AGENDA

Glenville State University
Board of Governors

December 9, 2022
2:00 p.m.

Waco Center
Rooms A227/228

Glenville State University
Board of Governors Meeting
Schedule
2022-23

All Board of Governors meetings will be held in the Waco Center, Rooms A227/228 at 2:00 pm in person unless otherwise noted in the schedule.

Executive Committee of the Board

All Executive Committee meetings will be held at 11:00 am via ZOOM at:

Join Zoom Meeting
https://us06web.zoom.us/j/91229060765?pwd=MUI2RG9aVm4rTll2dzR4K1NUZmNmdz09
Meeting ID: 912 2906 0765
Passcode: GSU
or
Dial by your location: + 1. 929.205.6099 US (New York)
Meeting ID: 912 2906 0765
Passcode: 481189

All Other Committees of the Board

All other committees will meet on the day of the Board meetings in the Waco Center, Rooms A227/228 at the following specified times unless otherwise noted in the schedule.

Board Governance and HR Committee at 8:00 am *Enrollment and Student Life Committee at 9:00 am*
Academic Affairs Committee at 10:00 am *Business and Finance Committee at 11:00 am*
Athletics Committee at 1:00 pm

Schedule

Thursday, July 7, 2022 Special Mtg. of Board of Governors @ 10:00 am
Meeting will be broadcast via Zoom - https://us06web.zoom.us/j/85323246878?pwd=T0txQ2FvdVk5cTRaalVCTGhiYTkrQT09
Meeting ID: 853 2324 6878 Passcode: GSU OR **By Phone** +1 929 205 6099 US (New York)
Meeting ID: 853 2324 6878 Passcode: 370372

Wednesday, July 27, 2022	Executive Committee
Wednesday, August 10, 2022	Board of Governors & Committee Meetings
Wednesday, October 5, 2022	Executive Committee
~~Wednesday, October 19, 2022~~ ~~Friday, October 14, 2022~~ Thursday, October 13, 2022	Board of Governors
~~Wednesday, November 16, 2022~~ Tuesday, November 15, 2022	Executive Committee
~~Wednesday, December 7, 2022~~ Friday, December 9, 2022	Board of Governors
Wednesday, February 1, 2023	Executive Committee
Wednesday, February 15, 2023	Board of Governors
Wednesday, April 19, 2023	Executive Committee
Wednesday, May 3, 2023	Board of Governors
Wednesday, May 31, 2023	Executive Committee
Wednesday, June 14, 2023	Board of Governors

Approved by the GSU Board of Governors June 15, 2022.
Updated June 27 & 28, 2022; July 20, 2022; July 27, 2022; August 25, 2022; September 15, 2022, September 23, 2022, October 6, 2022.

BOARD OF GOVERNORS
December 9, 2022
Waco Center, Rooms A227/228
2:00 PM

AGENDA

1. Call to Order

2. Establishment of a quorum

3. Public Comment Period

4. Special Presentations
   A. GSU's Home Grown Program, Dual Enrollment, and WV Grow Your Own Update – *Connie Stout- O'Dell, Dean of Teacher Education and Rachel Clutter, Dual Enrollment Coordinator*
   B. Nursing Program Update – *Denise Campbell, Nursing Consultant for MU/GSU Consortium*
   C. Audit Presentation – *CliftonLarsonAllen LLP*

5. Constituent Comments
   A. Alumni Council - *Doug Patterson, President*
   B. Faculty Senate – *Elizabeth Matory, President*
   C. Staff Council - *Eric Marks, Chair*
   D. Student Government Association – *Breanna Morgan, President*

6. **Consent Agenda *(Action Item*)**
   A. Minutes of the October 13, 2022 Meeting
   B. Cash Flow Projection Statement
   C. Accounts Receivable Report

7. Committee Reports
   A. Executive Committee - *Mike Rust, Chair*
   B. Board Governance and Human Resources Committee – *Alex Lay, Chair*
   C. Enrollment and Student Life Committee – *Ann Green, Chair*
   D. Academic Affairs Committee – *Kathy Butler, Chair*
   E. Business and Finance Committee – *Doug Morris, Chair*
   F. Athletics Committee – *Bob Marshall, Chair*

8. President's Report

9. Discussion/Actionable Items
   A. **Auditor's Report for FY22**

10. Announcements

11. Adjournment

Glenville State University Board of Governors
Meeting of December 9, 2022

ACTION ITEM:	Consent Agenda
COMMITTEE:	Committee of the Whole
RECOMMENDED RESOLUTION:	Be it RESOLVED that the Board of Governors approves the Consent Agenda as proposed.
STAFF MEMBER:	Dr. Mark Manchin, President

BACKGROUND:
The Consent Agenda is a board meeting practice that groups routine business and reports into one agenda item. The consent agenda can be approved in one action, rather than filing motions on each item separately. The items on the consent agenda are non-controversial items or routine items that are discussed at every meeting. They can also be items that have been previously discussed at length where there is group consensus.

The following items are included in the Board packet and listed on the proposed consent agenda.
1. Minutes of the October 13, 2022 Meeting
2. Cashflow Projection Statement - *(will be provided under separate cover)*
3. Accounts Receivable Report - *(will be provided under separate cover)*

Glenville State College
Board of Governors Meeting
October 13, 2022
Waco Center, Rooms 227/228

Members Present:	Mr. Mike Rust, Chairperson Ms. Ann Green, Vice Chair Dr. Kathy Butler, via Zoom Mr. Daniel Durbin Mr. Tilden "Skip" Hackworth Ms. Alexandria Lay Mr. Robert Marshall Mr. Doug Morris Mr. Joe Parsons Dr. Kevin Evans, Faculty Representative Mr. Cody Moore, Staff Representative Ms. Breanna Morgan, Student Representative
Members Absent:	
Faculty & Staff Present:	Ms. Rikki Butler, Director of Undergraduate and Graduate Admissions Ms. Bridget Carr, Associate Director of International Student Services Ms. Maureen Gildein, Lecturer of Physical Education, via Zoom Dr. Donal Hardin, Assistant Professor of Criminal Justice Mr. David Hutchison, Vice President for Advancement Mr. Bert Jedamski, CFO Dr. Mark Manchin, President Mr. Eric Marks, Information Technology Specialist & Staff Council Chair Ms. Elizabeth Matory, Asst. Professor of CJ and Faculty Senate President Dr. Mark Sarver, Associate Professor of Business Mr. Jesse Skiles, Director of Athletics Ms. Teresa Sterns, Executive Assistant to the President Mr. Jason Yeager, Vice President for Enrollment & Student Life

Call to Order
Chairman Mike Rust called the meeting to order at 2:01 pm.

A quorum was established.

Public Comment – N/A

Nursing Program Update – President Manchin reported that there are currently 35 students enrolled in the pre-nursing program at Glenville State seeking to move onto Marshall University's nursing program. A nursing club has been established on campus for the nursing students. A second track in the health field has been discussed to provide other opportunities for the pre-nursing students who do not make it into Marshall's nursing program. The students must complete certain relevant pre-nursing courses with a final grade of "B" or better to earn points toward consideration for admission into Marshall University's nursing program. Concerns have been raised about students' performance in Chemistry 205 and have been addressed. Dr. Manchin sought clarity with the instructor of the course, Dr. Kevin Evans.

Dr. Evans responded that he plans to send an email to the students regarding their midterm grades and encourage the students who have not performed adequately on the past exams to speak with their advisor about considering withdrawing from the course and taking it again in the spring. There is high probability that students currently with a low C, a D, or F would not earn the percentages needed on the next two semester exams and the final exam to achieve an overall course grade that would not penalize their scores on the point system to be accepted into Marshall's program. He indicated that four tutors have recently been identified and hired by Academic Success Center to assist the students.

Dr. Gary Morris added that the students' difficulty is with the material and not the instructor and that if he or Dr. O'Dell were teaching the course that the students would be having the same struggles.

Constituent Comments
Alumni Council – David Hutchison reported the following:
- Alumni Center renovations continue.
- Approximately 250 attended the Lamberts Winery event.
- The Curtis Elam Hall of Fame was held on October 1, 2022.
- Robin Chaney is coordinating the Huntington and Kanawha Valley Chapter.
- Nominations are being accepted for the Alumni Awards that will be presented on December 8, 2022.
- The 150th year history of the institution is currently on display at the Robert F. Kidd Library.
- There will be an open house at the Alumni Center this weekend.

Faculty Senate – Elizabeth Matory, President, reported:
- Faculty are beginning the second session of eight weeks.
- Elected and appointed representatives to various committees.
- Ms. Matory requested extra time to provide the president evaluation feedback to Alex Lay. Alex responded that she will extend the date to November 1.
- President Manchin is now holding the monthly Meet and Confer meetings with individual constituent groups and the faculty are pleased as they prefer the individual meetings.
- Due to losing a number of faculty from the Criminal Justice Department, the current faculty in the Department is carrying a high level of overloaded at this time.

- Department faculty is analyzing whether the consolidation of department secretaries into the Academic Affairs office for the last two years is working versus prior to consolidation. The consolidation occurred due to budget cuts. One of the issues is that when a student needs assistance within the department, there is not always someone in the office to assist them.
- At the Provost's request, the Senate is performing an evaluation of the Provost.

Staff Council –Eric Marks, Chair, reported:
- Staff is finalizing elections for open offices.
- Council is sponsoring Halloween activities for the faculty, staff, and students.
- Council is reviewing the current constitution.

Student Government Association (SGA) –Breanna Morgan, President, reported:
- SGA hosted a Trunk - or-Treat event on Monday and there was a great turnout.
- Homecoming dance is tonight at 9:00 pm.
- Chili Cookoff and Pep Rally are scheduled for tomorrow.
- Homecoming Parade is at 10:00 am on Saturday.
- SGA is starting a new initiative to make sure students get the food they need throughout the year.
- Student Veterans Association is returning.
- Senator Adkins is working on a proclamation to present to the Women's Golf Team.

Consent Agenda

SKIP HACKWORTH MOVED TO APPROVE THE CONSENT AGENDA AS PRESENTED.
JOE PARSONS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Committee Reports

Executive Committee/Chair Report

Mike Rust reported the Committee met on October 5th via Zoom and discussed the following:
- The University is working on upgrading the lighting around campus for additional safety measures.
- A College of Health Sciences Task Force Committee is being assembled.
- The President and Chair Rust met with President Brad Smith and Provost Avi Mukherjee at Marshall University. President Smith and Provost Mukherjee are planning to visit GSU in January.
- Dr. Manchin has been visiting students in various WV counties that are part of the Home- Grown program.
- Financial Audit is due by October 15th but may be delayed by approximately a week due to staffing situations and a new auditing firm.
- Set today's Board Agenda

Chair Rust requested that an update on GSU's Home Grown and the Grow Your Own program be provided at the next Board meeting.

Board Governance and HR Committee - Alex Lay, Chair, reported:
- Tegan McEntire provided a handout that included a list of current active positions, new hires, and employees that retired. She presented a PowerPoint presentation regarding the domestic violence events that were held last week.
- Rita Helmick presented a PowerPoint that included clips from the recent grand openings of the dining hall, freshens, and Starbucks. The Crisis Response Team plans to do an emergency drill with the community in

the near future. Public Safety is getting new uniforms. The next Housing Corporation meeting will be held in November.

