscal year 2017. For fiscal years on and after 2018, trend starts at 8.50% 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 costs beginning in 2020 to account for the Excise Tax.
- Inflation rate: 2.75%.
- Discount rate: 7.15%
- Mortality rates: based on RP-2000 Mortality Tables.

The long-term investment rate of return of 7.15% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.50% for long-term assets invested with the West Virginia Investment Management Board (IMB) and an expected short-term rate of return of 3.0% for assets invested with the WV Board of Treasury Investments (BTI).

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

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

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

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

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

Sensitivity of the net pension liability to changes in the discount rate. The following presents the College's proportionate share of the net OPEB liability as of June 30, 2016 calculated using the discount rate of 7.15%, as well as what the 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:

Sensitivity	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net OPEB Liability	$ 5,217,428	$ 4,480,843	$ 3,868,536

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Assumptions (Continued)

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

Cost Trend Rate	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 3,763,972	$ 4,480,843	$ 5,357,617

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

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

At June 30, 2018, the amount recognized as the College's proportionate share of the net OPEB liability was approximately $4,480,843. At June 30, 2018, the nonemployer contributing entity's (State of West Virginia) portion of the collective net OPEB liability is $920,370 and the total net OPEB liability attributable to the College is $5,401,213.

The allocation percentage assigned to each contributing employer is based on the employer's proportionate share of employer contributions to the RHBT for the fiscal years ended June 30, 2017 and June 30, 2016. Employer contributions are recognized when due. At June 30, 2017, the College's proportion was 0.182222985%, a decrease of 0.04448675% from its proportion of 0.226709735% calculated as of June 30, 2016.

For the year ended June 30, 2018, the College recognized OPEB expense of $463,742. Of this amount, $181,210 was recognized as the College's proportionate share of the OPEB expense, and $282,532 as the amount of OPEB expense attributed to special funding. The College also recognized revenue of $282,532 for support provided by the state.

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

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

	2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 15,004
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	-	870,395
Net Difference Between Projected and Actual Investment Earnings	-	71,517
Contributions After the Measurement Date	381,097	-
Total	$ 381,097	$ 956,916

The College will recognize the $381,097 reported as deferred outflows of resources resulting from OPEB contributions after the measurement date as a reduction of the net OPEB liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amortization
2019	$ 256,274
2020	256,274
2021	256,274
2022	188,094
Total	$ 956,916

NOTE 9 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

The College is a state institution of higher education. It receives a state appropriation in partial support of its operations. In addition, the College 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.

NOTE 9 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS (CONTINUED)

The State has chartered the Commission with the responsibility to construct or renovate, finance and maintain various academic and other facilities of the State's universities and colleges, including certain facilities of the 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 Municipal Bond Commission, as successor to the former Boards.

The Commission assesses each public institution of higher education for funds to meet the payment of debt service on these various bonds. The tuition and registration fees of the members of the former State College 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. Amounts due to Commission at June 30, 2018 and 2017 is $-0-.

During fiscal year 2011, the College entered into two capital project loans with the Higher Education Policy Commission in the amounts of $410,000 and $340,000 to fund an HVAC replacement project. Under these agreements, there is no interest charged to the College. The loan for $410,000 is to be repaid over 10 years in semi-annual payments of $20,500 while the loan for $340,000 is to be repaid over five years in semi-annual payments of $34,000. During 2018 and 2017, the College paid $41,000 and $41,000, respectively, to the Commission against the loans.
2018
The scheduled maturities of amounts due to the Commission at June 30, 2018 are as follows:

Year Ending June 30,	Amount
2019	$ 41,000
2020	41,000
2021	20,500
Total	$ 102,500

NOTE 10 UNRESTRICTED DEFICIT

The College's unrestricted net position at June 30, 2018 and 2017 includes certain undesignated net position, as follows:

	2018	2017
Designated for Repair and Replacement	$ 19,809	$ 16,888
Undesignated	(1,799,366)	(1,206,632)
Total Unrestricted Net Position before OPEB Liability	(1,779,557)	(1,189,744)
Less: OPEB Liability	4,480,843	6,007,120
Total Unrestricted Net Position (Deficit)	$ (6,260,400)	$ (7,196,864)

NOTE 11 RETIREMENT PLANS

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

Defined Contribution Benefit Plans

The TIAA-CREF is a cost-sharing defined contribution 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 $1,330,160, $1,085,460, and $1,102,340, which consisted of equal contributions of $665,080, $542,730, and $551,170, respectively, from both the College and covered employees.

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 new Educators Money 401(a) Basic Retirement Plan. New hires have a choice of either plan. As of June 30, 2015, the College did not have any employees enrolled in the new Educators Monday 401(a) Basic Retirement Plan.

The Great West benefit program is also available to new employees. Total contributions to Great West for year ended June 30, 2018, 2017, and 2016 were $9,498, $14,408, and $8,570, which consisted of equal contributions $4,749, $7,204, and $4,285, respectively, from both the College and employees.

NOTE 11 RETIREMENT PLANS (CONTINUED)

Defined Contribution Benefit Plans (Continued)

The College's total payroll for the years ended June 30, 2018, 2017, and 2016 was $10,685,985, $10,861,769, and $11,129,552, respectively. Total covered employees' salaries in the TIAA-CREF and Great West were $8,554,900 and $115,700, respectively, in 2018; $90,455 and $120,066, respectively, in 2017; and $9,186,740 and $71,420, respectively, in 2016.

Defined Benefit 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	$ 498,691	$ 790,228
Deferred Outflows of Resources	171,832	283,008
Deferred Inflows of Resources	240,924	115,569
Revenues	389,460	133,608
Pension Expense	34,533	194,575
Contributions Made by BSC	59,754	59,693

TRS

Plan Description

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

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

NOTE 11 RETIREMENT PLANS (CONTINUED)

Benefits Provided

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

Contributions

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

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

Employer Contributions: Employers make the following contributions:

The State (including institutions of higher education) contributes:

1. 15% of gross salary of their State-employed members hired prior to July 1, 1991;
2. 15% of School Aid Formula (SAF) covered payroll of county-employed members;
3. 7.5% of SAF-covered payroll od members of the TDCRS;
4. a certain percentage of fire insurance premiums paid by State residents; and
5. under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability within 40 years of June 30, 1994. As of June 30, 2017 and 2016, the College's proportionate share attributable to this special funding subsidy was $106,928 and $133,608, respectively.

The College's contributions to TRS for the years ended June 30, 2018, 2017, and 2016, were $59,754, $59,693, and $75,055, respectively.

NOTE 11 RETIREMENT PLANS (CONTINUED)

Assumptions

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

- Actuarial cost method: Entry age normal cost 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 nonteachers 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 nonteachers 1.316%-24.75%.
- Disability rates: 0-0.88-0.704%
- 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, 2005 to June 30, 2010. 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, 2018 and June 30, 2017 are summarized below.

NOTE 11 RETIREMENT PLANS (CONTINUED)

Assumptions (Continued)

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	5.6%	10.0%
Private Equity	9.4%	10.0%
Hedge Funds	4.7%	10.0%

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.

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

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability- 2018	$ 656,548	$ 498,691	$ 363,812
Net Pension Liability- 2017	999,719	790,228	611,184

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

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

NOTE 11 RETIREMENT PLANS (CONTINUED)

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

At June 30, 2018 the College's proportionate share of the TRS net pension liability was $1,601,518. Of this amount, the College recognized $498,691 as its proportionate share on the Statement of Net Position. The remainder of $1,102,827 denotes the College's proportionate share of net pension liability attributable to the special funding.

At June 30, 2017, the College's proportionate share of the TRS net pension liability was $2,295,401. Of this amount, the College recognized $790,228 as its proportionate share on the Statement of Net Position. The remainder of $1,505,173 denotes the College's proportionate share of net pension liability attributable to the special funding.

The allocation percentage assigned to each participating employer and nonemployer contributing entity is based on their proportionate share of employer and nonemployer contributions to TRS for each of the fiscal years ended June 30, 2018 and 2017. Employer contributions are recognized when due. At June 30, 2018, the College's proportion was 0.014434%, an increase of 0.004797% from its proportion of 0.019228% calculated as of June 30, 2017.

For the year ended June 30, 2018, the College recognized TRS pension expense of $34,533. Of this amount, $(72,395) was recognized as the College's proportionate share of the TRS expense and $106,928 as the amount of pension expense attributable to special funding from a nonemployer contributing entity. The College also recognized revenue of $106,928 for support provided by the State.

For the year ended June 30, 2018, the College recognized TRS pension expense of $77,283. Of this amount, $(15,179) was recognized as the College's proportionate share of the TRS expense and $133,608 as the amount of pension expense attributable to special funding from a nonemployer contributing entity. The College also recognized revenue of $133,608 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 follows.

June 30, 2018	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 93,874	$ 216,365
Net Difference Between Projected and Actual Experience	4,336	8,884
Net Difference Between Projected and Actual Investment Earnings	-	15,675
Changes in Assumptions	13,868	-
Contributions After the Measurement Date	59,754	-
Total	$ 171,832	$ 240,924

NOTE 11 RETIREMENT PLANS (CONTINUED)

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

June 30, 2017	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference Between Employer Contributions and Proportionate Share of Contributions	$ 119,791	$ 110,954
Net Difference Between Projected and Actual Experience	7,234	4,615
Net Difference Between Projected and Actual Investment Earnings	65,032	-
Changes in Assumptions	31,258	-
Contributions After the Measurement Date	59,693	-
Total	$ 283,008	$ 115,569

The College will recognize the $59,693 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in TRS pension expense as follows.

Fiscal Year Ending June 30,	Amortization
2019	$ 31,444
2020	31,444
2021	31,444
2022	31,444
2023	3,070
Total	$ 128,846

Payables to the Pension Plan

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

NOTE 12 LEASES

The College leases a branch campus facility in the State. Rental payments for the facility were $206,097 for the year-end June 30, 2018. Following is a schedule of future minimum lease payments for the term of this operating lease.

Year Ending June 30,	
2019	$ 206,097
2020	-

NOTE 13 DISCRETELY PRESENTED COMPONENT UNITS

The Bluefield State College Foundation, Inc. (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 employs management, forms policy, and maintains 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. Complete financial statements for the Foundation can be obtained from the President of the Bluefield State College Foundation at College Avenue, Bluefield, Virginia 24605.

During the years ended June 30, 2018 and 2017, the Foundation contributed $560,313 and $250,037 respectively, to the College for scholarships and grants and employee compensation.

The Corporation is a separate nonprofit organization incorporated in the State of West Virginia and has as its purpose "…form partnerships and develop commitments for assistance from a wide spectrum of community based organizations in both the public and private sectors. The corporation will work to identify and eliminate barriers that inhibit access to technology training and market based development activities in communities served by the College…" Oversight of the Corporation 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 Corporation employs management, forms policy, and maintains fiscal accountability over funds administered by the Corporation. Although the College does not control the timing or amount of receipts from the Corporation, the majority of resources, or income thereon, that the Corporation holds and invests are restricted to the activities of the College by donors or grant restrictions. Because these restricted resources held by the Corporation can only be used by, or for the benefit of, the College, the Corporation can only be used by, or for the benefit of, the College, the Corporation is considered a component unit of the College and is therefore discretely presented with the College's financial statements in accordance with GASB. Complete financial statements for the Corporation can be obtained from the President of the Bluefield State College Research and Development Corporation at 219 Rock Street, Bluefield, Virginia 24701.

NOTE 14 AFFILIATED ORGANIZATIONS (UNAUDITED)

There are separately incorporated organizations affiliated with the College which include the Center for Applied Research and Technology of Bluefield State College and the Bluefield State College Alumni Association. Oversight responsibility for these entities rests with independent boards and management not otherwise affiliated with the College. Accordingly, the financial statements of such organizations are not included in the accompanying combined financial statements under the blended component unit requirements. They are not included in the College's accompanying financial statements as, they (1) are not material or (2) have dual purposes (i.e., not entirely, or almost entirely for the benefit of the College).

NOTE 15 CONTINGENCIES

The nature of the education industry is such that, from time to time, claims will 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 an award against the College would not seriously impact the financial position of the College.

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 College's management believes disallowances, if any, will not have a significant financial impact on the College's financial position.

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

NOTE 16 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

These tables represent operating expenses within both natural and functional classifications for the years ended June 30:

	2018							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Fees Assessed by Commission	Total
Instruction	$ 5,645,077	$ 1,721,882	$ 637,097	$ 299	$ -	$ -	$ -	$ 8,004,355
Research	5,179	5,427	5,406	-	-	-	-	16,012
Public Service	94,696	39,543	32,687	-	-	-	-	166,926
Academic Support	719,334	202,143	363,248	1,210	-	-	-	1,285,934
Student Services	1,210,514	352,751	350,637	63	-	-	-	1,913,965
General Institutional Support	1,975,047	174,595	1,183,931	19,967	-	-	-	3,353,540
Operations and Maintenance of Plant	336,139	175,087	450,579	946,025	-	-	-	1,907,830
Student Financial Aid	-	-	-	-	1,336,329	-	-	1,336,329
Auxiliary Enterprises	420,527	149,239	919,270	93,277	-	-	-	1,582,313
Depreciation	-	-	-	-	-	1,410,064	-	1,410,064
Other	-	-	-	-	-	-	61,334	61,334
Total	$ 10,406,513	$ 2,820,665	$ 3,942,856	$ 1,060,842	$ 1,336,329	$ 1,410,064	$ 61,334	$ 21,038,603

	2017							
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Fees Assessed by Commission	Total
Instruction	$ 5,540,093	$ 1,442,032	$ 691,475	$ -	$ -	$ -	$ -	$ 7,673,600
Research	11,075	2,136	7,556	-	-	-	-	20,767
Public Service	128,745	35,465	82,273	-	-	-	-	246,483
Academic Support	834,579	226,101	406,537	1,792	-	-	-	1,469,009
Student Services	1,211,686	319,263	421,144	-	-	-	-	1,952,093
General Institutional Support	2,001,037	665,436	902,063	34,037	-	-	-	3,602,573
Operations and Maintenance of Plant	533,898	210,934	245,519	787,726	-	-	-	1,778,077
Student Financial Aid	-	-	-	-	1,282,766	-	-	1,282,766
Auxiliary Enterprises	424,855	122,837	631,410	90,036	-	-	-	1,269,138
Depreciation	-	-	-	-	-	1,423,716	-	1,423,716
Other	-	-	-	-	-	-	67,286	67,286
Total	$ 10,685,968	$ 3,024,204	$ 3,387,977	$ 913,591	$ 1,282,766	$ 1,423,716	$ 67,286	$ 20,785,508

NOTE 17 COMPONENT UNIT DISCLOSURES – BLUEFIELD STATE COLLEGE FOUNDATION, INC.

The following are the notes taken directly from the Foundation's financial statements.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS

Nature of Foundation

Bluefield State College Foundation, Inc. (the Foundation) is incorporated as a nonprofit corporation under the laws of the State of West Virginia. The purpose of the Foundation is to provide for student scholarships and faculty and staff development at Bluefield State College (the College).

The Foundation is managed by an independently elected Board of Directors not otherwise affiliated with the College. All contributions generally are for the benefit of the College and are administered by the Foundation.

Basis of Financial Statement Presentation and Accounting

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America. 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The accompanying financial statements present information regarding the Foundation's financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The three classes are differentiated based on the existence or absence of donor-imposed restrictions, as described below:

Unrestricted net assets are free of donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Revenues, gains, and losses that are not temporarily or permanently restricted by donors are included in this classification. Expenses are reported as decreases in this classification.

Temporarily restricted net assets are limited in use by donor-imposed stipulations that expire either by the passage of time or that can be fulfilled by action of the Foundation pursuant to those stipulations.

Permanently restricted net assets are amounts required by donors to be held in perpetuity; however, the income on these assets is available to meet various restricted and other operating needs. These net assets primarily include permanent endowment funds and funds held in trust by others.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (CONTINUED)

Cash and Short-Term Investments

The Foundation considers all highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents. Cash equivalents are stated at cost, which approximates market value. Cash held for long-term investment is classified as cash restricted for long-term investment and by agency relationships.

The money market investment accounts are approximately $925,000 and $992,000 for June 30, 2018 and 2017, respectively, and the principal underlying assets are securities of the U.S. Government, its agencies, authorities and instrumentality's and obligations of U.S. banks. The estimated fair value of short-term investments approximates cost.

Fund Descriptions

General Administrative Account – Funds that were released from Title III restrictions and internally restricted by the Foundation's Board for the purpose of ensuring funds be available for future administrative costs. Most donors elect to endow funds to be permanently restricted for scholarships and, following the market's downturns, the Board felt it necessary to set aside funds to cover needed future administrative costs.

Endowed Account – Funds permanently set aside by donors for specific uses with the majority designated for scholarships. The Robertson endowment; however, is for use by the library.

Peters Engineering Chair – Account endowed for use as directed by the Head of the Engineering Division.

FCB Title III and FCBT Title III – Restrictions have been satisfied and the funds have now been released for the Foundation to use in any manner it feels is beneficial to Bluefield State College. The Board has determined to use seventy-five percent (75%) income for disbursements and has internally restricted the use of the remaining funds for future needs.

BSC General Foundation Account – Unrestricted funds and property held by the Foundation. Monies are used for administrative costs, discretionary funds for use by the President and Executive Director of the Foundation as approved by the Board and any other day-to-day costs of maintaining the Foundation.