- David Hutchison provided updates on workforce development, disseminated information regarding the Women's Leadership Circle, announced that two new Foundation Board of Directors were appointed, brought back Business After Five, and announced that many new major grants are in process.

Elizabeth Matory requested that faculty be provided updates on the Housing Corporation properties more often along with a proposed timeline and priorities list of renovations being planned.

Alex Lay reported that the Committee is working on the president's annual evaluation. The Committee recommends approval of Policy 47 revisions as presented.

Enrollment and Student Life Committee - Ann Green, Chair, reported:

- Rikki Butler presented a PowerPoint presentation regarding issues that Admissions is facing and strategies they are going to utilize moving forward. She discussed enrollment projections.
- Jason Yeager announced that Conner Ferguson has been appointed as the new Director of Student Life.
- Bridget Carr provided an update on International Programs. To date, she issued I-20's to 49 students in the following countries: Kenya, Ghana, Guyana, Iraq, Bangladesh, and Nepal.
- Jason Yeager announced that there are currently over 600 students in housing. Appliances, furniture, paint, and flooring has been added to some of the dorm rooms. He also provided FTE numbers for years 2017 – 2022. The current FTE is 970-980.

Academic Affairs Committee - Joe Parsons, Vice Chair, reported:

- Gary Morris presented an update on academic progress, and retention. He reported that the University is working on implementation of the strategic plan. A taskforce has been established to explore and create options to create a College of Health Sciences to be housed at the Waco Center in the unused area. The University is still awaiting the initial report from HLC.

Joe announced that the Committee recommends approval of the intent to plan a MSCJ and approval of the MBA program proposal.

Business and Finance Committee – Doug Morris, Chair, reported that work continues on the University's audit; however, it will be delayed due to scheduling and timing challenges. The University has been frequently communicating with the auditors and HEPC regarding the delay so as to not hinder the HEPC Fund Audit which is due October 31. The Committee recommends approval of the funding formula weight missions and surplus property sale.

Athletics Committee – Bob Marshall, Chair, described the role of the newly established committee and the information it plans to share. MEC Commissioner Reid Amos spoke to the Board during its lunch session today.

Jesse Skiles reported on athletic enrollment management, the academic profile, and depicted a map of the MEC footprint.

President's Report

Dr. Manchin provided his report with the nursing update and noted that that the University continues to work through issues it faces. He commended the athletes on their outstanding GPAs and reminded all that it is of the utmost importance that all the students receive a quality education.

Discussion/Actionable Items

Board of Governors Bylaws

ALEX LAY MOVED TO APPROVE THE PROPOSED BOARD DRAFT POLICY 47 FOR FINAL FILING WITH THE HIGHER EDUCATION POLICY COMMISSION IF NO COMMENTS ARE RECEVIED AFTER THE THIRTY-DAY COMMENT PERIOD. ANN GREEN SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Funding Formula Weight Missions

DOUG MORRIS MOVED TO APPROVE THE PROPOSED FUNDING FORMULA MISSION WEIGHTS FOR THE UNIVERSITY AS PRESENTED. BOB MARSHALL SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Master of Science in Criminal Justice (MSCJ) – Intent to Plan

Elizabeth Matory and Donal Hardin had to leave to teach class and requested that it be announced that some working professionals may receive tuition assistance through employers; however, tuition may not be the first concern for individuals who seek assistance in completing the MSCJ. They may be more concerned with the amount of time it takes to complete the program.

JOE PARSONS MOVED TO ENDORSE AND APPROVE THE UNIVERSITY'S INTENT TO PLAN FOR DEVELOPMENT AND IMPLEMENTATION OF A MSCJ DEGREE PROGRAM AT GLENVILLE STATE UNIVERSITY. KEVIN EVANS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Master of Science in Business Administration (MBA)

JOE PARSONS MOVED TO APPROVE THE UNIVERSITY PROPOSAL FOR AN MBA DEGREE PROGRAM AT GLENVILLE STATE UNIVERSITY. KEVIN EVANS SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Surplus Property Sale

JOE PARSONS MOVED TO APPROVE FOR THE UNIVERSITY TO HOLD A SURPLUS PROPERTY SALE. CODY MOORE SECONDED THE MOTION.

MOTION CARRIED UNANIMOUSLY.

Announcements

Mike Rust announced the following:

- This is Homecoming week and
    - Student Dance is this evening;
    - Tim Carney Golf Tournament begins tomorrow at 9:00 am;
    - Celebration of Life for Gigi Manchin is at 2:00 pm today at the President's Home Lawn;
    - Chili Cook-Off is at 5:30 tomorrow evening;
    - Parade is Saturday at 10:00 am;
    - GSU vs. Alderson Broaddus at 1:30 pm on Saturday.

- Next Executive Committee meeting will be November 15, 2022 via Zoom.

- Next BOG's meeting will be Friday, December 9, 2022 and December Commencement will follow the day after on December 10th.

Adjournment

With no further business and hearing no objection, Chairperson Rust adjourned the meeting at 3:07 pm.

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Mike Rust
Chairperson

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Teresa Sterns
Executive Assistant to the President

Glenville State University

Cashflow Projection FY 2023

	Oasis	Actual	Actual	Actual	Actual	Actual	Actual	Actual	*Projected*	*Projected*	*Projected*	*Projected*
		May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Beginning Cash	Fund #	$ 7,717,116	$ 6,379,878	$ 5,250,872	$ 4,818,723	$ 4,207,146	$ 5,085,881	$ 5,013,140	$ 4,148,359	$ 2,130,309	$ 3,353,066	$ 3,027,661
Incoming:												
Appropriations (approx 50% of PR)	0363	-	-	1,692,073	-	-	1,692,072	-	-	1,692,072	-	-
Federal COVID-19 Funds		-	-	795,852	-	-	-	-	-	-	-	-
Current Cash deposits	4482	456,174	372,358	373,014	1,099,686	56,918	28,677	27,972	533,921	1,679,676	2,298,586	1,335,351
Education & General	4496	15,100	13,694	3,251	79,637	2,471,153	205,680	619,107	342,325	-	-	-
Auxillary	4497	134,732	-	-	4,850	508,117	54,910	1,065	3,596	-	-	-
Capital	4498	-	-	-	-	-	6,357	-	-	-	-	-
Gifts, Donations, WVHE grant	4499	500,000	7,250	5,000	118,633	811,575	126,952	343,555	-	-	-	-
Federal Grants	8770	38,422	-	67,950	239,883	438,590	31,598	9,075	200,000	80,000	30,000	50,000
PAC Funds from Foundation		-	-	52,713	-	-	-	-	-	-	-	-
Scholarship funds from Foundation		-	-	-	-	-	-	-	977,111	-	-	700,000
East Bonds Reimbursement		-	-	-	-	-	-	-	-	-	-	-
Insurance Claims		438,779	-	-	-	813,396	-	-	-	-	-	-
DMAPS Rental Income - HC		-	-	131,907	10,200	-	-	-	-	-	-	-
Available Cash		$ 9,300,323	$ 6,773,180	$ 8,372,632	$ 6,371,612	$ 9,306,895	$ 7,232,127	$ 6,013,914	$ 6,205,312	$ 5,582,057	$ 5,681,652	$ 5,113,012
Outgoing:												
Payroll costs total		1,122,520	1,107,526	1,405,129	908,196	720,017	1,129,557	1,141,057	1,675,000	1,150,000	1,200,000	1,200,000
Pcard Payments		-	-	-	209,020	377,271	17,958	334,518	562,501	-	250,000	250,000
Barnes & Noble Bookstore Services		-	-	340,416	-	-	368,521	-	-	-	325,000	-
Aramark Services		30,924	9,288	273,896	4,966	1,831	145,275	-	900,000	600,000	400,000	-
Utilities		62,998	96,093	113,957	110,222	96,480	114,121	28,381	159,428	125,000	125,000	125,000
Cash Disbursement/Operating expenses		297,371	288,254	509,382	420,218	297,277	101,464	88,885	155,500	150,000	150,000	150,000
4499 Transfers to FAC		1,000	-	-	-	424,312	-	-	-	-	-	-
Capital Projects & Insurance Claims		161,105	-	-	-	209,821	-	-	-	-	-	-
Debt service & Capital Assessments		228,899	-	589,890	203,991	228,991	203,991	203,991	385,898	203,991	203,991	278,991
Insurance Claim Payments		438,779	-	-	16,214	813,396	-	-	-	-	-	-
Repayment of Loan from Foundation		-	-	-	-	-	-	-	-	-	-	-
Energy Savings Loan Payments		-	-	-	145,330	129,356	138,100	-	236,676	-	-	-
HEPC Ed Grant Payments		-	877	1,990	19,948	-	-	68,723	-	-	-	-
HEPC Nursing Federal Grant 8770 ($1,705,837)		42,011	20,270	319,249	124,274	922,262	-	-	-	-	-	-
Aramark Grant Payments		534,838	-	-	2,088	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
Cash used		2,920,445	1,522,308	3,553,909	2,164,466	4,221,014	2,218,987	1,865,555	4,075,003	2,228,991	2,653,991	2,003,991
Ending Cash		$ 6,379,878	$ 5,250,872	$ 4,818,723	$ 4,207,146	$ 5,085,881	$ 5,013,140	$ 4,148,359	$ 2,130,309	$ 3,353,066	$ 3,027,661	$ 3,109,021
Remaining State Funds Included in Bal.		$ 481,860	$ -	$ 1,002,391	$ 536,769	$ 76,769	$ 1,308,841	$ 766,149	$ 66,573	$ 1,298,645	$ 838,645	$ 378,645
Remaining Energy Savings Loan in Bal.		$ 957,129	$ 957,129	$ 957,129	$ 811,799	$ 682,443	$ 544,343	$ 544,343	$ 307,667	$ 307,667	$ 307,667	$ 307,667
Remaining HEPC Ed Grant in Bal.		$ 865,963	$ 865,086	$ 863,096	$ 843,148	$ 843,148	$ 843,148	$ 774,425	$ 774,425	$ 774,425	$ 774,425	$ 774,425
Remaining HEPC Nursing Grant in Bal.		$ 1,663,826	$ 1,643,556	$ 1,046,536	$ 922,262	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Remaining Aramark Grant Funds		$ 965,162	$ 965,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162	$ 465,162
Remaining Balance of unrestricted funds		$ 1,445,938	$ 819,939	$ 484,410	$ 628,005	$ 3,018,359	$ 1,851,646	$ 1,598,280	$ 516,482	$ 507,167	$ 641,762	$ 1,183,122

Accounts Receivable Update

Student AR Balances - Point In Time, Trend Comparison

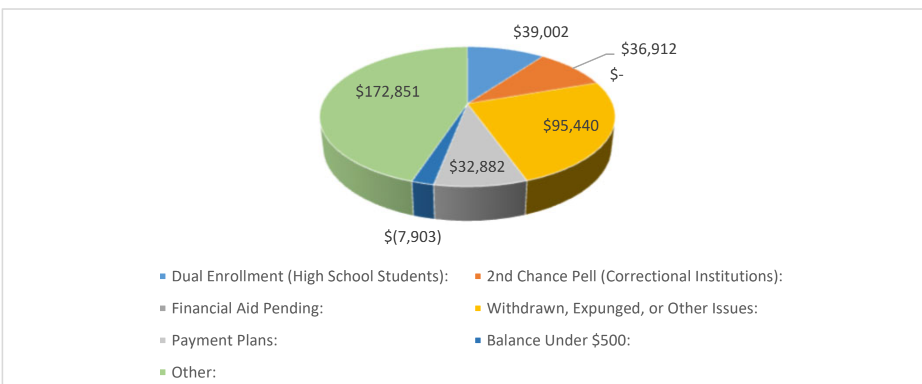
Semester Based Balances

As of Date	Fall, 2019	Spring, 2020	Summer, 2020	Fall, 2020	Spring, 2021	Summer, 2021	Fall, 2021	Spring, 2022	Summer, 2022	Fall, 2022
9/1/2020	$ 242,196	$ 171,846	$ 90,804	$ 4,786,668						
10/2/2020	$ 243,672	$ 163,738	$ 40,382	$ 2,858,126						
12/6/2020	$ 238,424	$ 158,608	$ 35,843	$ 1,187,725						
8/17/2021	$ 215,810	$ 124,081	$ 10,564	$ 471,272	$ 177,476	$ 93,331	$ 7,987,033			
10/11/2021	$ 213,054	$ 123,025	$ 6,184	$ 418,020	$ 114,232	$ 13,560	$ 597,865			
12/15/2021	$ 211,674	$ 122,350	$ 6,259	$ 416,203	$ 106,490	$ 9,962	$ 233,373	$ 7,077,842		
8/9/2022	$ 208,736	$ 116,527	$ 5,925	$ 402,916	$ 95,837	$ 8,184	$ 160,662	$ 142,448	$ 132,587	$ 8,605,681
10/11/2022	$ 208,720	$ 115,977	$ 5,925	$ 403,726	$ 97,956	$ 7,909	$ 158,900	$ 139,560	$ 9,276	$ 1,184,376
12/1/2022	$ 208,368	$ 115,977	$ 5,925	$ 397,839	$ 97,731	$ 7,609	$ 160,302	$ 137,251	$ 12,450	$ 369,184

Less Pending Aid:	-
Net Amount Due:	**$ 369,184**

Fall, 2022 AR Balance Composition

Category	Net Amount Due	Student Count	Percent of Total	Avg per Student
Dual Enrollment (High School Students):	$ 39,002	216	10.6%	$ 181
2nd Chance Pell (Correctional Institutions):	$ 36,912	33	10.0%	$ 1,119
Financial Aid Pending:	$ -	0	0.0%	#DIV/0!
Withdrawn, Expunged, or Other Issues:	$ 95,440	83	25.9%	$ 1,150
Payment Plans:	$ 32,882	25	8.9%	$ 1,315
Balance Under $500:	$ (7,903)	76	-2.1%	$ (104)
Other:	$ 172,851	38	46.8%	$ 4,549
Total Fall, 2022 AR Balance as of 12/1:	**$ 369,184**	**471**		**$ 784**



Glenville State University Board of Governors
Meeting of December 9, 2022

ACTION ITEM: Glenville State University Audit Report and Financial Statements for FY2022

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it RESOLVED that the Board of Governors approves the FY2022 Audit Report and Financial Statements.

STAFF MEMBER: Dr. Mark A. Manchin, President

BACKGROUND:

The audit of the financial statements of Glenville State University, a component unit of the West Virginia Higher Education Fund, as of and for the year ended June 30, 20Audit 22, was completed on October 25, 2022 by CliftonLarsonAllen LLP (CLA). The financial statements comprise the respective financial position of the business-type activities and the discretely presented component unit of the University, and the respective changes in financial position and, where applicable, cash flows for the year then ended. The Audit Opinion states that those financial statements are presented fairly, in all material respects, and in accordance with accounting principles generally accepted in the United States of America.

GLENVILLE STATE UNIVERSITY

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEARS ENDED JUNE 30, 2022 AND 2021

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

GLENVILLE STATE UNIVERSITY
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YEARS ENDED JUNE 30, 2022 AND 2021

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Governors
Glenville State University
Glenville, West Virginia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Glenville State University (the University), a component unit of the West Virginia Higher Education Fund, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the University as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, Glenville State University Foundation, Inc., which represents 100% of the assets, net assets, and revenues of the discretely presented component unit as of and for the year ended June 30, 2022. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditor.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of Glenville State University Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 University's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Board of Governors
Glenville State University

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and the Schedules of Proportionate Share of Net Pension Liability and Contributions, and the Schedules of Proportionate Share of Net OPEB Liability and Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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 Matter

The financial statements of the University as of June 30, 2021, and for the year then ended, were audited by other auditors whose report dated October 18, 2021, expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2022, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's 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 University's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Philadelphia, Pennsylvania
October 25, 2022

GLENVILLE STATE UNIVERSITY
MANAGEMENTS' DISCUSSION AND ANALYSIS
(UNAUDITED)
YEARS ENDED JUNE 30, 2022 AND 2021

About Glenville State University

Glenville State University, West Virginia's only centrally located public institution of higher education, was founded in 1872 to provide instruction and practice for common school teachers in the science of education and the art of teaching. In the early years, Glenville Normal was obliged to devote resources almost exclusively to secondary studies because of the absence of high schools in the area. Later, as high schools became more numerous, secondary offerings were gradually reduced and more college courses were developed. On May 1, 1930, the State Board of Education authorized the school to award the Bachelor of Arts in Education Degree, and on March 4, 1931, the Legislature changed the school's name to Glenville State Teachers College. Often referred to as the Lighthouse on the Hill, the name of the school was changed to Glenville State College in 1943. This name remained in use for 79 years until the Institution officially achieved University status in 2022.

Glenville State has long surpassed its original mission as a teacher's college, having expanded to prepare students for careers in teaching, business, land resources, music, the liberal arts, the sciences, criminal justice, and human services, and now nursing. However, in deference to its origins as a teacher's college, it seems only fitting that Glenville's initial offerings as a University would be graduate programs in Education. In early Fall, 2021, the Higher Learning Commission (HLC) approved Glenville's graduate studies expansion application. This was followed by the Higher Education Policy Commission's (HEPC) approval later that year. This momentous development culminated on February 22, 2022, when both the West Virginia House of Delegates and the State Senate unanimously approved of Glenville's new status as a University, followed the next day by the Governor's signature. Fittingly, that landmark event occurred on the same day that Glenville celebrated its 150th Anniversary. We have been operating as Glenville State University (GSU) since that memorable date

With an annual enrollment of approximately 1,825 students, the University has a student to faculty ratio of 17 to 1. The University's enrollment is made up of 37% first generation students. 83% of Glenville's students are residents of West Virginia. The University fulfills a commitment to serve students in need as approximately 97% of Glenville's students receive some form of financial aid or scholarship assistance.

GSU offers six degrees and 22 programs, is accredited by the HLC and is a member of the North Central Association of Colleges and Schools. The University holds unit accreditation from the National Council for Accreditation of Teacher Education and recognition from the Society of American Foresters. Glenville State University is part of the West Virginia Higher Education System and is governed by a local, 12-member Board of Governors, who are appointed by the State Governor.

Operational Highlights

Fiscal year 2022 was a noteworthy year for Glenville State University. As already detailed, the Institution achieved official recognition as a University. We also celebrated our Sesquicentennial as we marked our 150th year since our founding in 1872. Our Foundation achieved a record "Day of Giving" realizing a total intake of nearly $1.2 Million in contributions from 698 benefactors, all of which is held by the Foundation for the ultimate benefit of the University. As if that wasn't significant enough, our very own Lady Pioneers Basketball Team won the Division II National Championship in convincing fashion on March 25th, 2022. This was a first not only for our program, but was also the first ever NCAA National Championship in basketball in the entire State of West Virginia. Also important to note is that we as an Institution were able to evolve back to much greater sense of normalcy as it pertained to the COVID19 Pandemic, as the cases on campus, and State-wide diminished significantly throughout the year.

Operationally, Fiscal Year 2022 continued an encouraging trend in enrollment as we realized a year-over-year increase of approximately 290 overall combined student headcount in comparison to FY2021. This was driven by a strong Spring enrollment of approximately 70 more students than the prior year, along with a return to a more normal Summer enrollment which added over 200 more students in comparison to the previous Summer. Prospectively, our Fall, 2022 enrollment is off to a great start in continuing the trend of gradual growth in our enrollment counts. Financially, we were able to maintain Tuition and Fee rates at existing rates through FY2022; however, realized inflationary pressures can no longer be ignored and we have implemented a 2% across the board prospective increase in those rates beginning with the current FY2023. We have chosen to raise our rates gradually over a three-year period in an effort to cushion the financial impacts to our students while also ultimately achieving the higher revenue rates necessary to keep pace with escalating operating costs. We believe this plan to be fiscally responsible to the Institution's financial health while also being respectful to the financial challenges being experienced by our customers, the students whom we serve. Indeed, GSU has continued to be recognized as one of the most affordable Universities among our peers.

Of additional significance, Glenville State University officially entered into a partnership with Marshall University which has allowed us to offer a four-year BS in Nursing program on our campus beginning with our Fall, 2022 semester. This partnership allows GSU to utilize Marshall's existing accreditation while providing students of our central West Virginia service area the opportunity to obtain that degree on our campus. This program is off to a great start with an initial cohort class of 42 pre-Nursing students, and will be instrumental to GSU doing its part to meet the State and Nationwide nursing shortage. GSU also received a grant through the Governor's office of approximately $2.1 million which has been utilized in late FY2022 and early FY2023 to complete the investments necessary for a successful launch of our Nursing Program.

Furthermore, GSU executed a contract extension with our food service provider, Aramark. This contract renewal comes with significant financial incentives funded by our food service partner, including a "We Proudly Serve" Starbucks coffee shop on campus, in addition to a significant upgrade in our food service facilities, including a new Freshens franchise. This investment of in excess of $2 million by our food service partner represents an investment in our future, facilitating our ability to deliver highly appealing and satisfying food service to our current students and to position ourselves to be very attractive to future prospective students. We also implemented our new relationship with Barnes & Noble College in FY22, wherein we returned to providing a physical book and merchandise store presence on campus. Through this partnership, GSU was among the very first to launch Barnes & Noble's "First Day Complete" program. This service conveniently provides each of our students all of the textbook and other instructional materials necessary for all courses in which they have enrolled for a reasonable and competitive flat fee basis. Based upon the rate of participation through our current Fall, 2022 semester, this service is successfully meeting our students' needs in this area.

Prospectively, GSU continues forward with the development of additional Graduate level programs, including an MBA and a Masters in Criminal Justice, which we plan to begin offering in Fall, 2023. We also plan to develop and offer a graduate program in counseling beginning in the fall of 2024, as well as expanding on the existing Education graduate program offerings which we launched in FY2023. Additionally, we have initiated steps toward developing existing unutilized space on campus to relocate our pre-Nursing and health and human performance programs. This will also provide the foundational physical facility necessary to establish a "College of Health Sciences" consistent with our five-year strategic plans. Through this strategic initiative, which we believe will be executed over the coming two to three fiscal years, we intend to increase GSU's offerings to our students of degree programs in the Health Sciences field.