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 certain reported amounts and disclosures. Accordingly, actual results could vary from those estimates.

Note Receivable

Note receivable is reported at its principal outstanding balance. The Board has approved for the receivable to be nonaccrual.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (CONTINUED)

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. The fair value of investments in equities, bonds, U.S. securities, exchange traded mutual funds, REIT and short-term assets is determined by reference to quoted market prices. Net unrealized and realized gains or losses are reflected in the Statements of Activities. Certain land and other investments, which are not readily marketable, are carried at cost.

Gifts of investments are recorded at their fair value (based on quotations or appraisals) at date of gift. Purchases and sales of investments are recorded on the trade date.

Income and realized and unrealized net gains on investments of endowment and similar net asset classes are reported as follows:

- As increases in permanently restricted net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund;
- As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;
- As increases in unrestricted net assets in all other cases.

Assets Whose Use is Limited

Assets whose use is limited consist of assets internally designated by the Foundation for specific use. The Foundation retains control over these assets and may, at its discretion, subsequently use the assets for other purposes. These assets consist of cash and cash equivalents, investments, and other property. Cash and cash equivalents and investments within this category follow the same policies noted earlier for regular cash and cash equivalents (those whose use is not limited).

Amounts Held on Behalf of Others

Amounts held on behalf of others are used to account for assets held by the Foundation as an agent for other organizations. These funds are custodial by nature (assets equal liabilities) and do not involve measurement of operations.

Contributions

Contributions, including unconditional promises to give or contributions receivable, are recognized as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions, in the period the donor's commitment is received. Unrestricted, unconditional promises to give for future operations are recognized as temporarily restricted revenues unless the donor explicitly stipulates its use to support current period activities.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (CONTINUED)

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of the fundraising activity.

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of the temporarily restricted net asset class, and a reclassification to unrestricted net assets is made to reflect the expiration of such restrictions.

The Foundation occasionally utilizes office space located in a college owned building and receives assistance in development and administration of the Foundation by an employee of the College.

The value of these services as well as other donated volunteer services are not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

Income Tax Status

The Foundation is a nonprofit organization exempt from federal income taxes under *Internal Revenue Code* Section 501(c)(3) based upon its determination letter dated October 16, 1969. 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 within the meaning of Section 509(a) of the *Internal Revenue Code*.

The Federal Forms 990 of the Foundation for the fiscal years 2017, 2016, and 2015 are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

Credit Risk Concentration

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash and cash equivalents and investments. The Foundation places its temporary cash investments with high credit quality financial institutions and does not believe it is exposed to any significant credit risk on cash and cash equivalents. Concentration of credit risk for investments is limited by the Foundation's policy of diversification of investments.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (CONTINUED)

Net Asset Classifications of Institutional Funds

The Foundation holds institutional funds, principally endowment funds, subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted in the State of West Virginia. “Endowment” is a commonly used term to refer to the resources that have been restricted by the donor or designated by the Board that will be invested to provide future revenue to support the Foundation’s activities. The Foundation’s endowment consists of individual funds established for a variety of purposes. As titled, UPMIFA provides guidance and applicable regulations relative to the management of applicable funds.

In response to UPMIFA, the Foundation adopted the provisions of authoritative accounting guidance for the net asset classification of donor restricted endowment funds for an organization that is subject to UPMIFA and also required related financial statement disclosures.

Interpretation of UPMIFA

The Board of Directors of the Foundation has interpreted 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. 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 of investment returns to the permanent endowment made in accordance with the direction of the applicable donor gift instrument, when applicable, at the time accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Foundation and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (50 the expected total return from income and the appreciation of investment, (6) other resources of the Foundation, and (7) the investment policies of the Foundation.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those of donor-restricted funds that organizations must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in accordance with insurance companies’ regulations as set forth in the West Virginia State Code. Actual returns in any given year may vary from this amount.

NOTE 17.1 SIGNIFICANT ACCOUNTING POLICIES AND OTHER MATTERS (CONTINUED)

Net Asset Classifications of Institutional Funds (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation recognizes that unsupervised assets will probably be subjected to an inflationary loss of purchasing power; therefor the funds should be managed in a way that will minimize the effect of inflation. Fixed income-like investments will be used to reduce volatility of the overall portfolio while providing a predictable stream of income.

Spending Policy and How the Investment Objectives Related to Spending Policy

The Foundation employs a total return endowment spending policy that establishes the amount of endowment investment return that is available to support current needs and restricted purposes. This policy is designed to insulate program spending from capital market fluctuations and to increase the amount of return that is reinvested in the corpus of the fund in order to enhance its long-term value. Except for the Title III funds, the Foundation’s annual target spending rate is currently 4% of the average market value of the funds, calculated as of February 28 of the year immediately preceding the beginning of the Foundation’s fiscal year. The annual spending rate for the Title III Funds is 75% of income. If cash yield (interest and dividends) is less than the spending rate, realized gains can be used to make up the deficiency. Any income excess of the spending rate is to be reinvested in the endowment.

Funds with Deficiencies (Underwater Funds)

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires that Foundation to retain as a fund or perpetual duration. Deficiencies of this nature reported in unrestricted net assets were $-0- as of June 30, 2018 and 2017.

Subsequent Events

Subsequent events have been evaluated through October 23, 2018, the date the financial statements were available to be issued.

NOTE 17.2 RECEIVABLES

Contributions Receivable

	2018	2017
Unconditional Promises to Give	$ 389,030	$ 5,000
Less:		
Allowance for Uncollectible Promises	-	-
Unamortized Discount of 2.3% and 1.6% for 2018 and 2017, respectively	(26,443)	(115)
Net Unconditional Promises to Give	$ 362,587	$ 4,885

NOTE 17.2 RECEIVABLES (CONTINUED)

Contributions Receivable (Continued)

	2018	2017
Expected to be Collected In:		
Less Than One Year	$ 67,658	$ 2,424
One to Five Years	294,929	2,461
	$ 362,587	$ 4,885

The ownership of pledges receivable for each class of net assets as of June 30, 2018 and 2017 is as follows:

	2018	2017
Temporarily Restricted	$ 362,587	$ 4,885

On December 16, 2015, the Hugh I. Shott, Jr. Foundation Inc. agreed to donate to the Foundation a Deed of Trust in the amount of $2 million secured by a certain real estate known as the Mountain View Real Estate owned by the Bluefield State College Research & Development Corporation (BSC R&D). The Foundation recognized that BSC R&D’s current financial condition made it impossible to pay the principal and unpaid interest due by the original maturity date; therefore, the promissory note was modified extending the maturity to January 3, 2021 with annual installments of $100,000 and carrying an annual interest rate at 5%. At the time of the deed of trust transfer, the note included $11,781 of accrued interest. The Foundation’s Board approved the waiver of the interest and recorded a donation to the BSC R&D in the same amount.

NOTE 17.3 INVESTMENTS

Investments are comprised of the following:

	2018	2017
Measured at Fair Value		
Certificates of Deposits	$ 99,119	$ 356,420
Corporate and Municipal Bonds and Notes	1,185,196	1,246,534
Equity Investments	5,475,385	5,634,906
Mutual Funds	4,281,256	3,650,001
REIT	284,809	30,953
Limited Partnership	27,670	33,580
	11,353,435	10,952,394
Measured at Cost		
Real Estate	326,600	342,600
	$ 11,680,035	$ 11,294,994

NOTE 17.3 INVESTMENTS (CONTINUED)

The ownership of investments for each class of net assets as of June 30, 2018 and 2017 is as follows:

	2018	2017
Unrestricted	$ 9,149,986	$ 9,142,066
Temporarily Restricted	825,100	688,070
Permanently Restricted	1,704,949	1,464,858
	$ 11,680,035	$ 11,294,994

Realized and unrealized gains (losses) recognized during the years ended June 30, 2018 and 2017 consisted of the following:

	2018	2017
Realized	$ (104,738)	$ 313,695
Unrealized	686,954	399,566
	$ 582,216	$ 713,261

Government obligations consist principally of obligations to the U.S. Treasury and agencies. Corporate obligations are concentrated in the financial services and utilities sectors. Corporate equities and mutual funds are diversified, with no significant industry concentrations.

NOTE 17.4 UNRESTRICTED NET ASSETS

Unrestricted net assets as of June 30, 2018 and 2017 include the following:

	2018	2017
Designated:		
Investment in Land, Leased for Charitable Purposes	$ 250,000	$ 250,000
Internally Restricted by Board	8,365,261	8,267,400
	8,615,261	8,517,400
Undesignated:		
Other	2,901,685	3,032,866
Investment in Land	92,600	92,600
	2,994,285	3,125,466
	$ 11,609,546	$ 11,642,866

Land is leased to another nonprofit entity for $1 per year to assist in its charitable purpose. The lease renews in 10-year terms, but automatically terminates May 31, 2083 or if the land is not used for the stated purpose. The lease provides that the leasee must maintain liability coverage of one million dollars to protect the Foundation.

NOTE 17.4 UNRESTRICTED NET ASSETS (CONTINUED)

As of June 30, 2018, funds internally restricted by the Foundation's Board for the purpose of ensuring funds be available for future needs of the Foundation totaled $8,365,261 and $8,267,400 for administrative costs.

Other undesignated funds include the $2 million deed of trust with the BSC R&D Corporation

NOTE 17.5 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	2018	2017
Provide Scholarship Assistance and Operations of the Foundation	$ 1,207,873	$ 688,150
Engineering Technology Department	232,757	222,052
	$ 1,440,630	$ 910,202

NOTE 17.6 PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets as of June 30, 2018 and 2017 are restricted to investment in perpetuity, the income from which is expendable to support:

	2018	2017
Engineering Technology Department	$ 150,000	$ 150,000
Financial Aid	1,776,009	1,704,931
	$ 1,926,009	$ 1,854,931

NOTE 17.7 FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority: Level 2 inputs consist of observable inputs other than quoted prices for identical assets; and Level 3 inputs consist of unobservable inputs and have the lowest priority. The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

NOTE 17.7 FAIR VALUE MEASUREMENTS (CONTINUED)

Level 1 Fair Value Measurements

Cash and short-term investments have principal underlying assets which are securities of the U.S. government, its agencies, authorities, and instrumentalities and obligations of U.S. banks. The estimated fair value approximates cost. Cash restricted for long term is classified as investment and is stated at cost, which approximates market value. The fair value of investments in equities, bonds, U.S. securities, exchange traded mutual funds, partnerships and short-term assets is determined by reference to quoted market prices.

Gains and losses (realized and unrealized) included in statements of activities are reported in net realized and unrealized gain (loss).

		Fair Value Measurements at Reporting Date Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
June 30, 2018				
Cash and Short-Term Investments	$ 447,720	$ 447,720	$ -	$ -
Cash Restricted for Long-Term Investment	214,494	214,494	-	-
Investments:				
Certificates of Deposits	99,119	99,119	-	-
Corporate and Municipal Bonds and Notes	1,185,196	1,185,196	-	-
Equity Investments	5,475,385	5,475,385	-	-
Mutual Funds	4,281,256	4,281,256	-	-
REIT	284,809	284,809	-	-
Limited Partnership	27,670	27,670	-	-
	$ 12,015,649	$ 12,015,649	$ -	$ -
June 30, 2017				
Cash and Short-Term Investments	$ 525,652	$ 525,652	$ -	$ -
Cash Restricted for Long-Term Investment	325,253	325,253	-	-
Investments:				
Certificates of Deposits	356,420	356,420	-	-
Corporate and Municipal Bonds and Notes	1,246,534	1,246,534	-	-
Equity Investments	5,634,906	5,634,906	-	-
Mutual Funds	3,650,000	3,650,000	-	-
REIT	30,953	30,953	-	-
Limited Partnership	33,580	33,580	-	-
	$ 11,803,298	$ 11,803,298	$ -	$ -

NOTE 17.8 RELATED PARTY TRANSACTIONS

Certain local financial institutions hold substantially all the Foundation's assets in their trust departments. Some of the Foundation's Board members also serve as officers and directors of these institutions. The Foundation paid $29,100 and $28,114 in management fees to these related parties for the years ended June 30, 2018 and 2017, respectively.

BSC R&D is related to the Foundation through the common purpose of supporting Bluefield State College. Both entities are consolidated into the College's financial statements. Donations to BSC R&D totaled $54,669 and $628,318 for the years ended June 30, 2018 and 2017, respectively.

NOTE 17.9 FUNCTIONAL ALLOCATION OF EXPENSES

Expenses are reported on a functional basis that discloses the purposes for which the expenses have been incurred. A brief description of each of the functional classifications follows:

College Support – Funds expended primarily to provide support services for Bluefield State College. It includes scholarships awarded to the students and the provision of services that directly assist the academic functions, such as faculty development, as well as capital projects.

Foundation Fundraising Expenses – Expenses related to community and alumni relations, including development and fundraising.

Financial Management Expenses – Expenses incurred principally for (1) central executive-level activities concerned with management of day-to-day operations and long-range planning, (2) legal and fiscal operations, and (3) administrative data processing.

NOTE 17.10 NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions when expenses were incurred to satisfy the restricted purposes or by occurrence of other events as specified by donors. Restrictions were satisfied as follows for the years ended June 30, 2018 and 2017:

	2018	2017
Operating:		
Financial Aid	$ (228,426)	$ 34,335

NOTE 18 COMPONENT UNIT DISCLOSURES – BLUEFIELD STATE COLLEGE RESEARCH AND DEVELOPMENT CORPORATION

The following are the notes taken directly from the Research and Development Corporation's financial statements.

NOTE 18.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Bluefield State College Research and Development Corporation (the Corporation) was organized for the purpose of operating a nonprofit organization exclusively for charitable, educational, and scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. In 2008, the Corporation purchased a college dormitory facility to house students. The majority of revenues are derived from dormitory rooms rented to students. Other revenues are derived from other rental income, as well as federal, state, or private sources in the form of grants.

The Corporation provides most of its resources for the benefit of Bluefield State College. Furthermore, because of the relationship with Bluefield State College the Corporation is considered a discretely presented component unit of the Bluefield State College.

Basis of Accounting

The financial statements of the Corporation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Basis of Presentation

Financial statement presentation follows the requirements of the Financial Accounting Standards Board and the Corporation reports using accounting principles generally accepted in the United States of America. The Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes that the banks are credit worthy and that it is not exposed to any significant credit risk on cash and cash equivalents.

Receivables

The Corporation has receivables from grants and other state agencies, and it also leases office space to businesses and dormitory rooms to students based on contractual agreements. Receivables are stated at fair value with an allowance for doubtful accounts, based on historical collection experience, and an evaluation of the accounts receivable that are deemed delinquent based on billing due dates or other contractual terms, with no interest accrued. When accounts are deemed uncollectible, they are charged against the allowance. The allowance for doubtful accounts for the years ended June 30, 2018 and 2017 was $119,706 and $124,289, respectively.

NOTE 18.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

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

Funds Held for Others

Funds held for others are used to account for assets held by the Corporation as an agent. These funds are custodial by nature (assets equal liabilities) and do not involve measurement of operations. At June 30, 2018 and 2017, approximately $298,100 and $272,700, respectively, of the funds held for others balance was held on behalf of Bluefield State College, a related party of the Corporation.

Property and Equipment

Property and equipment are stated at cost at the date of acquisition or fair value at the date of the gift, less accumulated depreciation. Additions, improvements, and expenditures that materially improve or extend the life of an asset are capitalized. The Corporation utilizes a capitalization threshold of $5,000 for equipment and $25,000 for building. Maintenance and repairs are charged to expense as incurred. Upon retirement or sale of an asset, its cost and related accumulated depreciation are removed from the property accounts. Depreciation is calculated on the straight-line method over the estimated useful lives of the depreciable assets. Depreciation expense for the years ended June 30, 2018 and 2017 was $-0- and $70,108, respectively.

Impairment of Property, Equipment, and Intangibles

If facts and circumstances suggest that property, equipment, or intangibles may be impaired, the carrying value is reviewed for recoverability. If this review indicates that the carrying value of the asset(s) will not be recovered, considering a fair value determination based on projected undiscounted cash flows related to the asset over its estimated remaining life or the potential sale price of the asset, the carrying value of the asset is reduced to its estimated fair value through an impairment loss. An impairment loss of $820,090 was recognized on the statement of activities for the years ended June 30, 2017, related to the valuation of property, equipment, and intangibles.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist primarily of expenses incurred for the operation of the Mountain View Dormitory and related payroll liabilities.

Unearned Revenue

Unearned revenue consists of grants that have been received for a specific purpose, but have not yet met revenue recognition criteria.

Unrestricted Net Assets

The unrestricted category consists of funds whose use is limited only to the extent that the Corporation’s bylaws limit the activities of the organization. Contributions with donor-imposed restrictions met in the same year in which the contribution is recognized are reported as changes in unrestricted net assets.

NOTE 18.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of funds whose use has been limited by donors to a specific time period and/or purpose. The Corporation currently has no temporarily restricted net assets.

Permanently Restricted Net Assets

Permanently restricted net assets are comprised of funds whose use have been restricted by the donor and must be maintained permanently by the Corporation. The Corporation currently has no permanently restricted net assets.

Support and Revenue

Support received under conditional contracts and grants is reported as deferred revenue until qualifying expenses have been incurred or other conditions have been substantially met. Contracts and grants receivable represent amounts expected to be received after year-end on approved grants.