Overview of the Financial Statements and Financial Analysis

Glenville State University (the University) is pleased to present its financial statements for the fiscal years 2022, 2021 and 2020. The following management discussion and analysis provides an overview of the financial position and activities of the University for these years.

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

Financial Highlights

Total assets increased year over year while total liabilities increased by a smaller margin, resulting in a 5% increase in total net position. Operating revenues increased, while nonoperating revenues decreased and total expenses increased, however still resulting in an increase in net position for the current year. All bond debt was refinanced in September 2017, as discussed in Note 7 to the financial statements. The University continued receiving significant funding through various operational and research grants, as well as through additional CARES Act, American Rescue Plan Act, and GEER Grant sources of funding, all of which contributed to the continued improved results.

Net Position

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

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

GLENVILLE STATE UNIVERSITY
MANAGEMENTS' DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)
YEARS ENDED JUNE 30, 2022 AND 2021

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

CONDENSED SCHEDULES OF NET POSITION
JUNE 30, 2022, 2021 AND 2020

	2022	2021	2020
Assets:			
Current Assets	$ 6,375,316	$ 4,066,730	$ 1,316,020
Other Noncurrent Assets	5,256,859	3,769,530	2,981,393
Capital Assets, Net	72,967,265	72,641,150	74,050,063
Total Assets	84,599,440	80,477,410	78,347,476
Deferred Outflows of Resources	726,002	1,045,575	1,058,653
Total Assets and Deferred Outflows of Resources	$ 85,325,442	$ 81,522,985	$ 79,406,129
Liabilities:			
Current Liabilities	$ 6,124,812	$ 4,189,831	$ 5,523,971
Noncurrent Liabilities	37,228,565	38,355,582	40,850,938
Total Liabilities	43,353,377	42,545,413	46,374,909
Deferred Inflows of Resources	4,429,454	3,065,636	2,186,312
Total Liabilities and Deferred Inflows of Resources	47,782,831	45,611,049	48,561,221
Net Position:			
Net Investment in Capital Assets	36,152,927	36,773,840	35,769,490
Restricted - Expendable	4,152,465	4,282,935	2,851,720
Unrestricted	(2,762,781)	(5,144,839)	(7,776,302)
Total Net Position	37,542,611	35,911,936	30,844,908
Total Liabilities and Deferred Inflows of Resources and Net Position	$ 85,325,442	$ 81,522,985	$ 79,406,129

An indicator of short-term financial condition is the ratio of current assets to current liabilities, or current ratio. The current ratio was 1.04, 0.97 and 0.24 as of June 30, 2022, 2021, and 2020, respectively.

Significant Changes in Net Position

<u>*2022 Compared to 2021*</u>

At June 30, 2022, the University's total net position increased from the previous year by $1,630,675, driven by the positive net results realized for the Fiscal Year. Current cash and cash equivalents increased by $3,686,070. The pension liability at June 30, 2022, was $315,572.

Other noncurrent assets increased by $1,487,329. Included in noncurrent receivables is $42,674 which represents "No Hardship" advances made to employees as a result of the transition from real time to arrearage pay in 2014.

Net capital assets increased $326,115. Additions in capital assets were $2,198,375, some of which were funded through various grant or other one-time, non-recurring sources of capital funding.

<u>*2021 Compared to 2020*</u>

At June 30, 2021, the University's total net position increased from the previous year by $5,067,028, driven by the positive net results realized for the Fiscal Year. Current cash and cash equivalents increased by $487,133. The pension liability at June 30, 2022, was $757,855.

Noncurrent assets decreased by $620,776. Included in noncurrent receivables is $56,035 which represents "No Hardship" advances made to employees as a result of the transition from real time to arrearage pay in 2014.

Net capital assets decreased $1,408,913 due primarily to $2,413,263 in depreciation which offsets the capital additions during the year. Additions in capital assets were $1,004,350.

The principal balances of five issues of refinanced bonds and other debt were eliminated in 2017 as part of the successful issuance of $36,285,000 of Improvement and Refunding Revenue Bonds.

Revenues, Expenses, and Changes in Net Position

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

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

GLENVILLE STATE UNIVERSITY
MANAGEMENTS' DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)
YEARS ENDED JUNE 30, 2022 AND 2021

CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022, 2021 AND 2020

	2022	2021	2020
Operating:			
Revenues	$ 16,396,777	$ 14,722,777	$ 12,722,748
Expenses	28,251,454	23,724,336	24,413,988
Operating Loss	(11,854,677)	(9,001,559)	(11,691,240)
Nonoperating:			
Revenues	14,168,526	15,926,189	12,164,981
Expenses	(1,820,481)	(1,857,602)	(1,880,496)
Nonoperating Income	12,348,045	14,068,587	10,284,485
Income Before Other Revenues, Expenses, Gains or Losses	493,368	5,067,028	(1,406,755)
Gifts and Capital Payments on Behalf of the University	1,137,307	-	-
Increase in Net Position	1,630,675	5,067,028	(1,406,755)
Net Position - Beginning of Year	35,911,936	30,844,908	32,251,663
Net Position - End of Year	$ 37,542,611	$ 35,911,936	$ 30,844,908

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

Revenues

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

2022 Compared to 2021

- Student tuition and fees (net of scholarship and discount allowance) made up 43.35% of the University's operating revenues and 23.26% of total revenues. Tuition and fee revenues increased $1,049,022 between years due primarily to an increase in certain fees in addition to a slight increase in overall enrollment.

- Other revenues such as contracts and grants, auxiliary enterprise revenue, and miscellaneous revenues comprised 30.39% and 29.53% of the University's total revenues in FY 2022 and FY 2021, respectively. FY 2022 grant awards included receipts of $956,436 from the US Department of Education, $841,576 from various West Virginia Agency sponsored scholarship programs, and $994,485 in West Virginia Higher Education scholarship programs. Federal Revenues, nonoperating, consisted of $3,539,645 and $3,645,866 in 2022 and 2021, respectively, in PELL Grants received and distributed for student financial aid and made up 11.58% of the University's total revenues in FY 2022. Federal HEERF Grants decreased to $3,530,272 in FY 2022.

- State appropriation revenues amounted to $6,350,238 and $6,543,646, 20.78% and 21.35% of total revenues in FY 2022 and FY 2021, respectively. These appropriations are used to pay salaries and benefits in support of the operations of the University.

- The ratio of actual tuition discounts to gross tuition and fees revenues was 20.3% and 21.8% for FY 2022 and FY 2021, respectively. The presentation of Program Revenues and Scholarship Allowances includes actual scholarship or grant based aid as well as the impact of our off-campus programs where the revenue and discount lines are presented at a grossed up basis.

2021 Compared to 2020

- Student tuition and fees (net of scholarship and discount allowance) made up 38.52% of the University's operating revenues and 18.51% of total revenues. Tuition and fee revenues increased $923,730 between years due primarily to an increase in tuition rates in addition to a slight increase in overall enrollment.

- Other revenues such as contracts and grants, auxiliary enterprise revenue, and miscellaneous revenues comprised 29.54% and 32.04% of the University's total revenues in FY 2021 and FY 2020, respectively. FY 2021 grant awards included receipts of $817,075 from the US Department of Education, $822,085 from various West Virginia Agency sponsored scholarship programs, and $945,950 in West Virginia Higher Education scholarship programs. Federal Revenues, nonoperating, consisted of $3,645,866 and $3,730,752 in 2021 and 2020, respectively, in PELL Grants received and distributed for student financial aid and made up 11.90% of the University's total revenues in FY 2021. Federal HEERF Grants increased substantially to $5,467,888 in FY 2021 due to the receipt of a GEER Grant as well as the HEERF II and HEERF III grants.

- State appropriation revenues amounted to $6,543,646 and $6,446,942, 21.35% and 25.90% of total revenues in FY 2021 and FY 2020, respectively. These appropriations are used to pay salaries and benefits in support of the operations of the University.

- The ratio of actual tuition discounts to gross tuition and fees revenues was 21.8% and 19.8% for FY 2021 and FY 2020, respectively. The presentation of Program Revenues and Scholarship Allowances includes actual scholarship or grant based aid as well as the impact of our off-campus programs where the revenue and discount lines are presented at a grossed up basis.

GLENVILLE STATE UNIVERSITY
MANAGEMENTS' DISCUSSION AND ANALYSIS (CONTINUED)
(UNAUDITED)
YEARS ENDED JUNE 30, 2022 AND 2021

Expenses

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

OPERATING EXPENSES
YEARS ENDED JUNE 30, 2022, 2021 AND 2020

	2022	2021	2020
Salaries and Wages	$ 11,030,544	$ 10,341,679	$ 9,991,285
Benefits	1,136,647	1,585,622	2,283,568
Supplies and Other Services	5,949,656	4,665,221	5,737,126
Utilities	1,439,026	1,416,416	1,472,333
Student Financial Aid - Scholarships and Fellowships	6,037,558	3,287,291	2,513,230
Depreciation and Amortization	2,541,101	2,413,263	2,392,089
Miscellaneous, Net	116,922	14,844	24,357
Total Operating Expenses	$ 28,251,454	$ 23,724,336	$ 24,413,988

2022 Compared to 2021

- Salaries and wages, and employee benefits made up 43.1% and 50.3% of the operating expenses of the University in FY 2022 and FY 2021, respectively.
- Utility costs made up 5.1% and 6.0% of operating expenses for FY 2022 and FY 2021.
- Scholarship expenses increased $2,750,267 or 83.7% from FY 2021. They represented 21.37% and 13.86% of the total operating expenses in FY 2022 and FY 2021, respectively.
- Nonoperating expenses consisted only of interest on indebtedness and fees assessed by the commission for debt service.

2021 Compared to 2020

- Salaries and wages, and employee benefits made up approximately 50% of the operating expenses of the University in both FY 2021 and FY 2020.
- Utility costs remained steady between years at approximately 6.0% of operating expenses.
- Scholarship expenses increased $774,061 or 30.87% from FY 2020. They represented 13.86% and 10.29% of the total operating expenses in FY 2021 and FY 2020, respectively.
- Nonoperating expenses consisted only of interest on indebtedness and fees assessed by the commission for debt service.

Cash Flows

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

The Statements of Cash Flows is divided into five parts:

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

2) *Cash flows from noncapital financing activities*. This section reflects the cash received and paid for nonoperating, noninvesting, and noncapital financing purposes.

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

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

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

CONDENSED SCHEDULES OF CASH FLOWS
YEARS ENDED JUNE 30, 2022, 2021 AND 2020

	2022	2021	2020
Cash Provided (Used) by:			
Operating Activities	$ (7,248,318)	$ (10,369,105)	$ (8,917,491)
Noncapital Financing Activities	14,784,469	15,657,400	11,689,216
Capital Financing Activities	(3,857,334)	(4,822,807)	(2,767,131)
Investing Activities	7,253	21,645	83,768
Increase in Cash and Cash Equivalents	3,686,070	487,133	88,362
Cash and Cash Equivalents - Beginning of Year	1,298,224	811,091	722,729
Cash and Cash Equivalents - End of Year	$ 4,984,294	$ 1,298,224	$ 811,091

Capital Asset and Debt Administration

The University had capital asset additions of $2,198,375, $1,004,350 and $247,495 for the years ended June 30, 2022, 2021 and 2020, respectively

Economic Outlook

Glenville State University continues to execute on initiatives and a strategic plan to grow the institution and improve its financial position. This mission has played out in Fiscal Year 2022, and is continuing into the current FY 2023, during a time where challenges abound for all of Higher Education in general. These challenges include: continuing loss of population in the State of West Virginia, especially in the north central region wherein we are located; overall reductions in College seeking rates among high school graduates; significant inflationary pressures and static funding over several years; and challenges recruiting and retaining faculty and staff. Still, our University continues to deliver on the heightened expectations for expanding its mission-driven role in providing higher education opportunities to first generation, needs-based, and rural students from Central West Virginia and beyond. The University remains determined to continue its efforts to counter the current and prior economic challenges through a regimen of operational efficiencies, our bond refinancing savings, proactively seeking additional sources and forms of funding, and increasing student enrollment from expanding and more diverse populations, as well as through expansion of its curriculum offerings.

Glenville's expectations for FY 2023 and beyond are based on:

- The University has a competent, stable leadership team:
    1. President Dr. Mark A. Manchin continues his tenure that began over two years ago. His leadership and innovative energy serve as a catalyst for the overall execution of the University's mission. Dr. Manchin's 40+ years' experience in West Virginia education and government has proven to be an asset to the University. Under his guidance, the University is executing upon further expansion initiatives.
    2. We continue to maintain a stable executive leadership team comprised of highly experienced personnel.

- Several changes have been made in the past year, or are underway, that improve the University's appeal to our current and prospective students as well as serving to positively impact our fiscal situation:
    1. The University chose to maintain tuition and fee rates at existing levels through FY2022, providing much needed fiscal accommodation to our students and maintaining our ranking as "West Virginia's most affordable college". However, inflationary pressures continued to persist and the implementation of tuition increases became a necessity. To address this, we have chosen to spread an overall increase over multiple years. As such, the University has implemented a 2% increase in overall Tuition and Fees in Fiscal Year 2023. Subsequent increases will include a 4% increase in FY24, followed by a 2% increase in FY25 culminating an overall increase of approximately 8% spread over three years. We believe this plan responsibly addresses the situation and will bolster revenues while continuing to be respectful to the financial challenges experienced by our students.
    2. The implementation of the "First Day Complete" program offered by our new book store partner, Barnes & Noble Education, has been and continues to be successful. This program provides the instructional materials needed by each student prior to the start of the semester for an affordable, flat fee. This convenience has resulted in participation rates greater than 90%, which is consistent with expectations.

3. In July, 2021, the University renewed its food services contract with Aramark. Among other things, this contract provided various discretionary and incentive funds to the University which are being used to fund scholarships, supplement various budgets, and benefit the bottom line. Additionally, Aramark has executed upon a substantial commitment to invest in capital improvements in the food service facilities. These improvements include the addition of a "We Proudly Serve" Starbucks coffee shop which opened in August and is serving the overall campus community. The other capital improvement is a major renovation of the food service facilities in the Mollohan Center. This includes: a re-design of the Rusty Musket café; the addition of a "Freshens" franchise; a self-serve, convenience store; and a major re-design of the Mollohan's cafeteria. Those physical changes occurred through the Summer and are now in full operation. As a result, GSU's overall food service facilities are now immensely improved, modern, and have been well received by our students and the campus community. We expect these facility improvements to be largely beneficial to our recruiting efforts as they present an appeal to our prospective students.
4. In FY2022, the University fully executed a Memorandum of Understanding (MOU) with Marshall University, formally establishing a partnership that has facilitated the introduction of a four-year Nursing Program on our campus. Under this program, the University now offers a first-year pre-Nursing program to students, thus facilitating their opportunity to enter formally into Marshall's BSN program beginning in Year Two of the student's education. Over 40 students are currently enrolled in the first pre-Nursing class in the current Fall, 2022 semester. In early 2023, those students will have the opportunity to apply for acceptance into the aforementioned Marshall BSN program. Those subsequent classes will be delivered to those students on GSU's campus. Any students who do not meet the acceptance criteria will be provided options to enter into alternative courses of study at GSU in other Health Sciences related degrees. The MOU with Marshall is a ten year agreement, allowing plentiful time for GSU to eventually transition to its own Nursing accreditation. An additional financial benefit of the MOU is that Marshall provides up front, financial coverage of the costs to operate the program, allowing GSU to pay for those costs over time through a convenient annual subsidy payment. This program is off to a successful start in the current FY2023.

5. In conjunction with the aforementioned Nursing program, GSU applied for and was successfully awarded funds granted from the Governor's Office and through HEPC of approximately $2.1 million. Those funds were awarded in April, 2022 and were utilized to the further benefit of our Nursing program into the current Fiscal Year 2023. Consistent with the conditions of this funding, GSU has utilized those funds to further ensure the successful implementation of our Nursing Program, and were used for among the following purposes: temporary funding of wages for staff and faculty who played a critical part in the program implementation; scholarship funds utilized to the benefit of the initial class of students during FY23; significant investment in several items of equipment to improve simulation and lab experiences; upgrades to multiple classrooms and conference rooms improving our ability to consult, interact, and communicate between the Marshall and GSU campuses remotely; improvements to various other on campus facilities beneficial to the Nursing Students' campus life or studying experience; and renovation to dorm rooms in Pickens Hall wherein the majority of the nursing students will be housed, providing for collegial camaraderie among those students to be further nurtured; and, initial investments to support the planning steps of developing a physical location for a new "College of Health Sciences" on campus. GSU intends to apply for subsequent funding to be used for subsequent costs necessary to develop the Nursing and Health Sciences programs even further.
6. As mentioned above, the University is actively proceeding with planning steps to relocate our pre-Nursing and health and human performance programs to other currently unutilized physical space on our campus. This will provide the foundational physical facility necessary to establish a "College of Health Sciences" consistent with our five year strategic plan.
7. The University has successfully completed the implementation of its first two Graduate Programs in Education. Our first class of over 20 Masters level students has exceeded our original prospective expectations, which was a forecast of just 10 students.
8. As previously predicted, GSU's initial entry into Graduate Programs, with the two Educational degrees currently offered, was only the beginning. Efforts are already well under way to develop and to obtain overall approval of our next round of offerings of an MBA in the Department of Business as well as a Masters of Criminal Justice in our Criminal Justice department. We anticipate offering those programs beginning in the Fall of 2023. Further out on the horizon, we plan to offer a graduate program in counseling beginning in the Fall off 2024, as well as expanding on the existing Education graduate program offerings which we just launched.

- In the current Fiscal Year 2023, Glenville State University continues to make further progress in reducing our Tuition Discounting rate, consistent to our strategic plan. Enabling these improvements have been: continued increases from the GSU Foundation to offset student aid previously classified as waivers; funds provided through the aforementioned Nursing funding were directly deployed to those students as year one scholarships; and, a generous donation has provided approximately $1 Million which is being deployed directly to the funding of previous waiver classified student aid. We expect these initiatives to be able to continue going forward as we execute on further strategies to reduce our overall tuition discounting rates.

- We continue to maintain heightened attention to Federal, State and Private Foundation grants that are available to institutions such as ours. Funding available through grants has been significantly beneficial to us in the past, and this continues to be a cornerstone of the Institution's efforts to bolster our fiscal well being and to fund specific, purpose driven objectives. We now have on staff a full time Director of Grants Compliance, along with certain other positions fully or partially funded through grants.

- The University continues to benefit from our Foundation which holds and safeguards the endowment and other monetary assets contributed to it over the years from our numerous Alumni, benefactors, and parties having significant interest in the viability of our institution. The Foundation's benefit to our institution was significantly bolstered in FY2022 through a near record level of contributions received, coincident with the recognition of the University's 150th Anniversary. As highlighted earlier, the Foundation has already implemented significant increases in scholarship support to our students, a trend which is expected to continue despite current downward trends in the investment markets. The University also benefits from a formal, standing line of credit from the Foundation which is available at any time necessary, especially during the cyclical times of the academic year where cash inflows are often stagnant.

- The University continues to benefit from the bond refinancing that was executed in September, 2017. That refinancing continues to provide a long-term debt situation for the University at a very beneficial, overall fixed interest rate, as discussed in footnote 7. This simplified structure provides stability for the University and results in improved overall cash flows.

Overall, the future and outlook of the University appears bright and positive. An experienced leadership team, fiscal conservancy, strategic growth initiatives, and an enrollment and retention driven strategy all bode well for FY 2023 and beyond.

Requests for Information

Requests for information, including questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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Chief Financial Officer
Glenville State University
200 High Street
Glenville, WV 26351
Bert.Jedamski@glenville.edu

GLENVILLE STATE UNIVERSITY
STATEMENTS OF NET POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 4,984,294	$ 1,298,224
Accounts Receivable, Net	1,075,492	2,768,506
Lease Receivable, Current Portion	314,454	-
Loans to Students, Current Portion	1,076	-
Total Current Assets	6,375,316	4,066,730
Noncurrent Assets:		
Cash and Cash Equivalents	3,554,564	3,713,495
Other Accounts Receivable	42,674	56,035
Lease Receivable, Net of Current Portion	1,605,055	-
Other Postemployment Benefit Asset	54,566	-
Capital Assets, Net	72,967,265	72,641,150
Total Noncurrent Assets	78,224,124	76,410,680
Total Assets	84,599,440	80,477,410
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Refunding	253,135	282,483
Related to Pension Plans	162,510	229,185
Related to OPEB	310,357	533,907
Total Deferred Outflows of Resources	726,002	1,045,575
Total Assets and Deferred Outflows of Resources	$ 85,325,442	$ 81,522,985

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY
STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2022 AND 2021

	2022	2021
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 993,019	$ 314,153
Accrued Liabilities	1,746,501	1,589,503
Compensated Absences	711,750	631,903
Unearned Revenue, Current Portion	1,472,197	395,965
Bonds and Notes Payable, Current Portion	1,131,051	1,191,756
HEPC Debt Payable, Current Portion	70,294	66,551
Total Current Liabilities	6,124,812	4,189,831
Noncurrent Liabilities:		
Unearned Revenue	1,300,000	-
Other Postemployment Benefits Liability	-	783,389
Pension Liability	315,572	757,855
Bonds, Notes and HEPC Debt Payable	35,612,993	36,814,338
Total Noncurrent Liabilities	37,228,565	38,355,582
Total Liabilities	43,353,377	42,545,413
DEFERRED INFLOWS OF RESOURCES		
Related to Pension Plans	598,436	425,397
Related to OPEB	2,010,995	2,640,239
Related to Leases	1,820,023	-
Total Deferred Inflows of Resources	4,429,454	3,065,636
Total Liabilities and Deferred Inflows of Resources	47,782,831	45,611,049
NET POSITION		
Net Investment In Capital Assets	36,152,927	36,773,840
Restricted for:		
Loans	39,698	39,653
Capital Projects	957,466	1,000,337
Debt Service	3,155,301	3,242,945
Total Restricted	4,152,465	4,282,935
Unrestricted	(2,762,781)	(5,144,839)
Total Net Position	37,542,611	35,911,936
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 85,325,442	$ 81,522,985