Contributed Services, Supplies, and Space

Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services that are recognized are valued at the estimated cost that would have been incurred by the Corporation to purchase similar services. Donated space is valued at the estimated fair rental value. Donations of occupancy costs and other noninventory items are expensed during the year the contributions are provided.

Functional Reporting

Expenses are reported on a functional basis that discloses the purpose for which the expenses have been incurred. A brief description of each of the functional classifications is as follows:

- Program Services – Represent funds expended primarily to provide support for certain federal, state and private research and development programs.
- Management and General – Represent expenses incurred principally for (1) executive level activities concerned with management of the operations, (2) legal and fiscal operations, and (3) other administrative related expenses.
- Fundraising – Represents expenses related to community and other development costs expended to perform fundraising for the Corporation. The Corporation had no fundraising expenditures for the years ended June 30, 2018 and 2017.

Advertising Costs

Total advertising costs for the years ended June 30, 2018 and 2017 were $-0- and $7,069, respectively.

NOTE 18.1SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentrations

Approximately 49% and 25% of the Corporation's support was provided by grants from the Federal Government for the years ended June 30, 2018 and 2017, respectively.

Income Tax Status

The Corporation is exempt from federal income tax on its exempt purpose activities as an organization described in Section 501(c)(3) of the Internal Revenue Code. For the years ended June 30, 2018 and 2017, the Corporation has no material uncertain tax positions to be accounted for in the financial statements under professional standards. The Corporation recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. As of June 30, 2018 tax years ending on or after June 30, 2015 remain subject to examination.

Reclassifications

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

NOTE 18.2 RECEIVABLES

The following is a summary of receivables due the Corporation under grant or lease contractual agreements at June 30:

	2018	2017
Student Rent Receivable	$ 114,522	$ 159,310
Marshall University Research/IDEA Network of Biomedical Research Excellence Grants	73,921	15,302
NASA Grant	4,078	7,200
West Virginia University Health Science Technology Grant	10,287	8,528
Marshall University Health Science Technology Grant	-	7,655
Other Accounts Receivables	20,808	14,835
Less: Allowance for Doubtful Accounts	(119,706)	(124,289)
	$ 103,910	$ 88,541

NOTE 18.3 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2018	2017
Land	$ 766,891	$ 766,891
Land Improvements	7,076	7,076
	773,967	773,967
Less: Accumulated Depreciation	(7,076)	(7,076)
	$ 766,891	$ 766,891

NOTE 18.4 LONG-TERM DEBT

Long-term debt consisted of the following at June 30:

Description	2018	2017
The Corporation borrowed $1.8 million in January 2008 by issuing bonds through the City of Bluefield. The bonds mature in 2028. Bond proceeds were used to purchase a dormitory facility. Monthly payments are $12,392, including a fixed rate of interest at 5.5% per annum. The debt is secured by land, building, furniture, fixtures, and equipment. The debt agreement also contains a number of financial covenants. The Corporation is in compliance with all such covenants.	$ 1,104,827	$ 1,183,156
The Corporation assumed $2.0 million in debt as part of a transaction where the Corporation acquired a dormitory facility. The debt is due in 2021. Debt is secured by a second lien on land, building, furniture, fixtures and equipment. Accrued interest is due in 2021 at a fixed rate of 5.0% per annum. The Corporation is in compliance with all debt covenants.	2,000,000	2,000,000
	3,104,827	3,183,156
Less: Current Portion	90,065	85,257
Long-Term Portion	$ 3,014,762	$ 3,097,899

Debt matures as follows at June 30:

Year Ending June 30,	Amount
2019	$ 90,065
2020	95,147
2021	2,100,514
2022	106,183
2023	108,426
Thereafter	604,492
Total	$ 3,104,827

Interest expense was $157,787 and $172,842 for the years ended June 30, 2018 and 2017, respectively.

NOTE 18.5 LEASES

The Corporation leases office space to various third party businesses under operating lease agreements. The building in which the office space is leased was impaired during fiscal year 2011. The cost of the building was valued at $-0- in the statement of financial position at June 30, 2018 and 2017.

Aggregate rental income from the lease agreements was approximately $62,000 and $55,000 for the years ended June 30, 2018 and 2017, respectively. Future minimum rentals amount are as follows at June 30:

NOTE 18.5 LEASES (CONTINUED)

Year Ending June 30,	Amount
2019	$ 14,548
2020	5,322
Total	$ 19,870

NOTE 18.6 CONTINGENCIES

Under the terms of federal and state 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 Corporation's management believes disallowances, if any, will not have a significant financial impact on the Corporation's financial position.

NOTE 18.7 RELATED PARTY TRANSACTIONS

The Corporation conducts transactions with the Bluefield State College Foundation (the Foundation) throughout the year. The transactions primarily consist of donations from the Foundation to the Corporation, which amounted to approximately $155,000 and $728,000 during the years ended June 30, 2018 and 2017, respectively.

	2018	2017
Federal Programs:		
National Institute of Health/Department of Health and Human Services Grant	$ 125,508	$ 113,668
Marshall University Research/IDEA Network of Biomedical Research Excellence Grant	116,853	253,513
NASA Grant	12,146	8,329
West Virginia University Health Science Technology Academy Grant	43,816	17,794
Title III Summer Research Grant	-	1,694
Department of Health and Human Services Substance Abuse and Mental Health Services Administration Grant	125,955	47,980
National Institute of Health Radon Project Grant	-	3,800
Marshall University Health Science Technology Academy Grant	31,700	-
	455,978	446,778
State Programs:		
Higher Education Policy Commission Grant	-	193
American Legacy Grant	743	4,230
Governor's STEM Initiative Grant	-	4,530
Tobacco Control Grant	-	77
	743	9,030
Private and Unrestricted Programs:		
MountainView Dormitory Facility	584,122	958,194
Highmark Foundation Grant	51,598	1,495
Bluefield State College International Initiatives	6,763	1,295
NCAA Choice Grant	740	3,526
	643,223	964,510
Support Services:		
Management and General	144,016	170,945
	$ 1,243,960	$ 1,591,263

NOTE 18.8 DETAILS OF PROGRAM SERVICES AND SUPPORT SERVICES

Details of program services and support services at June 30 are as follows:

	2018 BLUEFIELD STATE COLLEGE								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships Fellowships and Support Services	Depreciation and Amortization	Interest	Other	Total
Research	$ -	$ -	$ 293,544	$ -	$ -	$ -	$ -	$ -	$ 293,544
Student Support	145,695	16,120	121,054	139,657	25,832	-	-	-	448,358
Depreciation and Amortization	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	157,787	-	157,787
Other	82,191	3,372	170,772	83,040	-	-	-	52,714	392,089
	$ 227,886	$ 19,492	$ 585,370	$ 222,697	$ 25,832	$ -	$ 157,787	$ 52,714	$1,291,778

	2017 BLUEFIELD STATE COLLEGE								
	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships Fellowships and Support Services	Depreciation and Amortization	Interest	Other	Total
Research	$ -	$ -	$ 147,237	$ -	$ -	$ -	$ -	$ -	$ 147,237
Student Support	187,420	15,499	257,660	178,987	66,386	-	-	-	705,952
Depreciation and Amortization	-	-	-	-	-	70,108	-	-	70,108
Interest	-	-	-	-	-	-	172,842	-	172,842
Other	82,522	3,671	326,245	82,686	-	-	-	820,090	1,315,214
	$ 269,942	$ 19,170	$ 731,142	$ 261,673	$ 66,386	$ 70,108	$ 172,842	$ 820,090	$2,411,353

NOTE 18.9 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

The natural classifications with functional classifications at June 30 are as follows:

	2018	2017
Rental Income	$ 409,668	$ 409,668
Contributions	728,318	728,318
Other Income	21,288	21,288
Programs Services Expense	(958,194)	(958,194)
Impairment Loss	(820,090)	(820,090)
Change in Net Assets from Discontinued Operations	$ (619,010)	$ (619,010)

NOTE 18.9 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS (CONTINUED)

	2018	2017
Assets		
Current Assets		
Cash and Cash Equivalents	$ 10,170	$ 10,170
Receivables, Net of Allowance for Doubtful Accounts of $124,289 and $124,289, Respectively	39,230	39,230
Total Current Assets	49,400	49,400
Property and Equipment, Net	393,802	393,802
Total Assets	$ 443,202	$ 443,202
Liabilities		
Current Liabilities		
Accounts Payable and Accrued Expenses	$ 26,097	$ 26,097
Current Portion of Long-Term Debt	85,257	85,257
Total Current Liabilities	111,354	111,354
Long-Term Debt, Less Current Portion	1,097,899	1,097,899
Total Liabilities	$ 1,209,253	$ 1,209,253

NOTE 18.10 MANAGEMENT'S PLAN TO ADDRESS UNRESTRICTED DEFICIENCY IN NET ASSETS AND DECREASED CASH FLOWS

During fiscal years, 2017 and 2016, the Corporation recorded an impairment loss to write the MountainView dormitory value down to fair value. As a result of the impairment losses, the Corporation has incurred a significant deficit in unrestricted net assets. Bluefield State College plans to pen on campus housing for its students by fiscal year 2020, in which case the Corporation would likely sell the building and land associated with the MountainView dormitory. The Corporation has historically experienced operating losses from dormitory operations, which would be eliminated with the sale of the facility. Upon sale of the dormitory, the Corporation's primary operational focus will shift to grant administration. Management anticipates a significant decrease in overall expenses and an increase in cash with this shift. However, until Bluefield State College opens on-campus housing to its student, the MountainView dormitory will likely continues its operation.

In recent years, the Foundation has contributed over $1.0 million to help sustain the Corporation's operations, primarily to support operating costs of the MountainView dormitory. In addition to these contributions, the Foundations has also forgiven the interest due on the $2.0 million note payable described in note 18.4 for the years ended June 30, 2018, and 2017. These contributions were significantly reduced during the year ended June 30, 2018 and future contributions from the Foundation or other organizations are uncertain. A reduction or elimination of these contributions in the future, in addition to continuing decreases in occupancy at the MountainView dormitory, would have a significant impact on the sustainability of the Corporation's operations and creates substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that these financial statements are issued.

NOTE 18.11 SUBSEQUENT EVENTS

In preparing these financial statements, the Corporation has evaluated events and transaction for potential recognition or disclosure through October 2, 2018, the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
JUNE 30, 2018 AND 2017

Schedule of Proportionate Share of TRS Net Pension Liability (NPL)

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
June 30, 2015	0.016479%	$ 571,039	$ 1,303,004	$ 1,874,043	$ 495,570	115%	66.25%
June 30, 2016	0.019228%	$ 790,228	$ 1,505,173	$ 2,295,401	$ 500,367	158%	65.95%
June 30, 2017	0.014434%	$ 498,691	$ 1,102,827	$ 1,601,518	$ 519,608	96%	67.85%

TRS Schedule of Contributions

Measurement Date	Actuarily Determined Contributions	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2015	$ 74,933	$ 80,855	$ (5,922)	$ 495,570	16%
June 30, 2016	$ 75,055	$ 81,371	$ (6,316)	$ 500,367	16%
June 30, 2017	$ 59,754	$ 65,163	$ (5,409)	$ 519,608	13%

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. Additional information, if necessary, can be obtained from the CPRB Comprehensive Annual Financial Report for the year ended June 30, 2018.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF PROPORTIONATE SHARE OF OTHER POSTEMPLOYMENT BENEFITS, LIABILITY, AND CONTRIBUTIONS
JUNE 30, 2018 AND 2017

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
June 30, 2017	0.182222985%	$ 4,480,843	$ 920,370	$ 5,401,213	$ 318,742	1406%	25.10%

Schedule of Employer Contributions

Measurement Date	Actuarily Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
June 30, 2017	$ 374,283	$ 381,097	$ (6,814)	$ 318,742	119.56%

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

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

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

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

Board of Governors
Bluefield State College
Bluefield, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the 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 aggregate discretely presented component units of Bluefield State College (the College), a blended component unit of the West Virginia Higher Education Fund, as of and for the year ended June 30, 2018, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2018. Our report includes a reference to other auditors who audited the financial statements of the Bluefield State College Foundation, Inc. and the Bluefield State College Research and Development Corporation, as described in our report on the College's financial statements. The financial statements of the Bluefield State College Foundation, Inc. and Bluefield State College Research and Development Corporation 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and recommendations, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and recommendations to be a material weakness as item 2018-001.

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. We consider the deficiencies described in the accompanying schedule of findings and recommendations as item 2018-002 to be a significant deficiency.

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*.

Bluefield State College's Response to Findings

The College's response to the finding identified in our audit is described below. The College's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 College'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 College's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 23, 2018

BLUEFIELD STATE COLLEGE
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR YEAR ENDED JUNE 30, 2018

2018-001 – Audit Adjustments

Type of Finding:

- Material Weakness in Internal Control Over Financial Reporting

Condition

During the audit, it was determined that at June 30, 2018, there were accounts payable and related capital assets and expenses not recorded. The expense or capital assets were incurred prior to fiscal year end, and therefore should have been recorded as a liability on the Statement of Net Position as of June 30, 2018 which was corrected during the audit.

Criteria or Specific Requirement

Management is responsible for establishing and maintaining internal controls, including monitoring, and for the fair presentation in the Statement of Net Position, Statement of Revenue, Expenses, and Changes in Net Position, and Statement of Cash Flows, including the notes to the financial statements, in conformity with accounting principles generally accepted in the United States of America. Their responsibilities include recording significant financial reporting process, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record, and process journal entries into the general ledger; and record recurring and nonrecurring adjustments to the financial statements.

Context

The College has a process to review subsequent disbursements to ensure any expense incurred within the fiscal year is properly recognized as accounts payable. As invoices are received, the finance department enters the accounts payable, based on the date of expense; the liability is booked within the respective fiscal year.

Effect

This omission resulted in an adjustment to record the accounts payable and related expense as of June 30, 2018.

Cause

The expense in question was not processed with the appropriate date and therefore a liability was not recognized as of June 30, 2018.

Repeat Finding

No

Auditors' Recommendation

We recommend management review policies and procedures regarding the review of subsequent disbursements to ensure expenses are recognized in the proper fiscal year in which they are incurred.

Views of Responsible Officials and Planned Corrective Actions:

Bluefield State College recognizes the importance of accurate financial reporting. Within our year-end processes, transactions such as these are extremely unusual. Going forward, Bluefield State personnel will make corrective action for this not to occur again.

2018-002 – Federal Grant Receivables and Unearned Revenue

Type of Finding:

- Significant Deficiency in Internal Control Over Financial Reporting

Condition

Federal grant receivables and unearned revenue subledgers include amounts with no activity in the current year and some which date back as far as 1997/1998.

Criteria or Specific Requirement

Sound internal control policies under the Committee of Sponsoring Organizations (COSO) framework requires that all accounts be reconciled to their underlying subsidiary ledger or other supporting documentation on a timely periodic basis. Such reconciliations should include a review for stale dated items for timely clearing.

Context

The Veterans Upward Bound grant was closed on 9/30/07 and carried a receivable balance of $74,029 with no activity in the current year.

Effect

Federal grant accounts receivable and unearned revenue may be overstated for amounts that are uncollectible or no longer available for spending.

Cause

Reconciliation procedures do not include a review of stale or old amounts for resolution.

Repeat Finding

Yes

Auditors' Recommendation

We recommend the College review Federal grant accounts receivable and unearned revenue subledgers to ensure that only collectible amounts are recorded as receivable and that unearned revenue balances are still within the period of availability for spending. Any amounts deemed uncollectible or not spendable should be written off or returned to the respective agencies, as applicable.

Views of Responsible Officials and Planned Corrective Actions:

Bluefield State College considers any concerns brought forward by the independent auditors important. Personnel at the institution have worked on correcting some balances in some of the grants in previous years and ongoing. Finance personnel will make a concentrated effort in the next months to correct other outstanding balances.

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Board of Governors
Bluefield State College
Bluefield, West Virginia

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of Bluefield State College (the College), a component unit of West Virginia Education Fund, as of and for the year ended June 30, 2018, and have issued our report thereon dated October 23, 2018. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Bluefield State College are described in Note 2 to the financial statements.

For the year ended June 30, 2018, the College adopted the provisions of Governmental Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the adoption of this Statement, beginning net position was restated. See Note 2 of the financial statements for additional information.

We noted no transactions entered into by the 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

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

- Management's estimate of the allowance for doubtful accounts is based on an evaluation of the underlying account, contract, grant, and loan balances; the historical collectability experienced by the University on such balances; and such other factors that, in the University's judgment, require consideration in estimating doubtful accounts. We evaluated the key factors and assumptions used to develop the allowances in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of depreciation is based on the estimated useful lives of capital assets. We evaluated the key factors and assumptions used to estimate the useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the compensated absences liability is based on current and historical information available to management. We evaluated the key factors and assumptions used to develop the compensated absences liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the other postemployment benefits liability is based on an actuarial computed amount. We evaluated the key factors and assumptions used to develop the compensated absences liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liability is based on an actuarial computed amount. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

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

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

Difficulties encountered in performing the audit

The completion of our audit was delayed due to the following matters, also communicated to you in our letter dated October 8, 2018.