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
OPERATING REVENUES		
Student Tuition and Fees, Net of Scholarship Allowance of $5,606,254 for 2022 and $5,994,438 for 2021	$ 7,108,643	$ 5,671,437
Contracts and Grants:		
Federal	956,436	817,075
State	1,836,061	2,768,035
Private	687,995	801,907
Sales and Services of Educational Activities	830,206	1,395,184
Auxiliary Enterprise Revenue, Net of Scholarship Allowance of $2,638,237 for 2022 and $3,227,774 for 2021	3,089,641	2,545,000
Miscellaneous Revenue	1,887,795	724,139
Total Operating Revenues	16,396,777	14,722,777
OPERATING EXPENSES		
Salaries and Wages	11,030,544	10,341,679
Benefits	1,136,647	1,585,622
Supplies and Other Services	5,949,656	4,665,221
Utilities	1,439,026	1,416,416
Student Financial Aid - Scholarships and Fellowships	6,037,558	3,287,291
Depreciation and Amortization	2,541,101	2,413,263
Miscellaneous, Net	116,922	14,844
Total Operating Expenses	28,251,454	23,724,336
NET OPERATING LOSS	(11,854,677)	(9,001,559)
NONOPERATING REVENUES (EXPENSES)		
State Appropriations	6,350,238	6,543,646
Payments Made on Behalf of University	567,170	247,144
Federal Pell Grants	3,539,645	3,645,866
Federal HEERF Grants	3,530,272	5,467,888
Insurance Proceeds	240,100	-
Investment Income	(58,899)	21,645
Interest on Indebtedness	(1,811,175)	(1,845,278)
Fees Assessed by HEPC for Debt Service	(9,306)	(12,324)
Nonoperating Revenues, Net	12,348,045	14,068,587
INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS, OR LOSSES	493,368	5,067,028
Gifts and Capital Payments on Behalf of the University	1,137,307	-
INCREASE IN NET POSITION	1,630,675	5,067,028
Net Position - Beginning of Year	35,911,936	30,844,908
NET POSITION - END OF YEAR	$ 37,542,611	$ 35,911,936

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Student Tuition and Fees	$ 9,008,440	$ 3,753,702
Contracts and Grants	5,394,308	4,387,017
Payments to and on Behalf of Employees	(13,395,824)	(12,615,279)
Payments to Suppliers	(6,624,453)	(5,848,838)
Payments to Utilities	(1,439,026)	(1,416,416)
Payments for Scholarships and Fellowships	(6,037,558)	(3,287,291)
Collection of Loans to Students	(1,076)	8,521
Sales and Service of Educational Activities	854,446	1,395,184
Auxiliary Enterprise Charges	3,089,641	2,545,000
Other Receipts and Payments, Net	1,902,784	709,295
William D. Ford Direct Lending Receipts	4,028,803	4,723,238
William D. Ford Direct Lending Payments	(4,028,803)	(4,723,238)
Net Cash Used by Operating Activities	(7,248,318)	(10,369,105)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Appropriations	6,350,238	6,543,646
Federal Pell Grants	3,539,645	3,645,866
Insurance Proceeds	1,364,314	-
Federal HEERF Grants	3,530,272	5,467,888
Net Cash Provided by Noncapital Financing Activities	14,784,469	15,657,400
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Purchases of Capital Assets	(1,500,461)	(1,004,350)
Debt Service Paid to Commission	(225,857)	725,303
Principal Paid on Notes, Bonds, and Leases	(1,041,756)	(1,900,983)
Interest Paid on Notes, Bonds, and Leases	(1,811,175)	(1,845,278)
Increase (Decrease) in Noncurrent Cash and Cash Equivalents	92,779	(797,499)
Other Nonoperating Revenues	629,136	-
Net Cash Used by Capital Financing Activities	(3,857,334)	(4,822,807)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net Cash Provided by Investing Activities	7,253	21,645
INCREASE IN CASH AND CASH EQUIVALENTS	3,686,070	487,133
Cash and Cash Equivalents - Beginning of Year	1,298,224	811,091
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 4,984,294	$ 1,298,224

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Net Operating Loss	$ (11,854,677)	$ (9,001,559)
Adjustments to Reconcile Net Operating Loss to Net Cash Used by Operating Activities:		
Depreciation and Amortization	2,541,101	2,413,263
Loss on Disposal of Assets	14,279	-
Payments on Behalf - Special Funding Pension and OPEB	(61,966)	247,144
Changes in Assets and Liabilities:		
Accounts Receivable, Net	1,735,723	(2,249,658)
Loans to Students, Net	(1,076)	8,521
Leases Receivable	(99,486)	-
Accounts Payable	(689,076)	(1,183,617)
Accrued Liabilities and Due to HEPC	156,999	231,883
Defined Benefit Pension Plan	(202,569)	163,377
OPEB	(1,243,649)	(1,470,758)
Compensated Absences	79,847	117,936
Unearned Revenue	2,376,232	354,363
Net Cash Used by Operating Activities	$ (7,248,318)	$ (10,369,105)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Expenses Paid on Behalf of University	$ 567,170	$ 247,144
Capital Expenses Paid on Behalf of University	$ 1,137,307	$ -

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE UNIVERSITY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	$ 100,219	$ 148,487
Investments, at Fair Value	17,738,595	18,467,801
Related Party Receivables	-	5,700
Other Receivables	3,458	-
Total Current Assets	17,842,272	18,621,988
FIXED ASSETS, NET	2,884,832	3,024,989
OTHER ASSETS		
Bequests and Contributions Receivable	1,115,313	1,044,451
Land and Other Assets Held for Investment	326,031	287,531
Total Other Assets	1,441,344	1,331,982
Total Assets	$ 22,168,448	$ 22,978,959
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities:		
Accounts Payable	$ 7,486	$ 32,676
Deferred Revenue	79,389	-
Organization Funds Held for Others	58,330	81,867
Current Portion of Loan Payable	91,884	89,003
Total Current Liabilities	237,089	203,546
Long-Term Liabilities:		
Loan Payable	2,806,479	2,896,964
Total Liabilities	3,043,568	3,100,510
NET ASSETS		
Without Donor Restrictions	1,073,665	768,457
With Donor Restrictions	18,051,215	19,109,992
Total Net Assets	19,124,880	19,878,449
Total Liabilities and Net Assets	$ 22,168,448	$ 22,978,959

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE UNIVERSITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Bequests and Contributions	$ 713,690	$ 3,010,579	$ 3,724,269
Investment Income	140,670	369,123	509,793
Realized and Unrealized Losses on Investments	(78,414)	(2,709,527)	(2,787,941)
Increase In Cash Surrender Value	-	70,863	70,863
Rental Income	194,973	-	194,973
Net Assets Released from Restrictions:			
Purpose Restrictions Accomplished	1,799,815	(1,799,815)	-
Total Revenues and Other Support	2,770,734	(1,058,777)	1,711,957
EXPENSES			
Expenditures for Benefit of Glenville State University	1,128,731	-	1,128,731
Scholarships	664,688	-	664,688
Salaries and Wages	125,877	-	125,877
Legal, Consulting, and Accounting	16,750	-	16,750
Investment Management Fee	125,059	-	125,059
Miscellaneous	26,753	-	26,753
Promotions and Publications	55,151	-	55,151
Office Expense	4,476	-	4,476
Travel and Advancement	16,752	-	16,752
Memberships and Subscriptions	160	-	160
Insurance	16,955	-	16,955
Interest Expense	95,357	-	95,357
Depreciation	142,358	-	142,358
Meals and Meetings	271	-	271
Annual Fund Expense	2,437	-	2,437
Alumni Expenses	10,116	-	10,116
Database Management	33,635	-	33,635
Total Expenses	2,465,526	-	2,465,526
CHANGE IN NET ASSETS	305,208	(1,058,777)	(753,569)
Net Assets - Beginning of Year	768,457	19,109,992	19,878,449
NET ASSETS - END OF YEAR	$ 1,073,665	$ 18,051,215	$ 19,124,880

See accompanying Notes to Financial Statements.

GLENVILLE STATE UNIVERSITY FOUNDATION, INC.
A COMPONENT UNIT OF GLENVILLE STATE UNIVERSITY
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Bequests and Contributions	$ 289,789	$ 4,255,725	$ 4,545,514
Investment Income	72,204	288,249	360,453
Realized and Unrealized Gains on Investments	246,556	2,854,082	3,100,638
Increase In Cash Surrender Value	-	32,177	32,177
Rental Income	169,600	-	169,600
Other Income	12,438	-	12,438
Net Assets Released from Restrictions:			
Purpose Restrictions Accomplished	1,112,639	(1,112,639)	-
Total Revenues and Other Support	1,903,226	6,317,594	8,220,820
EXPENSES			
Expenditures for Benefit of Glenville State University	724,028	-	724,028
Scholarships	426,923	-	426,923
Salaries and Wages	141,251	-	141,251
Legal, Consulting, and Accounting	18,350	-	18,350
Investment Management Fee	87,580	-	87,580
Miscellaneous	28,462	-	28,462
Promotions and Publications	31,387	-	31,387
Office Expense	1,882	-	1,882
Travel and Advancement	18,768	-	18,768
Memberships and Subscriptions	148	-	148
Insurance	15,552	-	15,552
Interest Expense	97,900	-	97,900
Depreciation	143,985	-	143,985
Annual Fund Expense	3,196	-	3,196
Alumni Expenses	9,847	-	9,847
Database Management	24,927	-	24,927
Total Expenses	1,774,186	-	1,774,186
CHANGE IN NET ASSETS	129,040	6,317,594	6,446,634
Net Assets - Beginning of Year	639,417	12,792,398	13,431,815
NET ASSETS - END OF YEAR	$ 768,457	$ 19,109,992	$ 19,878,449

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

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

Powers and duties of the Board include, but are not limited to, the power to determine, control, supervise, and manage the financial, business, and educational policies and affairs of the 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 (HEPC or the "Commission") which is responsible for developing, gaining consensus around and overseeing the implementation and development of a higher education public policy agenda.

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

Although the University benefits from the activities of the Foundation, the Foundation is independent of the University in all respects. The Foundation is not directly or indirectly controlled by the University. 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 University. The University is not accountable for, and does not have ownership of, any of the financial and capital resources of the Foundation. The University 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 University. 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 University. Third parties dealing with the University, the Board, and the state of West Virginia (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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity

The University is a blended component unit of the West Virginia Higher Education Fund and represents separate funds of the state of West Virginia that are not included in the state's general fund. The University is a separate entity which, along with all state institutions of higher education, the Commission, and West Virginia Council for Community and Technical College Education, form the Higher Education Fund of the state. The Higher Education Fund is considered a component unit of the state, and its financial statements are discretely presented in the state's annual comprehensive financial report.