- Bluefield State College, draft financial statements and underlying books and records were not available to be audited until October 9, 2018.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. As part of our audit procedures we identified two uncorrected misstatements. One related to loans receivable and the related revenues being overstated by $13,131. This is due to no support available to account for this amount included in the loans receivable balance as of June 30, 2018. The other one relates to accounts payable and related expenses being understated by $153,048. This is due to errors found in the sample of subsequent disbursements tested as part of the audit, which was projected to the entire balance.

Corrected misstatements

The following material misstatements detected as a result of audit procedures were corrected by management:

- A material entry was made to accounts payable and related expenses that were erroneously unrecorded in the amount of $397,983.

Disagreements with management

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

Management representations

We have requested certain representations from management that are included in the management representation letter dated October 23, 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 the College's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

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

Other audit findings or issues

We have provided a separate letter to you dated October 23, 2018 communicating internal control related matters identified during the audit.

Audits of group financial statements

We noted no matters related to the group audit that we consider to be significant to the responsibilities of those charged with governance of the group.

Quality of component auditor's work

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

Limitations on the group audit

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

Other information in documents containing audited financial statements

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

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

* * *

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 23, 2018

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Board of Governors and Management
Bluefield State College
Bluefield, West Virginia

In planning and performing our audit of the financial statements of Bluefield 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 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.

However, during our audit, we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and other matters that are opportunities to strengthen your internal control and improve the efficiency of your operations. Our comments and suggestions regarding those matters are summarized below. A separate communication dated October 23, 2018, contains our written communication of significant deficiencies and material weaknesses in the College's internal control. This letter does not affect our communication dated October 23, 2018.

- **Direct loan and Pell outstanding checklists**

  During our review of the outstanding checklists, checks were noted dating back to 2006. Federal financial aid regulations require Title IV federal funds disbursed to a student or parent that are not received or negotiated must be returned to the appropriate financial aid program no later than 240 days after the check issue date. Accordingly, we recommend that the College review the outstanding checklists in further detail and return any funds to the appropriate federal program.

- **Refund cash account outstanding checklist**

  During our review of the outstanding checklist for the refund cash account, checks were noted dating back to 2006 that should be reviewed and returned to the State in accordance with unclaimed property laws. Accordingly, we recommend that the College review the unclaimed property laws in the state of West Virginia and ensure processes are in place to ensure all funds are being properly and timely remitted to the State.

- **AR hospital allowance**

  The College estimates an allowance for uncollectable receivables related to their agreement with a local medical center. The College has fully allowed for the receivable with this organization. During the fiscal year, the College provided additional services to the medical center and those have been added to both the outstanding receivable as well as the allowance for uncollectable receivables. We recommend that the College review the relationship and work performed for this medical center since it seems unlikely that the services will be paid for past work or for future services.

- **Allowance for doubtful accounts**

  It was noted the allowance for doubtful accounts is a significant portion of the total receivables balance and includes several outdated receivables which date back to 1981. It is unlikely these amounts will be recovered and they will continue to inflate the total receivables balance. We recommend the College write off the uncollectible portion as bad debt and reassess its policies surrounding bad debt and allowance for doubtful accounts estimates. This policy should include a formal review by management.

- **Balance sheet review**

  It was noted there is no documentation of review of balance sheet items. Active maintenance and review of balance sheet accounts is important to ensure the College's financial statements are accurate at year-end.

- **Succession planning**

  While performing our audit for the fiscal year ended June 30, 2018, we noted several instances where cross training among the various finance and accounting activities have not occurred or it has been very minimal. In addition with the College's staff primarily being long-term in nature, it is necessary to have employees cross trained so, as employees retire or separate from the College, not all institutional knowledge is lost at the same time. We recommend that the College's management review the various job duties within finance and accounting and ensure there is a proper level of succession planning conducted and cross training is conducted.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various College personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

* * *

This communication is intended solely for the information and use of management, the Board of Governors, the Higher Education Policy Commission, federal and state awarding agencies, pass-through entities, and others within the College, and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
October 23, 2018

BOARD OF GOVERNORS
BLUEFIELD STATE COLLEGE
October 18, 2018

Conley Hall, Room 201, Boyd Conference Room

MINUTES

Members Present: Garry Moore, Sr., Bob Buzzo, Cathy Deeb, Charlie Cole, Chris Jones, Dr. Norman Mirsky, J. Ronald Hypes, and Dr. Deirdre Guyton.

President's Staff: Dr. Marsha Krotseng, Dr. Guy Sims, Dr. Mariam Dittmann, Jim Nelson, John Lewis, Dr. Ted Lewis, Jonette Aughenbaugh, Dr. Jo-Ann Robinson, and Shelia Johnson (via conference call).

Guests: Delano Sweeney, Dr. Tamara Ferguson, Jim Schlimmer, Dr. Rodney Montague, Ergie Smith, Dr. Amanda Matoushek, Darrell Thompson, Shelia Hallman-Warner, Dr. Bill Bennett, Vanessa Godfrey, Ms. Terene Stiltner.

Welcome and Call to Order – Chairman Garry Moore

Chairman Moore called the meeting to order at 6:30 p.m. and welcomed all in attendance.

Public Comment Period

No one signed up to speak during the Public Comment Period. Therefore, the meeting continued with the next agenda item.

Oath of Office for New Board Member(s)

Dr. Deirdre Guyton was given the Oath of Office and sworn in as a new Board member.

Chair's Remarks – Chairman Garry Moore

Chairman Moore expressed thanks to everyone at Bluefield State for their time and attention to detail in making the campus tour that took place prior to the Board meeting possible.

My notes...

"A person who wants to lead the orchestra must turn his back on the crowd." - Max Lucado

"Leadership is a potent combination of strategy and character. But if you must be without one, be without the strategy."- Norman Schwarzkopf

"The secret of living a life of excellence is merely a matter of thinking thoughts of excellence. Really, it's a matter of programming our minds with the kind of information that will set us free." —Charles R. Swindoll

The only place that you'll find SUCCESS before WORK is in the dictionary.

Hebrews 10:24; "24 And let us consider one another to provoke unto love and to good works:"

I believe we've all come here tonight for some good provoking...a provocation to more cooperation and trust. A river is powerful because many drops of water have learned the secret of cooperation.

In other words, the little wheels in the back of a watch are just as important as the big hands on the front of the watch.

One of the paramount facts of teamwork is you always have someone else on your side. True teams pull together, not apart. But this working together only occurs unless there's an atmosphere of encouragement and support. The true measure of our success, therefore, won't be in getting people to work. It won't be in getting people to work hard. The greatest impact of our influence will be noticeable when we work hard together. This takes commitment from everyone on the team.

Making our students and potential students, along with our college, the focal point of our messaging, will be our greatest quest in the next few months. Don't you sometimes get upset when you subscribe to something or belong to something, and newer or newest members seem to be treated better...or given better incentives than you? Not only should we desire more students, but we should treat the students we have with the ultimate dignity and respect.

I want to commend Dr. Krotseng, our Athletic Director John Lewis, and head basketball coach, Derrick Price on their handling of a very tragic incident that happened to one of our international students. One of our players died playing a game he loved. His parents were overseas. As a parent who has had a child playing a sport internationally, that's your great nightmare. Your child is hurt or in trouble and you can't get to them. I would like to take this moment to thank you for your care and professionalism, during and after, an extremely tragic event. Our thoughts and prayers are still going out to his family, friends, teachers, and teammates.

We also had another homecoming, but it wasn't the talk of the town. I attended jazz night on that Thursday night that should have been massively attended. But, it reminded me of what an HBCU is really all about. When we study and work hard, we deserve to play hard. We deserve to celebrate our successes. It was a great night of fun and celebration, but the room(s) should have been full.

I also attended the closing ceremony on that Sunday morning in the same room. I challenged us to commit that next year, that these events are to be standing room only.

Many colleges want to talk to student recruits about their school—what it has to offer, what the campus culture is like, and what makes it unique and special. I believe, however, that since we truly are unique and different, so must our approach be different to potential students. Most car sales consultants think that every car that rolls into the dealership is THEIR customer. Now they may not get them all, but that's how they think. Our reach now has to be beyond our grasp. Our goals have to be big, with benchmarks along the way. What if we started looking at EVERY student we come in contact with as a potential student of BSC? Instead of just touting the beautiful, historic institution that we are, that we encourage and involve the parents of that individual as early as their freshman or sophomore years of high school as well? In order to be something different and spectacular, we have to do and think something differently. We all have to leave our comfort zones starting tonight.

What if we let every student and their parents know that they are unique and special and they are the architects of their own unique education? Instead of following a path laid down by others, you will have access to and will be mentored by exceptional faculty to help forge your own journey of discovery. By concentrating on the needs and wants of that unique individual, we will forge connecting relationships and transform our impact on and off campus.

My dad was an educator in Amherst County, Virginia. He told me once in the context of service this little proverb. He said: "Son if you serve the masses, you'll eat with the classes. BUT, if you serve the classes, you'll eat with the masses."

BSC it's time for us to expand our reach. It's time to expose the world to our exceptional gift, starting right here in Bluefield, WV.

President's Report – Dr. Marsha Krotseng

Dr. Krotseng expressed thanks to those who attended the BSC campus tour prior to the BSC Board of Governors meeting. Dr. Krotseng introduced Dr. Mariam Dittmann, BSC's new Director of Institutional Effectiveness, Assessment & Accreditation. Her comments focused on enrollment, which is not where it needs to be; a positive visit by the four-year Nursing program's accrediting body, the Commission on Collegiate Nursing Education; several new articulation agreements with Virginia community colleges; and an update on the residence hall. HBCU funds will help finance a scaled back version of the project at a cost of approximately $16.7 million. BSC will be examining options to determine what is financially feasible. Mr. Buzzo made a motion that Mr. Charlie Cole and Mr. Hypes serve on a BSC Board of Governors Committee to assist BSC with the residence hall project. The motion was seconded by Dr. Guyton. The motion carried.

Calendar dates of interest include the following: 11/1/18 CEME Grand Opening and 11/5/18 Battle of the Bluefields.

BSC Faculty Presentation – Dr. Amanda Matoushek

Dr. Amanda Matoushek, Chair of the Faculty Senate, presented to the BSC Board of Governors on behalf of the faculty. Dr. Matoushek's presentation covered faculty contributions, student success, and faculty concerns. Highlights from her presentation include the following: 1) Faculty Contributions – Online Learning Committee, Enrollment Management Council, Persistence and Completion Team, Recruitment/Outreach, New Cybersecurity Minor Fall 2019. 2) Student Success – Student Association of Radiographers' campus project, Graduate School Success, Employment Success, and the Virtual Campus Tour. 3) Faculty Concerns – Significant efforts should be put toward the recommendations from AGB and Ruffalo Noel-Levitz reports, Current recruitment practices, Beckley Campus is not represented in faculty awards, More institutional focus on career placement, Dorms / Building online programs, MountainView, and the Presidential Evaluation process. Dr. Matoushek also highlighted the accomplishments of Pi Gamma Mu Scholarship Recipients Zachary Green and Jelena Jevtic.

Approval of Minutes of August 16, 2018 Meeting

The first action item was approval of the minutes from the August 16, 2018 meeting. Dr. Mirsky made a motion to approve the minutes from the August 16, 2018 meeting. The motion was seconded by Dr. Guyton. The motion carried.

Financial Report and Update – Ms. Shelia Johnson

Ms. Johnson reported on several facility issues and renovations that are taking place on campus: The roof project is under way. The cost of the project is $800,000 funded from Title III funds. The gym floor project is now complete. This $200,000 project was also funded from remaining Title III funds. BSC recently entered into a contract for sidewalk, stairs, and rail replacement. The sidewalk project is being funded by the Policy Commission. One of the smaller projects involves three boilers in the P.E. Building. One is operational, one has been replaced, and they are working on installation on the other boiler at a cost of approximately $9,000.

Title III funds will cover the cost of new furniture for the Basic Science lobby as well as replacement of blinds. Title III funding will cover the costs of renovation of a room on the 4th floor of the P.E. Building that will be used as an online testing center. The cost of the online testing center project is approximately $50,000. Discussion followed.

Ms. Johnson provided an update regarding the financial audit. BSC has finished providing all of the financial statements and supporting documentation. They have answered hundreds of questions over the last couple of weeks. The financial statements are expected to be released tomorrow. Discussion followed.

Election of Vice Chair

Chairman Moore opened the floor for nominations for Vice Chair. Mr. Hypes made a motion to nominate Charlie Cole for the position of Vice Chair, BSC Board of Governors. Chairman Moore asked if there are any other nominations from the floor. There were none. Mr. Buzzo seconded the motion. The motion carried.

Governance Policy Manual Review – Dr. Norman Mirsky

Dr. Mirsky reviewed Governance Policies 304 and 305 with the Board. With regard to Policy 305, only the Board Chair is allowed to speak for the Board. If people ask questions, they are to be referred to the Board Chair. Once the Board makes a decision, Board members are expected to publically support that decision. If a Board member feels that they cannot support a decision made by the Board, they may choose not to be a Board member anymore. With regard to Policy 304, requests by individual Governors for information should come through the President. Dr. Mirsky commented on the open meetings law. Discussion followed. Mr. Hypes will do the Governance Policy Manual Review at the next Board meeting.

Growing Enrollment – Dr. Jo-Ann Robinson

Drs. Jo-Ann Robinson and Tamara Ferguson put forward a presentation on BSC Retention Strategies. Highlights from that presentation include the following: 6 Year Graduation Rates from IPEDS; Fall to Fall Retention Rates; Comparison with National Retention Data; Retention Focus at BSC – Enrollment Management Council, Persistence and Completion Academy, Implementation of Pathways for HEPC/CCA, On-line Learning/Teaching Teams; Best Practices in Retention for Students; Best Practices in Retention for Freshmen; Probation Problems; Orientation – Improving Processes; Early Alert – New Process; Support and Next Steps.

Delivering Quality Programs – Dr. Ted Lewis

Dr. Lewis referred to his report in the Board meeting materials packet. He highlighted the following items: New programs – an Entrepreneurship major, a Manufacturing Engineering Technology minor, Associate of Science in Electrical Engineering Technology that can be completed online, and a Cybersecurity minor; Compressed Semester; Center for Excellence in Manufacturing Engineering (CEME); Automated processes update – e-transcripts are now fully operational and in use, the graduation application is now fully automated; Online Learning; Online Enrollment; Shared Resources; Academic Pathways; Articulation Agreements; and a Dean of W. Paul Cole Jr. School of Business Search update.

Blue Ribbon Commission Update – Dr. Marsha Krotseng

The Blue Ribbon Commission has met five times. It has broken into three subcommittees. The first subcommittee is Collaboration which has reviewed various articulation agreements. Dr. Krotseng has shared her response, originally requested by HEPC

Chairman Mike Farrell, with the BSC Board of Governors. The second subcommittee is Finance. That subcommittee is still discussing various funding models. One short-term solution that has been presented is to divide ten million dollars among all of the regional institutions. The third subcommittee is Governance. They are tending toward replacing HEPC with a higher education service agency. Dr. Krotseng continues to remain in communication with regional presidents.

Possible Executive Session Under the Authority of WV Code § 6-9A-4(b)(12)

A motion was made by Dr. Guyton to go into Executive Session. The motion was seconded by Mr. Hypes. The motion carried.

A motion was made by Dr. Mirsky to return to Regular Session. The motion was seconded by Mr. Cole. The motion carried.

Adjournment

Ms. Deeb made a motion to adjourn the Board meeting. The motion was seconded by Dr. Guyton. The motion carried. The meeting adjourned at approximately 9:31 p.m.

Respectfully submitted,

____

Garry Moore, Sr.

UPDATED 12/05/2018

BLUEFIELD STATE COLLEGE
BUDGET VS ACTUAL (STATE ACCOUNTS)
FISCAL YEAR 19, AS OF
OCTOBER 31, 2018
CASH BASIS*

DESCRIPTION	BUDGETED 2018 FY	% OF BUDGETED	ACTUAL 10/31/2018	% OF ACTUAL	% OF BUDGET
BEGINNING CASH 07/01/18			**1,243,674**		
ADDITIONS:					
REVENUE					
STATE APPROPRIATIONS	5,600,993	22.79%	2,352,417	29.78%	42.00%
TUITION & FEES	10,179,823 *	41.42%	2,787,524	35.29%	27.38%
CAPITAL FEES	600,000	2.44%	172,674	2.19%	28.78%
SALES & SERVICES	85,000	0.35%	28,471	0.36%	33.50%
GRANTS & CONTRACTS	6,316,452	25.70%	2,307,063	29.21%	36.52%
INVESTMENT EARNINGS	2,000	0.01%	5,313	0.07%	265.65%
AUXILIARY	988,000	4.02%	269,167	3.41%	27.24%
DEBT ASSESSMENT	(46,627)	-0.19%	(23,314)	-0.30%	50.00%
HERA ASSESSMENT					
OTHER	850,000				
TOTAL REVENUES	**24,575,641**	**100.00%**	**7,899,315**	**100.00%**	**32.14%**
DEDUCTIONS:					
EXPENDITURE					
PERSONAL SERVICES	12,588,832 *	51.64%	3,714,486	52.25%	29.51%
EMPLOYEE BENEFITS	3,118,721	12.79%	914,752	12.87%	29.33%
CURRENT EXPENSE	3,726,102	15.28%	1,202,328	16.91%	32.27%
REPAIRS/ASSETS/BLDG CONSTRUCTION	2,780,000	11.40%	901,637	12.68%	32.43%
SCHOLARSHIP, AWARDS	2,164,000	8.88%	375,124	5.28%	17.33%
TOTAL EXPENDITURES	**24,377,655**	**100.00%**	**7,108,327**	**100.00%**	**29.16%**
ENDING CASH AND IN TRANSIT 10/31/2018			**2,034,662**		
LESS: ENCUMBRANCES			(528,993)		
Balance (Cash Less Encumbrances)			**1,505,669**		

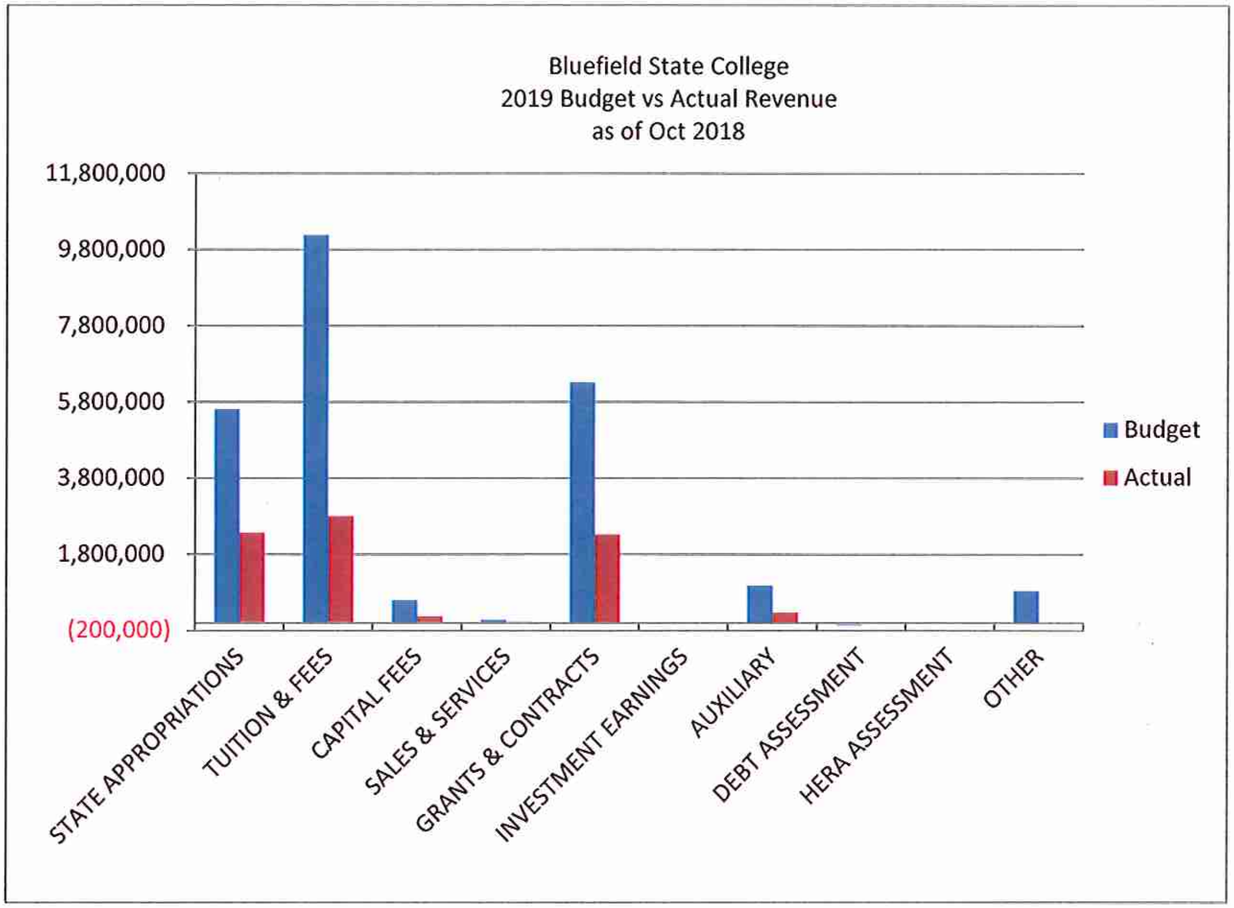
***Fees and personal services inflated by $1.9 million+ due to personal services vacanies held.**

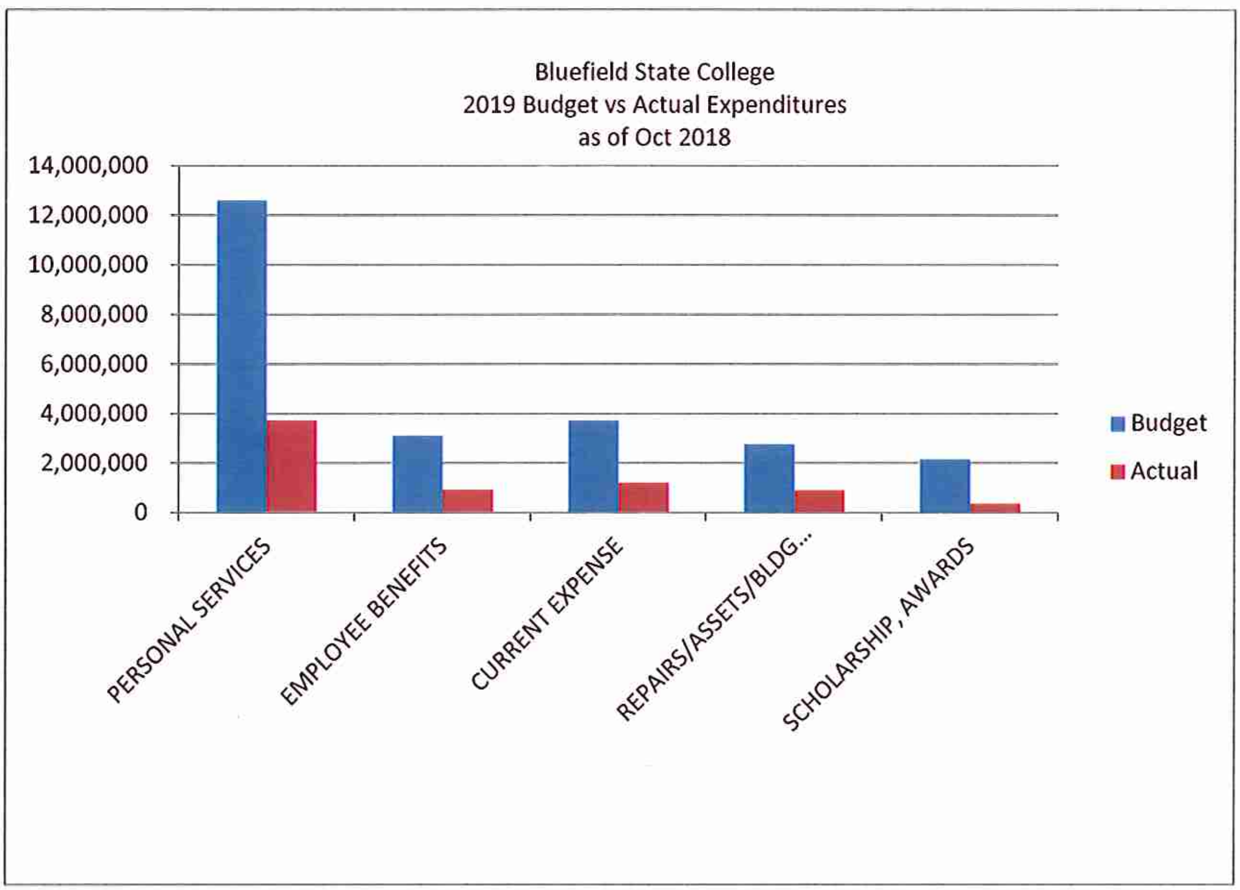
UPDATED 12/05/2018

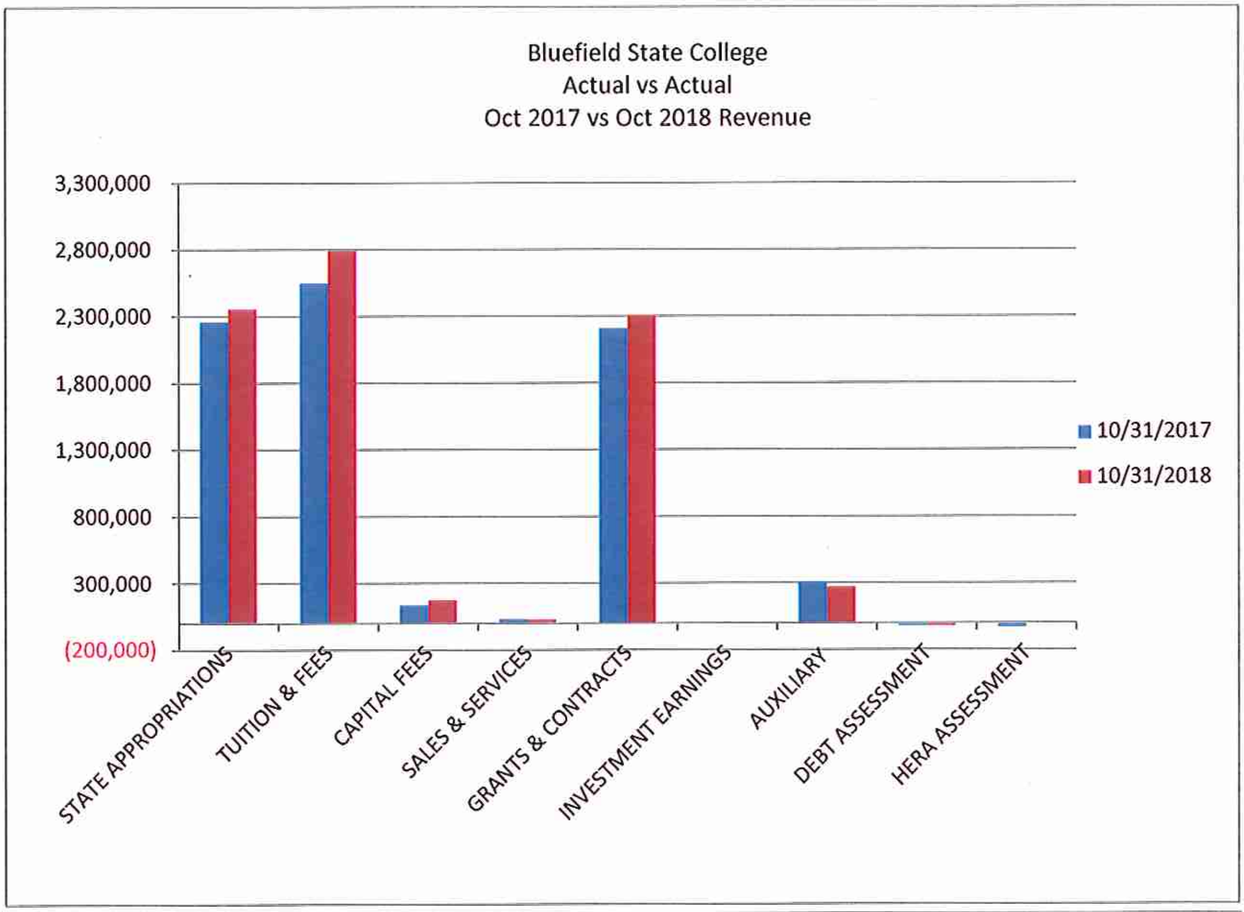
BLUEFIELD STATE COLLEGE
BUDGET VS ACTUAL (STATE ACCOUNTS)
COMPARISON OF OCTOBER 31, 2017 AND OCTOBER 31, 2018
CASH BASIS*

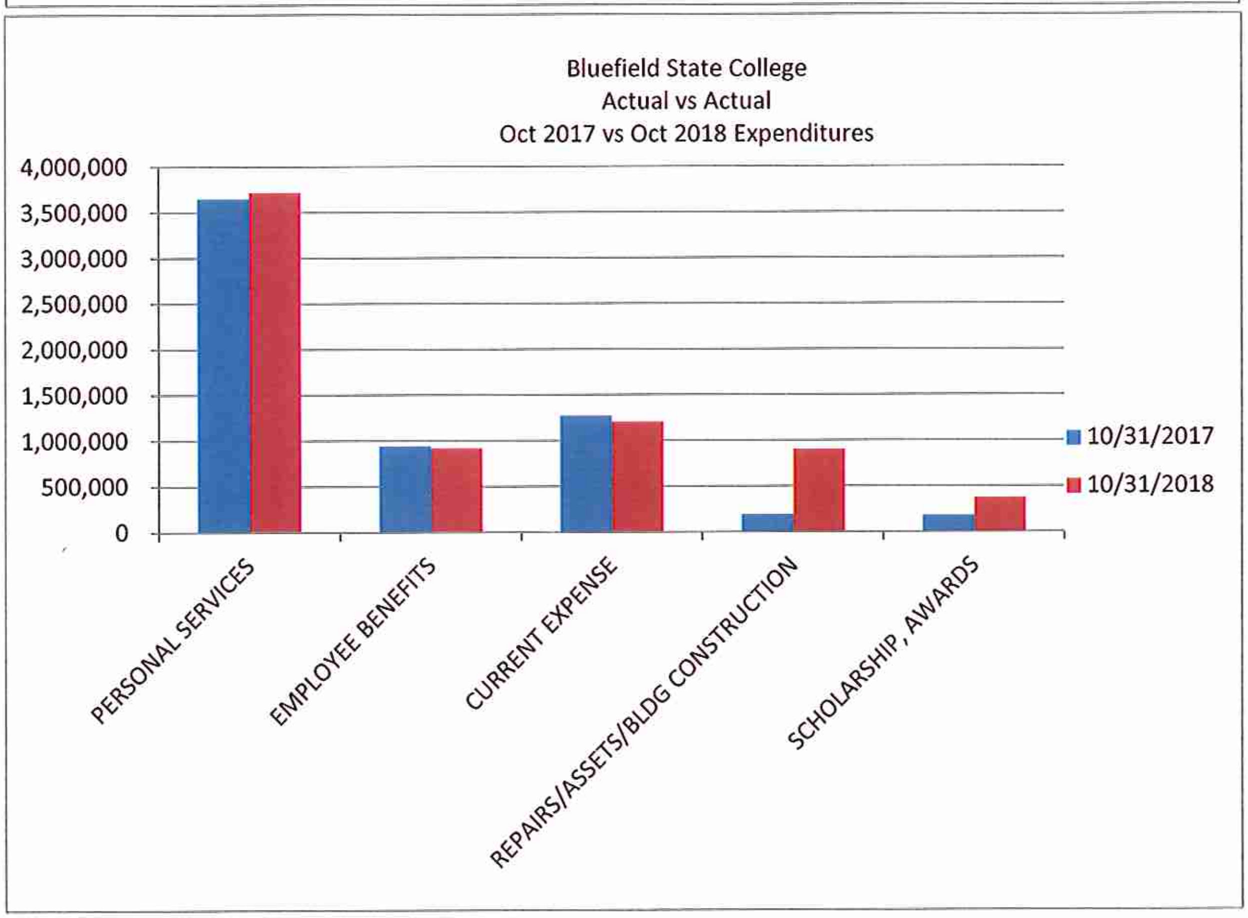
DESCRIPTION	ACTUAL 10/31/2017	ACTUAL 10/31/2018	DIFFERENCE	% OF DIFFERENCE
BEGINNING BALANCE 07/01/2017-2018	**716,529**	**1,243,674**	**527,145**	
ADDITIONS:				
REVENUE				
STATE APPROPRIATIONS	2,259,263	2,352,417	93,154	4.12%
TUITION & FEES	2,551,068	2,787,524	236,456	9.27%
CAPITAL FEES	135,506	172,674	37,168	27.43%
SALES & SERVICES	31,783	28,471	(3,312)	-10.42%
GRANTS & CONTRACTS	2,211,519	2,307,063	95,544	4.32%
INVESTMENT EARNINGS		5,313	5,313	100.00%
AUXILIARY	311,823	269,167	(42,656)	-13.68%
DEBT ASSESSMENT	(20,500)	(23,314)	(2,814)	13.73%
HERA ASSESSMENT	(30,667)		30,667	-100.00%
TOTAL REVENUES	**7,449,795**	**7,899,315**	**449,520**	6.03%
DEDUCTIONS:				
EXPENDITURE				
PERSONAL SERVICES	3,647,987	3,714,486	66,499	1.82%
EMPLOYEE BENEFITS	942,396	914,752	(27,644)	-2.93%
CURRENT EXPENSE	1,274,449	1,202,328	(72,121)	-5.66%
REPAIRS/ASSETS/BLDG CONSTRUCTION	196,329	901,637	705,308	359.25%
SCHOLARSHIP, AWARDS	183,345	375,124	191,779	104.60%
TOTAL EXPENDITURES	**6,244,506**	**7,108,327**	**863,821**	13.83%
ENDING CASH AND IN TRANSIT 10/31/2017 - 2018	**1,921,818**	**2,034,662**	**112,844**	
LESS: ENCUMBRANCES	(175,326)	(528,993)	**(353,667)**	
Balance (Cash Less Encumbrances)	**1,746,492**	**1,505,669**	**(240,823)**	