The accompanying financial statements present all funds under the authority of the University, including its blended component units, Glenville State University Research Corporation (the Research Corporation), which was formed on December 10, 1990, as a nonprofit, nonstock corporation and Glenville State University Housing Corporation (the Housing Corporation), which received tax-exempt status on June 11, 1973, as a nonprofit corporation. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the University's ability to significantly influence operations and accountability for fiscal matters of related entities.

The audited financial statements of the Foundation are presented here as a discrete component unit with the University's financial statements in accordance with GASB. The Foundation is a separate, private, nonprofit organization that reports under FASB standards. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the audited financial information as they are presented herein.

Financial Statement Presentation

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

Net Investment in Capital Assets

This represents the University's total investment in capital assets, net of depreciation and outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets, net of related debt.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Restricted – Expendable

This includes resources in which the University is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

The West Virginia State Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected at State Institutions of Higher Education*, of the West Virginia State Code. House Bill 101 passed in March 2004 simplified the tuition and fee structure and removed the restrictions but included designations associated with auxiliary and capital items. These activities are fundamental to the normal ongoing operations of the University. These restrictions are subject to change by future actions of the West Virginia State Legislature.

Restricted – Nonexpendable

This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The University does not have any restricted nonexpendable components of net position at either June 30, 2022 or 2021.

Unrestricted

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

Basis of Accounting

For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been prepared on the accrual basis of accounting with a flow of economic resources measurement focus. Revenues are reported when earned and 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 University considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Cash and Cash Equivalents (Continued)

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

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

Allowance for Doubtful Accounts

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

Noncurrent Cash, Cash Equivalents, and Investments

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (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 acquisition value at the date of donation in the case of gifts. Donated capital assets acquired prior to July 1, 2015, are stated at fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 20 to 50 years for buildings and infrastructure, 20 years for land improvements, 10 years for nontechnology equipment, and 3 years for furniture and technology equipment. The University's capitalization threshold is $5,000.

Unearned Revenue

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

Net Pension Liability

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

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 University is required to participate in this multiple-employer, cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the state of West Virginia. Details regarding this plan and its stand-alone financial statements can be obtained by contacting the West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, West Virginia 25305-0710, or www.peia.wv.gov.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

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

GASB requires the University to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable. The University's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1½ 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 not receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. This liability is now provided for under the multiple-employer, cost-sharing plan sponsored by the state.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally, 3⅓ years of teaching service extend health insurance for one year of single coverage, and five years extend health insurance for one year of family coverage. Faculty hired after July 1, 2009, do not receive years of service credit toward insurance premiums when they retire. Employees hired after July 1, 2010, receive no health insurance premium subsidy from the University. Two groups of employees hired after July 1, 2010, will not be required to pay the unsubsidized rate: (1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010, and (2) retired employees who retired before July 1, 2010, return to active service after July 1, 2010, and then go back into retirement. In those cases, the original hire date will apply.

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

Deferred Outflows of Resources

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Deferred Inflows of Resources

An acquisition of net position by the University that is applicable to a future fiscal year is reported as a deferred inflow of resources on the statement of net position. Deferred inflows consist of those related to pension, OPEB plan and leases.

Risk Management

The state's Board of Risk and Insurance Management (BRIM) provides general, property, and casualty coverage to the University and its employees.

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

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

Classification of Revenues

The University has classified its revenues according to the following criteria:

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

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

Other Revenues – Other revenues consist primarily of nongovernmental grants and gifts.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Use of Restricted Components of Net Position

The University has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available. Generally, the University attempts to utilize restricted resources first when practicable.

Federal Financial Assistance Programs

The U.S. Department of Education makes interest subsidized and nonsubsidized loans directly to students through the University. Direct student loan receivables are not included in the University's balance sheets, as the loans are repayable directly to the U.S. Department of Education. In 2022 and 2021 the University received and disbursed $4,028,803 and $4,723,238 respectively, under the federal Direct Student Loan Program on behalf of the U.S. Department of Education, which amounts are not included as revenue and expense on the statements of revenues, expenses and changes in net position.

The University also distributes other student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Academic Competitiveness Grant, National Science and Mathematics Access to Retain Talent (SMART) Grant, and Teacher Education Assistance for College and Higher Education (TEACH) Grant, Supplemental Educational Opportunity Grant, and College and Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2022 and 2021, the University received and disbursed $3,808,157 and $3,945,743, respectively.

Scholarship and Discount Allowances

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Government Grants and Contracts

Government grants and contracts normally provide for the recovery of direct and indirect costs, subject to audit. The University recognizes revenue when all eligibility requirements are met.

Income Taxes

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

Cash Flows

Any cash and cash equivalents escrowed, restricted for noncurrent assets, or in funded reserves have not been included as cash and cash equivalents for the purpose of the statements of cash flows.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Risk and Uncertainties

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The University adopted the requirements of the guidance effective July 1, 2021, and have applied the provisions of this standard to the beginning of the earliest comparative period presented. The implementation of this standard did not have a significant impact on net position, therefore no restatement of net position is necessary.

The GASB has also issued Statement No. 92, *Omnibus 2020*, which is effective immediately for requirements related to the effective date of Statement No. 87 and Implementation Guide 2019-3. The requirements related to Statement Nos. 73 and 74 and requirements related to Intra-entity transfer of assets are effective for fiscal years beginning after June 15, 2021, as postponed by implementation of GASB No. 95. The objective of Statement No. 92 is to enhance comparability in accounting and financial reporting by improving the consistency in authoritative literature. The adoption of this standard had no effect on the University's financial statements.

The GASB has also issued Statement No. 93, *Replacement of Interbank Offered Rates*, which is effective for reporting periods ending after December 31, 2022, as postponed by implementation of GASB No. 95, for the removal of London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate. All other requirements related to Statement No. 93 are effective for reporting periods beginning after June 15, 2021, as postponed by implementation of GASB No. 95. Statement No. 93's objective is to address financial reporting implications related to replacing the LIBOR with other reference rates since LIBOR is expected to cease to exist in its current form at the end of 2021 due to global reference rate reform. The adoption of this standard had no effect on the University's financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The GASB has also issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, which is effective immediately for objective (1) and effective for fiscal years beginning after June 15, 2021 for the other objectives. Statement No. 97's primary objectives are (1) increase consistency and comparability related to the reporting of fiduciary component units which do not have a governing board and the primary government performs the duties that the governing board would typically perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The adoption of this standard had no effect on the University's financial statements.

NOTE 3 CASH AND CASH EQUIVALENTS

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

	2022		
	Current	Noncurrent	Total
State Treasurer	$ 4,236,699	$ 957,466	$ 5,194,165
Trustee	-	2,597,098	2,597,098
Banks	747,595	-	747,595
Total	$ 4,984,294	$ 3,554,564	$ 8,538,858

	2021		
	Current	Noncurrent	Total
State Treasurer	$ 793,756	$ 1,000,337	$ 1,794,093
Trustee	-	2,663,158	2,663,158
Banks	504,468	50,000	554,468
Total	$ 1,298,224	$ 3,713,495	$ 5,011,719

Cash held by the State Treasurer includes $4,152,465 and $1,089,002 at June 30, 2022 and 2021, respectively, of restricted cash for grant programs, capital improvements, debt service, and student financial aid, among others.

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

Amounts with the State Treasurer as of June 30, 2022 and 2021, are comprised of two investment pools, the WV Money Market Pool and the WV Short Term Bond Pool.

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Credit Risk

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

	S&P Rating	Carrying Value 2022	Carrying Value 2021
External Pool:			
WV Money Market Pool	AAAm	$ 3,527,000	$ 1,427,000
WV Short Term Bond Pool	Not Rated	84,000	35,000

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

Interest Rate Risk

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

2022	Carrying Value	Weighted-Average Maturity
External Pool:		
WV Money Market Pool	$ 3,527,000	21 Days

2021	Carrying Value	Weighted-Average Maturity
External Pool:		
WV Money Market Pool	$ 1,427,000	52 Days

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Interest Rate Risk (Continued)

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

	2022	
	Carrying Value	Effective Duration
External Pool:		
WV Short Term Bond Pool	$ 84,000	584 Days

	2021	
	Carrying Value	Effective Duration
External Pool:		
WV Short Term Bond Pool	$ 35,000	638 Days

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.

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 University will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a Consolidated Fund pool or account's investment in a single corporate issuer. The BTI investment policy prohibits those pools and accounts permitted to hold corporate securities from investing more than 5% of their assets in any one corporate name or one corporate issue.

Foreign Currency Risk

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

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash in Bank with Trustee

	Carrying Value	
	2022	2021
Investment Type:		
Government Money Market Funds	$ 408,983	$ 1,406,858
Other Fixed-Income Securities	2,188,115	1,256,300
Total	$ 2,597,098	$ 2,663,158

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

NOTE 4 ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30:

	2022	2021
Student Tuition and Fees, Net of Allowance for Doubtful Accounts of $4,657,808 for 2022 and $4,514,563 for 2021	$ 677,670	$ 644,339
Other State Agencies	2,821	1,147,601
Federal Grants Receivable	182,616	916,533
Payroll Advance	42,674	56,035
Interest Receivable	23,706	-
Lease Receivable	1,919,509	-
Other	189,755	60,033
Total	3,038,751	2,824,541
Less: Noncurrent	1,647,729	56,035
Total	$ 1,391,022	$ 2,768,506

The amounts due from other state agencies consisted of the following at June 30:

	2022	2021
WV Division of Rehabilitation	$ -	$ -
WV State Appropriation	-	96,704
WV Department of Commerce	-	50,003
WV HEPC	2,821	1,000,894
Total	$ 2,821	$ 1,147,601

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 CAPITAL ASSETS

Capital assets consisted of the following at June 30:

	2022			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets Not being Depreciated:				
Land	$ 1,222,564	$ -	$ -	$ 1,222,564
Construction In Progress	633,520	1,288,497	(633,520)	1,288,497
Total Capital Assets Not being Depreciated	1,856,084	1,288,497	(633,520)	2,511,061
Other Capital Assets:				
Land Improvements	2,263,698	-	-	2,263,698
Infrastructure	1,818,002	149,168	-	1,967,170
Buildings	105,794,429	1,053,638	-	106,848,067
Equipment	10,124,436	990,435	(14,280)	11,100,591
Library Books	1,730,281	5,134	(14,562)	1,720,853
Leasehold Improvements	199,219	-	-	199,219
Total Other Capital Assets	121,930,065	2,198,375	(28,842)	124,099,598
Less Accumulated Depreciation for:				
Land Improvements	1,605,402	59,332	-	1,664,734
Infrastructure	1,562,414	34,172	-	1,596,586
Buildings	37,057,342	1,994,587	-	39,051,929
Equipment	9,119,811	403,523	(8,535)	9,514,799
Library Books	1,695,142	16,597	(14,562)	1,697,177
Leasehold Improvements	104,888	13,281	-	118,169
Total Accumulated Depreciation	51,144,999	2,521,492	(23,097)	53,643,394
Other Capital Assets, Net	70,785,066	(323,117)	(51,939)	70,456,204
Total Cost of Capital Assets	123,786,149	3,486,872	(662,362)	126,610,659
Less: Accumulated Depreciation	51,144,999	2,521,492	(23,097)	53,643,394
Capital Assets, Net	$ 72,641,150	$ 965,380	$ (639,265)	$ 72,967,265