***Excludes Clearing Account**


Bluefield State College
2019 Budget vs Actual Revenue
as of Oct 2018
11,800,000
9,800,000
7,800,000
5,800,000
3,800,000
1,800,000
(200,000)
STATE APPROPRIATIONS
TUITION & FEES
CAPITAL FEES
SALES & SERVICES
GRANTS & CONTRACTS
INVESTMENT EARNINGS
AUXILIARY
DEBT ASSESSMENT
HERA ASSESSMENT
OTHER
Budget
Actual


Bluefield State College
2019 Budget vs Actual Expenditures
as of Oct 2018
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
PERSONAL SERVICES
EMPLOYEE BENEFITS
CURRENT EXPENSE
REPAIRS/ASSETS/BLDG...
SCHOLARSHIP, AWARDS
Budget
Actual


Bluefield State College
Actual vs Actual
Oct 2017 vs Oct 2018 Revenue
3,300,000
2,800,000
2,300,000
1,800,000
1,300,000
800,000
300,000
(200,000)
10/31/2017
10/31/2018
STATE APPROPRIATIONS
TUITION & FEES
CAPITAL FEES
SALES & SERVICES
GRANTS & CONTRACTS
INVESTMENT EARNINGS
AUXILIARY
DEBT ASSESSMENT
HERA ASSESSMENT


Bluefield State College
Actual vs Actual
Oct 2017 vs Oct 2018 Expenditures
4,000,000
3,500,000
3,000,000
2,500,000
2,000,000
1,500,000
1,000,000
500,000
0
10/31/2017
10/31/2018
PERSONAL SERVICES
EMPLOYEE BENEFITS
CURRENT EXPENSE
REPAIRS/ASSETS/BLDG CONSTRUCTION
SCHOLARSHIP, AWARDS

UPDATED 11/29/2018

BLUEFIELD STATE COLLEGE
ENCUMBRANCES SUMMARY
OCTOBER 31, 2018

PO #	NAME	TOTAL FUND
BSC406	THOMPSON & LITTON OF WV INC	(145,240.00)
BSC407	THOMPSON & LITTON OF WV INC	(834.11)
BSC408	ORACLE ELEVATOR CO	(15,081.00)
BSC423	TRI-STATE ROOFING	(367,838.00)
	GRAND TOTAL ENCUMBRANCES	(528,993.11)

UPDATED 12/05/2018

BLUEFIELD STATE COLLEGE
FEDERAL FINANCIAL AID BALANCES
FISCAL YEAR 2018
AS OF OCTOBER 31, 2018

DESCRIPTION	PELL	DIRECT LOAN	SEOG	TOTAL 10/31/2018
BEGINNING CASH 07/01/18	**1,560.49**	**28,336.35**	**2,732.82**	**32,629.66**
ADDITIONS:				
REVENUE	1,669,817.74	2,290,749.43	16,936.00	3,977,503.17
TOTAL REVENUES	**1,669,817.74**	**2,290,749.43**	**16,936.00**	**3,977,503.17**
DEDUCTIONS:				
AWARDS & LOANS	1,722,334.00	2,336,516.00	16,936.00	4,075,786.00
Redeposits	(54,488.00)	(5,937.00)		(60,425.00)
Recoveries	(2,096.00)	(13,502.00)		(15,598.00)
TOTAL EXPENDITURES	**1,665,750.00**	**2,317,077.00**	**16,936.00**	**3,999,763.00**
ENDING CASH 10/31/2018	**5,628.23**	**2,008.78**	**2,732.82**	**10,369.83**
2018FY TOTALS				
TOTAL EXPENDITURES	**3,671,240.68**	**5,759,654.50**	**56,620.00**	**9,487,515.18**
% OF FINANCIAL AID 2018FY COMPARED TO 2019FY	**45.37%**	**40.23%**	**29.91%**	**42.16%**

Bluefield State College

OFFICE OF THE PRESIDENT
(p) 304.327.4030
(f) 304.327.4581

Item:	Policy 6: Grade Point Average for Associate and Baccalaureate Degrees
Recommendation Resolution:	*Resolved*, that Bluefield State College Board of Governors approves Policy 6: Grade Point Average for Associate and Baccalaureate Degrees to be distributed for 30-day Comment, and if no substantive comments to be final approval.
Staff Member:	Dr. Ted Lewis

Background:

This policy establishes guidelines regarding the grade point average required for associate and baccalaureate degrees. Revisions have been made to the "D" and "F" repeat provisions in order to be consistent with HEPC Series 22: Grade Point Average for associate and baccalaureate degrees.

BLUEFIELD STATE COLLEGE
BOARD OF GOVERNORS
POLICY NO. 6

TITLE: GRADE POINT AVERAGE FOR ASSOCIATE AND BACCALAUREATE DEGREES

SECTION 1. GENERAL

1.1 Scope: Rule regarding grade-point average required for associate and baccalaureate degrees.

1.2 ~~Repeal of Former Rule – Revises and replaces Series 20 dated March 30, 1986.~~
Authority – West Virginia Code 18-B-1-1A; 18B – 1-4

1.3 ~~Replaces Procedural Rule, Title 131, Series 20~~
Filing Date -- ???

1.4 Effective Date: ~~March 21, 2002~~

1.5 Repeal of former rule – Repeals and replaces Title 133, Series 22 dated August 1, 2002.

SECTION 2. GRADE-POINT AVERAGE REQUIRED for GRADUATION

2.1 Quality points are based on the following point values for each semester hour of credit: "A" - 4, "B" - 3; "C" - 2; "D" - 1 and "F" - 0. The grade point average to be computed for graduation purposes (not necessarily each semester) shall be based upon all work for which the student has registered with the following exceptions:

2.1.1 Courses with grades of "W" and "WP".

2.1.2 Courses in co-requisite courses or remedial ~~and/or developmental~~ education.

2.1.3 Courses taken on a credit/no credit, pass/fail or satisfactory/unsatisfactory basis where a passing grade is earned.

2.1.4 Courses taken on an audit basis.

2.1.5 Courses which have been repeated under the "D/F Repeat Provisions" of this policy.

2.1.6 Courses which are covered under the "Discretionary Academic Forgiveness Provisions" of this policy.

SECTION 3. "D" and "F" REPEAT PROVISIONS

3.1. If a student earns a grade of "D" or "F" (including failures due to regular and/or irregular withdrawal) on ~~any~~ a course taken ~~no later than the semester or summer term during which the student attempts the sixtieth semester hour, and if that student repeats this course~~ prior to the receipt of a baccalaureate degree, and if that student repeats this course prior to the receipt of the baccalaureate degree, the original grade shall be disregarded and the grade or grades earned when the course is repeated shall be used in determining ~~his/her~~ the grade point average. The original grade shall not be deleted from the student's record. In upper division courses, a student may formally repeat up to eight credit hours, of a grade of "C", with the written permission of the appropriate head of the academic unit where the student's major is housed. The privilege of the "D" and "F" repeat is capped at 21 credit hours including any request for a "C" repeat in an upper division course.

SECTION 4. DISCRETIONARY ACADEMIC FORGIVENESS PROVISIONS

4.1 For purposes of grade-point average required for graduation, Bluefield State College System shall have discretionary authority to establish academic forgiveness in addition to the "D/F" repeat provisions. However, institutionally established provisions must be consistent with this rule. If institutions elect to disregard prior "D" and/or failing grades, such action must accommodate the following minimal conditions:

4.1.1 Students must not have been enrolled in college on a full-time basis during any semester or term in the last four consecutive years.

4.1.2 Only grades for courses taken at least four years prior to the request for academic forgiveness may be disregarded for grade-point average computation.

4.1.3 In cases where grades may be disregarded for grade-point average computation, these grades shall not be deleted from the student's permanent record.

4.1.4 In instances where students request and gain academic forgiveness from one college and then transfer to another institution, the receiving institution is not bound by the prior institution's decision to disregard grades for grade-point average computation.

4.2 The provisions included herein shall be considered as minimum standards for extending academic forgiveness provisions. Consistent with institutional policies and mission, Bluefield State College may impose more stringent provisions in the area of disregarding prior grades for grade-point average computation for graduation.

4.3 Institutional policies regarding academic forgiveness for grade-point average computation shall be stated in the institutional catalog. In addition to providing information on the manner in which such provisions may be applied, the catalog and/or such other publications as are appropriate shall inform students that academic forgiveness extended by one institution may or may not be recognized by other institutions in which the student may transfer.

SECTION 5. APPLICATION ONLY to GRADUATION REQUIREMENTS

5.1 Institutional officials shall make clear to students the fact that this regulation pertains only to graduation requirements and not to such requirements for professional certification which may be within the province of licensure boards, external agencies, or the West Virginia Board of Education.

Bluefield State COLLEGE

Five-Year Compact Summary Report

Institutional Successes:

Bluefield State College has worked to implement strategies and activities over the past five years that were designed to help it meet the specific targets identified as a part of our Institutional Compact. Based on these specific metrics, we have identified several areas as worthy of notice.

Success Objective 1: Improve the outcomes of students requiring developmental education.

The College's focus for this objective was two-fold. First, the College worked to ensure the success of its students in developmental education classes. Second, the College sought to improve the outcomes of these developmental students in their subsequent college level classes.

In exploring the data related to students, statewide, who require developmental education, we considered the percentages of students who graduated high school in 2016 and required developmental courses at college upon enrollment in 2017 (see Table 1). We looked both at the graduates by high school who went to any four year college in West Virginia as first-time freshmen and at the first-time freshmen enrollees at Bluefield State College, specifically. We noted, in completing this review, that students who graduated from high schools in the four WV counties surrounding the College were much more likely to require developmental coursework than those students from the state as a whole. We also noted that students at Bluefield State are noticeably more likely to require developmental coursework than their counterparts at other HEPC institutions.

Table 1: 2017 Students (previous year HS grads) requiring developmental coursework

	Cohort	**%ENGL**	**%MATH**	**%MATH or ENGL**	**% MATH & ENGL**
Statewide	7796	13.9	15.6	22.3	4.8
Graduates from Mercer County	243	22.2	22.6	35.8	6.2
Graduates from McDowell County	68	38.2	42.6	64.7	10.3
Graduates from Summers County	29	20.7	24.1	37.9	6.9
Graduates from Wyoming County	121	24.0	35.5	43.8	9.9
@Bluefield State (WV grads only)	145	37.2	27.6	51.0	13.1
@ all HEPC (WV grads only)	6252	7.6	9.5	13.9	1.6
@Bluefield State (all grads)	176	38.1	26.7	50.0	14.2
@ all HEPC (all grads)	10229	6.5	7.4	11.2	1.4

Prior to the implementation of the Compact, developmental studies (DS) students passed DS Math at a rate of 53.6% and DS English at a rate of 68.7% (see Table 2). Those students completing DS classes and moving to collegiate level classes passed those classes 34% and 49.5% of the time (MATH & ENGL, respectively). Strategies implemented included ensuring that students were properly placed. Additionally, an orientation program culminating in the assignment of a full-time senior faculty mentor for all new full-time and adjunct faculty was implemented. The orientation and mentoring program focused on ensuring that all faculty were aware of institutional policies and processes as well as helping them to identify those best practices that have enabled our students to be successful.

As a result of the implementation of these strategies, the College saw an immediate improvement in the passing rates for students in developmental studies and subsequent collegiate classes. One additional strategy implemented after the start of the Compact was that of co-requisite remediation. Co-requisite remediation allows students who require developmental coursework to co-enroll in both the collegiate course and a supplemental developmental course so as to provide valuable developmental support as related material is covered in the collegiate class. This strategy was highly successful as can be seen from the data in Table 2. At this time, 74.2% of DS Math students and nearly 79.7% of DS English students are passing their DS courses. These students also pass their collegiate Math and English classes 78.8% and 81.0% of the time, respectively.

Table 2: Performance in Developmental Education/Collegiate classes

	2011 Cohort	2012 Cohort	2013 Cohort	2014 Cohort	2015 Cohort	2016 Cohort	Target
Students Passing DS Math	53.6%	70.5%	71.4%	73.9%	80.7%	74.2%	70.0%
Students Passing DS English	68.4%	77.2%	70.2%	72.3%	82.3%	79.7%	80.0%
DS Students Passing Collegiate Math	34.0%	35.5%	49.4%	67.9%	71.4%	78.8%	40.0%
DS Students Passing Collegiate English	49.5%	52.2%	48.9%	60.7%	68.8%	81.0%	55.0%

Success Objective 2: Increase the retention rate of students overall and specifically in important target populations.

The retention rate for first-time, full-time freshmen who entered Bluefield State College in 2011 was 61.9%. Strategies aimed at increasing the retention rate for all students who enter the college included the development of a Peer Mentoring program in which successful junior and senior level students are recruited to serve as mentors and coaches for the incoming freshmen as well as the implementation of an Early Alert system which would allow faculty to notify staff of students who are in danger of failing. An early modification to the College's Compact, identified in consultation with Ruffalo Noel Levitz, called for the development of a Retention Specialist position to provide support for following up with students identified through the Early Alert system.

Since the implementation of our Compact strategies, the retention rate for each of the important target populations has improved as seen in Table 3. Of particular note, the retention rate for students in our Underrepresented Racial/Ethnic group increased from 41.7% to over 65%. In addition, the retention targets were met for each group except Returning Adults. Because the returning adults are older, they are more likely to have families and other outside responsibilities that hinder their ability to focus on college. Additional attention will be paid to this group of students in order to meet the new target.

Table 3: Retention Rates by year for select populations

	2011 Cohort	2012 Cohort	2013 Cohort	2014 Cohort	2015 Cohort	2016 Cohort	Target
Full-Time, First-Time Freshmen	61.9%	65.9%	63.4%	62.7%	69.9%	69.0%	67.0%
Low-Income First-Time Freshmen	54.5%	64.6%	57.5%	60.7%	65.1%	65.9%	65.0%
Returning Adults	51.3%	50.0%	41.8%	53.2%	54.7%	59.0%	62.0%
Transfer Students	62.4%	65.2%	65.0%	69.9%	66.4%	77.5%	75.0%
Underrepresented Racial/Ethnic Group	41.7%	63.6%	65.6%	58.6%	65.2%	65.2%	55.0%

Success Objective 4: Increase the overall four- and six- year graduation rates of students and in important populations.

Graduation rates at Bluefield State College were very low for both the four and six year rates prior to the implementation of the Compact (See 2009 cohort & 2007 cohort in tables 4 & 5). With the Compact, the College developed a new first-year experience course to better prepare students for the college experience. This course, coupled with the focus on retention improvement strategies led to a dramatic improvement in these graduation rates for most populations. The College met its targets for several of the specified populations. We continue to struggle with the four-year graduation rate for our Underrepresented Racial/Ethnic groups but have more than doubled the six-year graduation rate for that population. The difference between the four-year and six year graduation rates for this population is likely due to a larger percentage of these students taking less than full-time course loads. Additionally, while the four-year graduation rate for Returning Adults has increased dramatically from 28.1% to 40.5%, the six year graduation rate fell from 44.6% to 32.1%. We have already identified this population for additional focus based on the retention results.

Table 4: Four-year Graduation Rates

	2009 Cohort	2010 Cohort	2011 Cohort	2012 Cohort	2013 Cohort	2014 Cohort	Target
Full-Time, First-Time Freshmen	8.8%	9.2%	9.1%	13.7%	19.1%	15.5%	15.0%
Low-Income First-Time Freshmen	7.0%	7.3%	5.4%	8.4%	10.8%	13.1%	15.0%
Returning Adults	28.1%	29.2%	30.8%	31.3%	28.7%	40.5%	40.0%
Transfer Students	35.0%	47.2%	31.5%	34.3%	38.4%	42.3%	40.0%
Underrepresented Racial/Ethnic Group	6.8%	4.8%	5.0%	5.6%	5.6%	6.7%	15.0%

Table 5: Six-year Graduation Rates

	2007 Cohort	2008 Cohort	2009 Cohort	2010 Cohort	2011 Cohort	2012 Cohort	Target
Full-Time, First-Time Freshmen	17.3%	25.0%	19.6%	23.4%	19.5%	30.4%	35.0%
Low-Income First-Time Freshmen	13.0%	18.8%	14.5%	21.9%	12.6%	25.2%	25.0%
Returning Adults	44.6%	29.3%	34.2%	31.5%	35.8%	32.1%	45.0%
Transfer Students	44.6%	36.8%	43.3%	54.1%	39.6%	38.5%	55.0%
Underrepresented Racial/Ethnic Group	3.0%	13.3%	13.6%	17.4%	10.0%	11.1%	20.0%

Impact Objective 1: Increase the number of degrees awarded at the undergraduate and graduate levels overall and in needed areas.

The College has worked diligently to increase its graduation rates overall and for selected populations. Tied closely to the graduation rate is the number of degrees awarded. Toward this end, the College has increased the number of awards issued in Health & STEM fields as well as in the area of STEM education. While investigating our data, however, we have noted a cyclic variation to our number of degrees awarded. We are looking into the causes for this peculiar pattern.

Table 6: Degrees Awarded

	AY 13	AY 14	AY15	AY 16	AY 17	AY 18	Target
Bluefield overall	347	357	257	359	289	339	356
STEM	81	86	64	83	80	87	96
STEM Education	6	8	15	14	2	21	10
Health	102	118	97	141	86	126	139

Institutional Challenges:

Bluefield State College has struggled for many years with enrollment. In 2003, New River Community and Technical College was created from the community college programs offered through Bluefield and Glenville State Colleges. With the creation of this institution as a stand-alone entity, Bluefield State lost a significant population of students. Enrollment recovered somewhat with the economic downturn in 2008 and following, but with the recovery of the economy since that time, enrollment began, again, to trail off. In 2017, however, this trend was reversed for most populations due to the efforts the College has made to attract and retain more students.

Table 7: Fall Headcount Enrollment

	Fall 12	**Fall 13**	**Fall 14**	**Fall 15**	**Fall 16**	**Fall 17**	**Target**
Overall Headcount	1951	1762	1560	1482	1349	1384	2154
First-time Freshmen Headcount	310	303	239	273	221	221	322
Low-Income Headcount	1160	986	882	862	744	760	1200
Underrepresented Racial/Ethnic Group Headcount	225	209	186	172	147	176	255
Adult (25+) Headcount	849	722	603	545	478	463	972

The College has worked diligently, during the past five years, to bring in new programs that will attract students and prepare them for the local workforce. In our efforts to serve and attract more students, the College has opened a variety of programs ranging from Engineering Management to Sonography. Additionally, the College has created a number of new minors for our students including Cyber Security, Entrepreneurship, Forensic Investigation and others. Recently, the College opened the Center for Excellence in Manufacturing Engineering. This center is home to state-of-the-art robotics and manufacturing equipment and is working to recruit displaced coal workers, among others, to help them enter a new career. We anticipate, as a result of the opening of this center, seeing a further increase in the number of STEM degrees awarded.

As we prepare to extend the Compact, the College will focus on additional recruitment and retention strategies in our effort to improve our enrollment. One long-term strategy the College seeks to employ is the reintroduction of residence life to the campus.

In 1968, at the direction of the state governing board for higher education, the College closed its residence halls and became, for the first time in its history, exclusively a commuter campus focused on serving local students. Additionally, a state governing board resolution, enacted in 1968, precluded the College from pursuing the re-establishment of on-campus housing. While the resolution was repealed in 1992, the state legislature was no longer willing to allocate funding for on-campus housing facilities. The College has continued to seek alternative sources of funding for the residence hall project.

Table 6: College-going Rates of Recent High School Graduates

	Fall 12	Fall 13	Fall 14	Fall 15	Fall 16	Fall 17
Statewide	56.41%	55.90%	54.63%	54.73%	55.03%	54.50%
Mercer County	45.41%	49.92%	50.49%	49.92%	51.23%	45.65%
McDowell County	25.00%	34.73%	42.36%	41.35%	40.29%	37.50%
Summers County	50.00%	58.47%	60.18%	54.00%	46.59%	39.64%
Wyoming County	28.99%	46.67%	43.73%	42.55%	43.73%	46.42%

More recently, the commuter population in the Bluefield State area has been in decline. In the 2001 academic year, 19,256 students graduated from high school in West Virginia. By the 2011 academic year, the number of high school graduates in West Virginia had dropped to under 18,000 and this decline is projected to continue for the next two decades. In addition, college going rates among high school graduates has been low across the state and lower in the immediate vicinity of Bluefield State (see Table 6). Together, these factors have contributed to a declining enrollment pool. We recognize the opportunity these lower college-going rate represent for the College, as it focuses on increasing enrollments. We are committed to reaching these individuals in high school and earlier to help them to understand the importance of a college education. We also recognize the importance of connecting with those adults (25+) who did not elect to enroll in college after completing their high school education. We further believe that, with the declining population in the area, the addition of residence halls is one necessary step to solving the enrollment downturn issue.

In response to student demand, the College has focused its efforts on the improvement and expansion of its online programs. A series of committees have begun work to identify strategies, processes and policies to ensure that its online courses are of the highest quality, taught by well-trained faculty, and are easily accessible to our online student population. We are exploring all aspects of the application and matriculation processes as well as all support functions to ensure that our online students can be as successful as our on-campus students. As a result of this effort, enrollments in online courses have risen from 1476 students (duplicated headcount) in online classes in the fall 2015 semester to 2028 students (duplicated headcount) in online classes in the fall 2018 semester. This reflects a 37.4% increase in enrollments. Further, we note that we have seen an increase of 13% over the past two years in the number of students who are taking online classes exclusively. These increases have been the driving factor in the College's efforts to improve and further expand our online programs.

In the past year, the College has increased the number of articulation agreements we have in place with local two-year colleges. To date, we have over 20 articulation agreements signed with our School of Business and we are reaching out to expand this number. These agreements have served as a basis for the development of articulation agreements for programs in our four other Schools. They have also opened new opportunities for offering classes and programs at new locations. We are currently in discussion with two community colleges regarding teaching classes at three separate locations. These efforts are proving to be a valuable source of new students. In 2017, Bluefield State signed a statewide agreement with the West Virginia Department of Education for graduates of health science education programs at all technical education centers in the state. This statewide Memorandum establishes a career pathway for students who graduate from an accredited/approved school of practical nursing and obtain an active license as a Licensed Practical Nurse and complete required curriculum to obtain an Associate of Nursing degree in three semesters at the College after completing prerequisites. We are currently in discussion with the West Virginia Department of Education to expand this model to other disciplines taught in the career technical education centers. The College is also exploring ways to increase its use of data in its efforts to increase enrollment, retention and graduation rates. Toward this end, we have begun to share our data more widely and regularly. As an example of this renewed effort to share data campus-wide, we have developed a process for the creation of our extended compact. This new process incorporated a college-wide sharing of our performance on these metrics to date and will involve a large segment of our community in the discussion and development of our extended Compact. In this way, we expect to foster a deeper understanding of the institutional issues and a stronger commitment to their resolutions.

We look forward to support from the HEPC staff in expanding our use of data, such as employment and earnings data. The expansion and ongoing support, by HEPC staff, of a comprehensive, statewide database that has comparable information for all institutions, ensuring consistent definitions, is essential to all institutions. Additionally, the College would appreciate support in identifying and establishing new programs designed to support our students including appropriate academic programs as well as support initiatives such as Complete College America. We also look to HEPC for assistance in developing mutually beneficial partnerships within our community and the state. Finally, the College sees the role of the HEPC as that of a strong advocate at the state level for policy and process development as well as with the state legislature.

	System		Bluefield State College					
	2017	System Goal	2017	Five Year Average	2018 Target	HEPC-Proposed 2020 Institutional Target	Difference from 2017-18 Value	Institution Proposed 2020 Target (if different)
Access								
Fall Head Count	64,313	73,500	1,384	1,507	2,154	1,453	69	
Annualized FTE	58,452	68,000	1,194	1,321	1,879	1,254	60	
Fall First-Time Freshmen Headcount	10,478	12,750	221	251	322	232	11	
Fall Low-Income Student Headcount		22,000	790	853	1,200	830	40	
Fall Underrepresented Racial/Ethnic Group Total	7,426	6,700	176	178	255	185	9	
Fall Adult (25+) Headcount	6,475	11,500	463	562	972	486	23	
Success								
Students Passing Corequisite Courses (NEW)	**2016**		**2016**					
Math			72.1%	**		77.0%	4.9 ppt	
English			83.8%	**		89.0%	5.2 ppt	85.0%
~~Students Passing Developmental Courses~~	~~**2016**~~		~~**2016**~~					
~~Math~~	~~70.6%~~	~~70%~~	~~74.2%~~	~~**~~	~~70.0%~~			
~~English~~	~~77.1%~~	~~75%~~	~~79.7%~~	~~**~~	~~80.0%~~			
~~Developmental Students Passing College-Level Course~~	~~**2016**~~		~~**2016**~~					
~~Math~~	~~70.7%~~	~~60%~~	~~78.8%~~	~~**~~	~~40.0%~~			
~~English~~	~~72.7%~~	~~70%~~	~~81.0%~~	~~**~~	~~55.0%~~			
Retention	**2016**		**2016**					
Full-Time, First-Time Freshmen	76.1%	80%	69.0%	**	67.0%	74.0%	5.0 ppt	
~~Part-time, First-Time Freshmen~~	~~45.3%~~	~~50%~~	~~54.5%~~	~~**~~	~~50.0%~~			
Low-Income First-Time Freshmen	68.2%	75%	65.9%	**	65.0%	71.0%	5.1 ppt	
Returning Adults	61.5%	65%	59.0%	**	62.0%	64.0%	5.0 ppt	
Transfer Students	75.4%	76%	77.5%	**	75.0%	80.0%	2.5 ppt	
Underrepresented Racial/Ethnic Group Total	64.0%	75%	65.2%	**	55.0%	70.0%	4.8 ppt	
Progress Toward Degree								
First-Time Freshmen Earning 30 Hours	46.3%	65%	27.1%	**	30.0%	32.0%	4.9 ppt	
Four-Year Graduation Rate *Cohort Years:*	**2014**		**2014**		**2015**			
First-Time Freshmen	30.6%	30%	15.5%	**	15.0%	21.0%	5.5 ppt	
Low-Income First-Time Freshmen	21.8%	20%	13.1%	**	15.0%	18.0%	4.9 ppt	
Returning Adults	40.0%	48%	40.5%	**	40.0%	45.0%	4.5 ppt	
Transfer Students	48.8%	48%	42.3%	**	40.0%	47.0%	4.7 ppt	
Underrepresented Racial/Ethnic Group Total	17.7%	20%	6.7%	**	15.0%	12.0%	5.3 ppt	
Six-Year Graduation Rate *Cohort Years:*	**2012**		**2012**		**2013**			
First-Time Freshmen	51.1%	60%	30.4%	**	35.0%	35.0%	4.6 ppt	
Low-Income First-Time Freshmen	38.5%	40%	25.2%	**	25.0%	30.0%	4.8 ppt	
Returning Adults	42.4%	58%	32.1%	**	45.0%	37.0%	4.9 ppt	
Transfer Students	53.0%	58%	38.5%	**	55.0%	43.0%	4.5 ppt	
Underrepresented Racial/Ethnic Group Total	37.2%	40%	11.1%	**	20.0%	16.0%	4.9 ppt	
Impact								
Degrees Awarded	13,665	15,500	339	316.2	355	356	17	
STEM Degrees	3,547	3,750	87	80	91	96	9	
STEM Education Degrees	0	**	21	12	10			
Health Degrees	2,093	2,000	126	113.6	115	139	13	130

Bluefield State College

Student Access							
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	**Formal 2018 Target** (2017-18 Data)
Enrollment							
Fall Headcount	1,951	1,762	1,560	1,482	1,349	1,384	2,154
In-State	1,727	1,559	1,358	1,285	1,172	1,185	NA
Out-of-State	224	203	202	197	177	199	NA
Annualized FTE	1,741	1,555	1,355	1,296	1,203	1,194	1,879
In-State	1,525	1,350	1,158	1,107	1,028	1,016	NA
Out-of-State	217	205	197	189	175.1	178.4	NA
Fall First-Time Freshmen Headcount	310	303	239	273	221	221	322
In-State	264	263	205	239	167	193	NA
Out-of-State	46	40	34	34	27	28	NA
Fall Low-Income Student Headcount*	1,160	986	882	862	744	790	1,200
Fall Underrepresented Racial/Ethnic Group Total	225	209	186	172	147	176	255
American Indian	1	2	4	5	4	5	NA
Black	200	180	154	134	103	117	NA
Hispanic	17	21	14	14	16	17	NA
Multi Racial	7	6	14	19	24	37	NA
Native Hawaiian/Pacific Islander	.	.	.	.	.		NA
Fall Adult (25+) Headcount	849	722	603	545	478	463	972

* Data to be provided by institution.

Bluefield State College

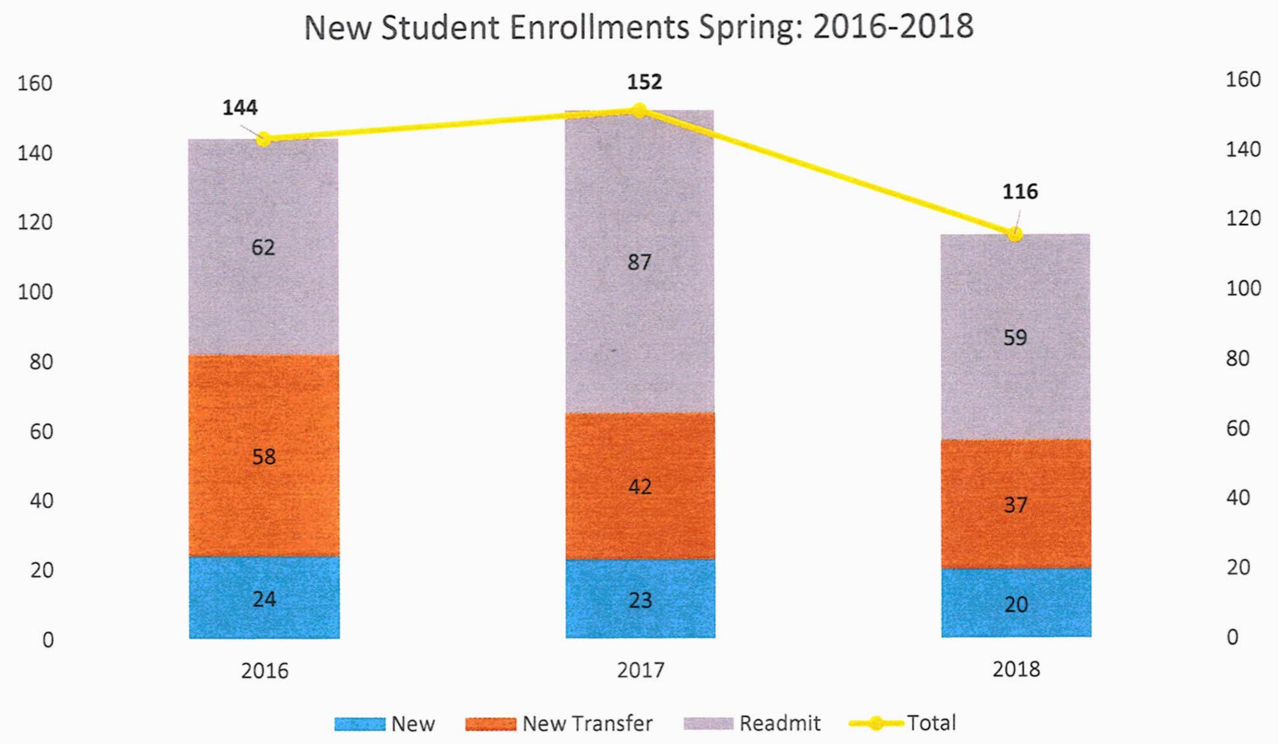
Student Success							
	2011 Cohort	2012 Cohort	2013 Cohort	2014 Cohort	2015 Cohort	2016 Cohort	**Formal 2018 Target** 2016 Cohort
Developmental Education Outcomes							
Students Passing Developmental Courses							
Math	53.6%	70.5%	71.4%	73.9%	80.7%	74.2%	70%
In-State	50.8%	70.6%	70.4%	73.3%	80.7%	73.8%	NA
Out-of-State	83.3%	69.2%	83.3%	78.6%	80.0%	70.5%	NA
English	68.4%	77.2%	70.2%	72.3%	82.3%	79.7%	80%
In-State	65.1%	77.2%	71.4%	73.0%	83.0%	79.5%	NA
Out-of-State	91.7%	77.3%	33.3%	66.7%	75.0%	80.4%	NA
Developmental Students Passing College-Level Course							
Math	34.0%	35.5%	49.4%	67.9%	71.4%	78.8%	40%
In-State	33.9%	35.9%	48.6%	68.3%	71.9%	78.7%	NA
Out-of-State	53.8%	30.8%	58.3%	64.3%	60.0%	80.0%	NA
English	49.5%	52.2%	48.9%	60.7%	68.8%	81.0%	55%
In-State	50.8%	52.6%	49.5%	63.0%	69.3%	80.8%	NA
Out-of-State	75.0%	50.0%	33.3%	41.7%	62.5%	100.0%	NA
Retention							
Full-Time, First-Time Freshmen	61.9%	65.9%	63.4%	62.7%	69.9%	69.0%	67%
In-State	62.6%	70.4%	63.3%	64.3%	70.3%	69.0%	NA
Out-of-State	55.6%	40.0%	64.1%	52.9%	67.7%	69.2%	NA
Part-time, First-Time Freshmen	50.0%	75.0%	25.0%	50.0%	16.7%	54.5%	50%
Low-Income First-Time Freshmen	54.5%	64.6%	57.5%	60.7%	65.1%	65.9%	65%
Returning Adults	51.3%	50.0%	41.8%	53.2%	54.7%	59.0%	62%
Transfer Students	62.4%	65.2%	65.0%	69.9%	66.4%	77.5%	75%
Underrepresented Racial/Ethnic Group Total	41.7%	63.6%	65.6%	58.6%	65.2%	65.2%	55%
American Indian			100.0%	100.0%	.	.	NA
Black	40.9%	66.7%	66.7%	60.9%	69.2%	86.7%	NA
Hispanic		60.0%	50.0%	33.3%	100.0%	66.7%	NA
Multi Racial	100.0%	0.0%	50.0%	50.0%	42.9%	33.3%	NA
Native Hawaiian/Pacific Islander	0.0%	.	.	.	.	.	NA
Progress Toward Degree							
First-Time Freshmen Earning 30 Hours	26.6%	24.8%	32.0%	31.0%	33.7%	27.1%	30%
In-State	26.4%	23.1%	30.0%	28.8%	33.1%	26.3%	NA
Out-of-State	28.6%	34.8%	45.0%	44.1%	38.2%	33.3%	NA
Four-Year Graduation Rate *Cohort Years:*	2009	2010	2011	2012	2013	2014	2014 Cohort
First-Time Freshmen	8.8%	9.2%	9.1%	13.7%	19.1%	15.5%	15%
In-State	8.3%	9.5%	9.0%	11.8%	17.3%	12.9%	NA
Out-of-State	14.3%	6.3%	10.0%	21.9%	30.4%	25.0%	NA
Low-Income First-Time Freshmen	7.0%	7.3%	5.4%	8.4%	10.8%	13.1%	15%
Returning Adults	28.1%	29.2%	30.8%	31.3%	28.7%	40.5%	40%
Transfer Students	35.0%	47.2%	31.5%	34.3%	38.4%	42.3%	40%
Underrepresented Racial/Ethnic Group Total	6.8%	4.8%	5.0%	5.6%	5.6%	6.7%	15%
American Indian	.	.	.	.	.	.	NA
Black	7.0%	5.3%	5.0%	6.7%	7.1%	7.7%	NA
Hispanic	0.0%	0.0%		0.0%	0.0%	0.0%	NA
Multi Racial				.	0.0%	0.0%	NA
Native Hawaiian/Pacific Islander		0.0%		.	.	.	NA

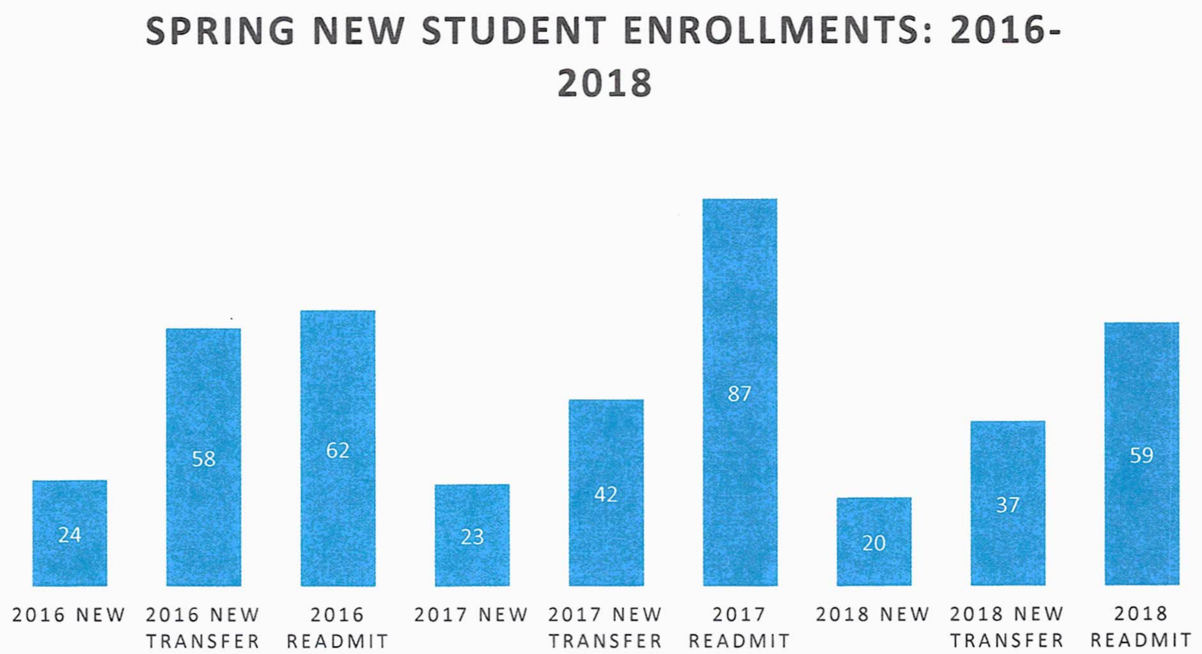
Six-Year Graduation Rate *Cohort Years:*	2007	2008	2009	2010	2011	2012	2012 Cohort
First-Time Freshmen	17.3%	25.0%	19.6%	23.4%	19.5%	30.4%	35%
In-State	16.3%	23.5%	20.1%	23.8%	19.4%	28.7%	NA
Out-of-State	22.5%	32.6%	14.3%	18.8%	20.0%	37.5%	NA
Low-Income First-Time Freshmen	13.0%	18.8%	14.5%	21.9%	12.6%	25.2%	25%
Returning Adults	44.6%	29.3%	34.2%	31.5%	35.8%	32.1%	45%
Transfer Students	44.6%	36.8%	43.3%	54.1%	39.6%	38.5%	55%
Underrepresented Racial/Ethnic Group Total	3.0%	13.3%	13.6%	17.4%	10.0%	11.1%	20%
American Indian	0.0%	0.0%		.	.	.	NA
Black	3.1%	11.5%	14.0%	21.1%	10.0%	13.3%	NA
Hispanic		33.3%	0.0%	0.0%	.	0.0%	NA
Multi Racial					.	.	NA
Native Hawaiian/Pacific Islander				0.0%	.	.	NA

Bluefield State College

Impact						
	2013-14	2014-15	2015-16	2016-17	2017-18	**Formal 2018 Target** (2017-18 Data)
Degrees Awarded	357	257	339	289	339	355
Associate's	117	87	130	91	113	98
Bachelor's	240	170	209	198	226	257
Master's						
Doctorate						
STEM	86	64	83	80	87	91
Associate's	29	18	27	25	31	NA
Bachelor's	57	46	56	55	56	NA
Master's						NA
Doctorate						NA
STEM Education*	8	15	14	2	21	10
Health	118	97	141	86	126	115
Associate's	88	69	103	66	82	NA
Bachelor's	30	28	38	20	44	NA
Master's						NA
Doctorate						NA
Federal Student Loan Cohort Default Rate *Cohort Years:*	2011	2012	2013	2014	2015	2015 Cohort
Three-Year Rate	26.8%	23.8%	19.6%	18.2%	20.4%	18.0%
Research and Development	FY 2013	FY 2014	FY2015	FY2016		FY 2018 Data
Research grants & contracts*	$250,683	$258,954	$127,840	$315,471	$299,134	
Licensure Income*						
Peer-Reviewed Publications*			6	3	3	
						Total FY2014 to FY 2018
Start-up Companies*						
Patents Issued*						

* Data to be provided by institution.


New Student Enrollments Spring: 2016-2018
160
140
120
100
80
60
40
20
0
144
152
116
62
87
59
58
42
37
24
23
20
2016
2017
2018
New
New Transfer
Readmit
Total


SPRING NEW STUDENT ENROLLMENTS: 2016-2018
24
58
62
23
42
87
20
37
59
2016 NEW
2016 NEW TRANSFER
2016 READMIT
2017 NEW
2017 NEW TRANSFER
2017 READMIT
2018 NEW
2018 NEW TRANSFER
2018 READMIT

FALL 2019

Application Summary Report - November 28, 2018			
	2019	**2018**	**% Over 2018**
Inquiries	1842	3853	**-52.2%**
New	1655	3669	-54.9%
Transfer & New Readmit	187	184	1.6%
	2019	**2018**	**% Over 2018**
All Applications	537	525	**2.3%**
New	350	355	-1.4%
Transfer & New Readmit	187	170	10.0%
	2019	**2018**	**% Over 2018**
All Accepted	86	72	**19.4%**
New	81	68	19.1%
Transfer & New Readmit	5	4	25.0%
All Registered	0	0	
New	0	0	
Transfer & New Readmit	0	0	
	2019	**2018**	**% Over 2018**
Total New FAFSAs Received	89	0	
FAFSA - Admission Apps Submitted	33	0	
FAFSA Submitted Accepted for Admission	10	0	
	2019	**2018**	**% Over 2018**
Total Campus Visitors	140	101	**38.6%**
CV - Admission Applications Received	37	31	19.4%
CV - Applications Accepted	14	7	100.0%
% of All Students Accepted CV	16.3%	9.7%	

DIVISION OF STUDENT AFFAIRS AND ENROLLMENT MANAGEMENT HIGHLIGHTS

The Vice President for Student Affairs and Enrollment Management in partnership with the School of Arts and Sciences established three $500 tuition waivers for the winners of the BSC Humanities Challenge. The tuition waivers are renewal for up to eight semesters and are valued at $4000.

The Vice President for Student Affairs and Enrollment Management in partnership with the School of Arts and Sciences and Office for Equity, Diversity, and Inclusion are working to enhance the academic space in Basic Science by creating learning communities in ten classrooms and improving the common space with new lounge furniture. Student Affairs and Enrollment Management is sponsoring breakfast at Faculty Institute in support of the Pre-Ribbon Cutting Ceremony. A Ribbon Cutting is being planned for the general campus community in mid-January.

The Vice President for Student Affairs and Enrollment Management is coordinating the development of a Game Room at Mountain View Residence Hall. Through a $500 donation from Student Affairs, Mountain View will purchase a discounted ping-pong table, foosball table, air hockey table and pool table.

Admissions and Enrollment Services hosted an Open House in Bluefield on November 10 and in Beckley on November 12, 2018. Fifty prospective students visited BSC.

Admissions and Enrollment Services hosted one hundred and ten students from Bluefield Intermediate, the third graders toured campus and received a demonstration on science and drones. Forty-five Bluefield High School seniors toured campus and participated in presentations on scholarships, Nursing, Rad Tech, and the Engineering programs offered at BSC in November. Twenty-eight Bluefield High School students signed up to attend personalized FAFSA and scholarship sessions.

The Office of Alumni Affairs is collaborating with West Virginia Forward. The Bluefield State Alumni Association will be acknowledged as a collaborator to West Virginia Forward on their website and in their materials.

BSC CARES provided Question, Persuade & Refer (QPR) training to a Health 101 class, dual enrollment high school classes and BSC Peer Mentors. BSC Cares displayed suicide prevention materials at the Mercer County's Out-of-the Darkness Walk with an estimated three hundred and fifty participants. BSC Cares hosted Kevin Hines, a nationally recognized speaker on Suicide Prevention for BSC and the surrounding community. The BSC Cares Director participated on a Suicide Awareness and Prevention panel educating parents and grandparents on the warning signs of depression, anxiety, and suicide. There were one hundred and thirty five participants in the Creating Strong Families forum and thirty-five participants in the session at Bradshaw Elementary School in McDowell County.

The Financial Aid Office received 2,763 federal financial aid applications for the 2018-19 academic year during the fall semester. Last year, Financial Aid received 3,301 applications for the entire 2017-18 year. Financial Aid digitized the verification forms for the 2018-19 academic year. This allows students to sign and submit verification items on-line.

Retention Services trained faculty and staff on how to complete the Free Application for Financial Aid (FAFSA) application. They hosted three on campus FAFSA workshops for BSC students. BSC assisted Mt. View High School (MVHS) with FAFSA Workshops. On November 26, we provided an all-day FAFSA workshop. We also provided a FAFSA night on December 3, 2018 at MVHS.

Student Life hosted the Annual Health and Wellness Fair on November 4. One hundred and fifty participants from BSC and the surrounding community attended the event. The program provided free flu shots, health screenings and information on healthy living. Student Life collaborated with Concord University to host the Annual Veterans Day Program. Mr. Jim Worsham served as the keynote speaker. The program recognized Veterans and First Responders from Bluefield, Princeton and Tazewell.

Student Support Services awarded twenty-six students SSS Grant Aid for the spring semester totaling 32,735.00. Awards ranged from $745.00 - $1500.00 based on remaining financial need. These awards are designed to offset the need for student loans and serves as a retention tool.

Provost Report to the Board of Governors
December 13, 2018

ACADEMICS IN ACTION

- **New Programs and Courses:** In addition to the four new programs identified at the October 18 Board of Governor's meeting, Bluefield State
  - Has launched a new Criminal Justice Administration concentration in Criminal Investigations. Students in this program will learn techniques in forensic investigation, sexual assault investigation, fire arm and tool mark investigation, and directed investigations (profiling, case studies, and testimony).
  - Now offers two additional courses in education that will enable candidates and teachers to add the autism endorsement to their teaching certification. These are in addition to the K-6 Multi-categorical special education endorsement candidates and teachers can currently receive.

- **Partnerships with other Institutions of Higher Education**
  - Concord University – this fall, Bluefield State and Concord implemented a shared calendar for our main campus locations as well as at the Erma Byrd Higher Education Center in Beckley. Academic leadership of the two institutions met earlier this semester to extend the common academic calendar through 2020-2021.
  - Southern West Virginia Community and Technical College – last month, leadership from Bluefield State met with leadership from Southern West Virginia Community and Technical College (SWVCTC) to discuss programs that Bluefield State can deliver at the Mount Gay and Saulsville campuses. The deans and faculty of these programs will meet with their counterparts in February to finalize pathways.
  - Southwest Virginia Community College –
    - Bluefield State and Southwest Virginia Community College (SWCC) are finalizing an agreement that will provide an office space from which Bluefield State can recruit at SWCC beginning in spring, 2019.
    - The Radiologic Technology faculty facilitated the annual Modality Day for first and second year students along with second year students from SWCC. More than 65 students and faculty participated. This event provides information for students to pursue advanced modalities once they graduate from their AS programs. Bluefield State also offers the BS Imaging Science degree for graduates of AS Radiologic Technology programs
  - Coppin State – students, faculty, administrators, and the City of Bluefield's Economic Development Director met with their counterparts from Coppin State University to discuss developing collaborations between the two institutions in the areas of entrepreneurship and economic development.
  - College Open Sessions – this fall, more than 50 students, faculty, staff and administrators participated in one or more of a series of open sessions to share ideas as to how Bluefield State can partner or collaborate with other institutions (four-year or two-year) in a way that will make both our College and our partner(s) stronger.

- **Educational Outreach**
  - Collaborative Wellness Fair- Bluefield State College participated in the 2018 Collaborative Wellness Fair held at the Erma Byrd Higher Education Complex, providing informational handouts on PTSD, sleep deprivation, test anxiety, suicide prevention, and mental health vs. mental illness, as well as providing BSC nursing students with valuable experience in assisting patients with blood pressure and glucose checks, along with
  - Career Day – Six faculty and administrators participated in Career Days sponsored by the Beckley-Raleigh County Chamber of Commerce Education Committee and met with over 900 eighth graders to discuss BSC programs and job opportunities associated with nursing, rad-tech, ultrasonography, and teacher education.
  - Get a Life Financial Simulation – two administrators who serve on the Beckley-Raleigh County Chamber of Commerce Education Committee participated in Get a Life Financial Simulation Programs sponsored by the Beckley-Raleigh County Chamber of Commerce Education Committee and the WV State Treasurer's Office. They met with over 300 middle school students, providing them with real-life financial situations with and without an education beyond high school.
  - Bland/Wythe Career Fair – faculty and administrators from the School of Engineering Technology and Computer Science participated in the Bland/Wythe career fair, recruiting students to come to BSC through the Wytheville Community College articulation agreement.
  - Teacher Recertification – the School of Education offered recertification courses to area educators during the fall semester. Additional courses are scheduled for the spring semester.
  - Other Educational Outreach Events - students in the School of Education participated in a variety of events in local schools including family night at Brushfork Elementary School, Title I Parent Expo, and various social studies fairs.

- **Articulation Agreements** – Bluefield State has established more than 40 articulation agreements with technical education centers, two-year institutions, and four-year institutions, allowing students to transfer their credit to Bluefield State seamlessly. In the last six weeks, we have continued expansion of articulation agreements with new articulation agreements being developed with New River Community College, Patrick Henry Community College, and Northern Virginia Community College. Each of these agreements is on track to being finalized in spring 2019.

- **Instructional Sites** – Bluefield State notified the Higher Learning Commission of its intent to reactivate two sites to offer instruction: New River Community and Technical College, Lewisburg and Southern West Virginia Community and Technical College, Logan.

- **Partnerships with Business and Industry**
  - The School of Engineering Technology and Computer Science hosted a local employer, Warrior Met Coal, on campus to recruit our students as potential employees. This company is run by a former Bluefield State graduate (Jack Richardson).
  - A team of administrators and nursing and allied health faculty held separate meetings with the CEOs, CNOs, and directors of Beckley Appalachian Regional Healthcare, Raleigh General Hospital and Princeton Community Hospital to discuss our continued partnerships and ways in which we can strengthen them.
  - A team of administrators and faculty hosted the President and COO, vice president, and learning coordinators of Appalachian Power, on campus to discuss educational partnerships for the company and its employees.

- **Research**
  - WV-INBRE held a statewide workshop on a bio-informatics software package on campus. WV-INBRE is responsible for much of the grant funding for all three biomedical research labs in Arts & Sciences. This workshop, hosted by Bluefield State, highlighted the College as a strong local institution for biomedical research, and was one of three workshops in the state (the others were held at Marshall University and West Virginia University).
  - A physics professor, Dr. Ping Lu, was recently accepted to participate in the 2019 WV-INBRE Summer Fellowship Program through Marshall University.

- **New Classrooms and Furniture** – The School of Arts & Sciences will be holding a Ribbon-Cutting ceremony during the first week of spring classes to unveil the new classroom and lobby furniture, and window treatments.

- **Assessment Summit** – A team of faculty and administrators participated in the West Virginia Higher Education Assessment Council Summit in Charleston to develop an assessment plan and promote continuous improvement in teaching and learning at Bluefield State.