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 5 CAPITAL ASSETS (CONTINUED)

	2021			
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year
Capital Assets Not being Depreciated:				
Land	$ 1,222,564	$ -	$ -	$ 1,222,564
Construction In Progress	-	633,520	-	633,520
Total Capital Assets Not being Depreciated	1,222,564	633,520	-	1,856,084
Other Capital Assets:				
Land Improvements	2,263,698	-	-	2,263,698
Infrastructure	1,718,655	99,347	-	1,818,002
Buildings	105,629,285	165,144	-	105,794,429
Equipment	10,025,321	99,115	-	10,124,436
Library Books	1,729,792	489	-	1,730,281
Leasehold Improvements	192,739	6,480	-	199,219
Total Other Capital Assets	121,559,490	370,575	-	121,930,065
Less Accumulated Depreciation for:				
Land Improvements	1,546,056	59,346	-	1,605,402
Infrastructure	1,554,594	7,820	-	1,562,414
Buildings	35,031,929	2,025,413	-	37,057,342
Equipment	8,829,855	289,956	-	9,119,811
Library Books	1,677,699	17,443	-	1,695,142
Leasehold Improvements	91,858	13,030	-	104,888
Total Accumulated Depreciation	48,731,991	2,413,008	-	51,144,999
Other Capital Assets, Net	72,827,499	(2,042,433)	-	70,785,066
Total Cost of Capital Assets	122,782,054	1,004,095	-	123,786,149
Less: Accumulated Depreciation	48,731,991	2,413,008	-	51,144,999
Capital Assets, Net	$ 74,050,063	$ (1,408,913)	$ -	$ 72,641,150

Buildings include the Waco Center, a portion of which is owned and accounted for by the Foundation. A lease agreement, expiring in 2043, between the University and Foundation specifies that the portion of the Waco Center owned by the Foundation will transfer to the University at the expiration of the lease. The lease is payable in annual installments of $1.

The University 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.

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 6 LONG-TERM LIABILITIES

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

	2022				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Bonds, Capital Leases, and Notes Payable:					
Capital Lease Obligations	$ -	$ -	$ -	$ -	$ -
Notes Payable	2,848,660	-	464,354	2,384,306	371,051
Commission Debt Payable	444,285	-	66,551	377,734	70,294
Improvement and Refunding Revenue Bonds	34,779,700	-	727,402	34,052,298	760,000
Total Bonds, Capital Leases, and Notes Payable	38,072,645	-	1,258,307	36,814,338	1,201,345
Other Liabilities:					
Net Pension Liability	757,855	-	442,283	315,572	-
Other Postemployment Benefits Liability	783,389	-	837,955	(54,566)	-
Total Other Liabilities	1,541,244	-	1,280,238	261,006	-
Total Noncurrent Liabilities	$ 39,613,889	$ -	$ 2,538,545	$ 37,075,344	$ 1,201,345

	2021				
	Balance - Beginning of Year	Additions	Reductions	Balance - End of Year	Current Portion
Bonds, Capital Leases, and Notes Payable:					
Capital Lease Obligations	$ 40,377	$ -	$ 40,377	$ -	$ -
Notes Payable	3,206,520	1,000,000	1,357,860	2,848,660	464,354
Commission Debt Payable	506,658	-	62,373	444,285	66,551
Improvement and Refunding Revenue Bonds	35,482,446	-	702,746	34,779,700	727,402
Total Bonds, Capital Leases, and Notes Payable	39,236,001	1,000,000	2,163,356	38,072,645	1,258,307
Other Liabilities:					
Net Pension Liability	719,991	37,864	-	757,855	-
Other Postemployment Benefits Liability	3,007,958	-	2,224,569	783,389	-
Total Other Liabilities	3,727,949	37,864	2,224,569	1,541,244	-
Total Noncurrent Liabilities	$ 42,963,950	$ 1,037,864	$ 4,387,925	$ 39,613,889	$ 1,258,307

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

In fiscal year 2021, the University secured a 10-year interest-free loan from the HEPC for the purposes of performing several critically needed replacements or improvements to heating and cooling systems on campus. This project will provide much needed reliability, as well as energy and deferred maintenance savings to the University for years to come. The loan will be repaid in equal quarterly payments.

NOTE 7 BONDS PAYABLE

Bonds payable consisted of the following at June 30:

		Principal Amount Outstanding	
	Interest Rate	2022	2021
Improvement and Refunding Revenue Bonds, Series 2017 Matures from June 2022 to June 2047	3.25% to 5.25%	$ 34,150,000	$ 34,885,000
Unamortized Bond Discount		(97,702)	(105,300)
Total Bonds Payable		$ 34,052,298	$ 34,779,700

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

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

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

The Series 2017 Bond proceeds were used to pay in full the Series 2006 Bonds, Series 2007 Bonds, Series 2009 Bonds, and the 2011 note payable on September 28, 2017. Proceeds were escrowed in sufficient amount to pay in full the Series 2011A Bonds on October 10, 2017. Proceeds of $2,000,000 were deposited in a project fund for future capital improvements. As of June 30, 2019, $2,000,000 had been drawn down to pay for capital projects. In 2019, the University recorded a loss on refunding of $297,157. At June 30, 2022 and 2021, the unamortized loss on refunding was $253,135 and $282,483, respectively.

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 7 BONDS PAYABLE (CONTINUED)

Future debt service requirements to maturity, as scheduled, for the Series 2017 Bonds at June 30, 2022, are as follows:

Maturity	Principal	Interest	Total
2023	$ 760,000	$ 1,687,900	$ 2,447,900
2024	790,000	1,657,500	2,447,500
2025	820,000	1,625,900	2,445,900
2026	850,000	1,593,100	2,443,100
2027	885,000	1,559,100	2,444,100
2028 to 2032	5,040,000	7,184,925	12,224,925
2033 to 2037	6,345,000	5,880,750	12,225,750
2038 to 2042	8,145,000	4,086,863	12,231,863
2043 to 2047	10,515,000	1,712,288	12,227,288
Total	$ 34,150,000	$ 26,988,326	$ 61,138,326

NOTE 8 NOTES PAYABLE

Notes payable consisted of the following at June 30:

	2022	2021
$400,000 private loans to Glenville State College Housing Corporation, 4% interest, payable in full upon request, collateralized by rental properties	$ -	$ 50,000
$1,000,000 unsecured promissory note to HEPC, 0.00% interest, quarterly payments of $25,000	900,000	1,000,000
$1,000,000 unsecured promissory note to HEPC, 0.00% interest, quarterly payments of $25,000	50,000	150,000
$3,145,581 promissory note collateralized by first lien on equipment installed in various buildings on campus, 3.10% interest, semiannual payments of $131,907 due through June 2028	1,434,306	1,648,660
Total Notes Payable	$ 2,384,306	$ 2,848,660

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 8 NOTES PAYABLE (CONTINUED)

The University has available a line of credit of $1,000,000 with the Glenville State University Foundation, Inc., bearing interest at 4.0%. The University has not borrowed from this line of credit since 2020.

The following is the schedule of future annual minimum payments required under the notes payable as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 371,051	$ 42,764	$ 413,815
2024	327,956	35,858	363,814
2025	335,078	28,736	363,814
2026	342,421	21,393	363,814
2027	349,995	13,819	363,814
2028 to 2031	657,805	6,009	663,814
Total	$ 2,384,306	$ 148,579	2,532,885
Less: Interest			148,579
Principal			$ 2,384,306

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Employees of the University 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).

As related to the implementation of GASB 75, following are the University's net OPEB liability (asset), deferred outflows of resources, and deferred inflows of resources related to OPEB, revenues, and the OPEB expense and expenditures for the fiscal years ended June 30:

	2022	2021
Net OPEB (Asset) Liability	$ (54,566)	$ 783,389
Deferred Outflows of Resources	310,357	533,907
Deferred Inflows of Resources	2,010,995	2,640,239
Revenues	(49,953)	74,398
OPEB Expense	(1,108,756)	(725,514)
Contributions Made by the University	193,253	334,645

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Plan Description

The OPEB plan is a cost-sharing, multiple employer, defined benefit other postemployment 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 Plan provides the following benefits:

- Medical and prescription drug insurance
- Life insurance

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

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Benefits Provided (Continued)

- External Managed Care Organizations – primarily for Medicare-eligible retirees and spouses.

Contributions

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

Paygo premiums are established by the PEIA Finance Board annually. All participating employers are required by statute to contribute this premium to the RHBT at the established rate for every active policyholder per month. The paygo rates related to the measurement date of June 30, 2021 and 2020 were:

	2021	2020
Paygo Premium	$ 160	$ 168

Members retired before July 1, 1997, pay retiree health care contributions at the highest sponsor subsidized rate, regardless of their actual years of service. Members retired after July 1, 1997, or hired before June 30, 2010, pay a subsidized rate depending on the member’s years of service. Members hired on or after July 1, 2010, pay retiree health care contributions with no sponsor-provided implicit or explicit subsidy.

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

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

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

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Contributions (Continued)

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 for one year of single coverage, and five years extend health insurance 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.

The University's contributions to the OPEB plan for the years ended June 30, 2022, 2021, and 2020, were $193,253, $334,645, and $342,818, respectively.

Basis of Allocation

OPEB amounts have been allocated to each contributing employer based on their proportionate share of employer contributions to the RHBT for the fiscal year ended June 30, 2020. Effective July 1, 2017, certain employers that met the plan's opt out criteria and chose not to participate in the plan coverage were no longer required to make contributions to the plan. The amounts previously allocated to such employers for the net OPEB liability and related deferred inflows and deferred outflows are reallocated to the remaining employers participating in the cost sharing plan. The plan reallocates these balances to the remaining active employers based on their proportionate share of contributions made in the period of reallocation.

Assumptions

The net OPEB liability (asset) as of June 30, 2022 and 2021 for financial reporting purposes was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2022 and 2021, respectively. The following actuarial assumptions were used and applied in the measurement:

- Actuarial cost method: Entry age normal cost method.
- Amortization method: Level percentage of payroll over 20 years.
- Investment rate of return: 6.65%, net of OPEB plan investment expense, including inflation.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

- Rates based on 2015-2020 OPEB experience study and dependent on plan participation and attained age, and range from 2.75% to 5.18%, including inflation.

- Trend rate for pre-Medicare per capita costs of 7.0% for plan year-end 2020, decreasing by 0.50% for one year then by 0.25% each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2032. Trend rate for Medicare per capita costs of 31.11% for plan year end 2022. 9.15% for plan year end 2023, decreasing ratably each year thereafter, until ultimate trend rate of 4.25% is reached in plan year end 2036.

- Inflation rate: 2.75%.

- Discount rate: 6.65%.

- Mortality rates: Postretirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 108% females) projected with MP-2019. Pre-retirement, Pub-2010 general Healthy Retiree Mortality Tables (100% males, 100% females) projected with MP-2019.

The actuarial assumptions used in the June 30, 2020, valuation were based on results of an actuarial experience study for the period from July 1, 2015, to June 30, 2020. There were no assumption changes from the actuarial valuation as of June 30, 2020, measured at June 30, 2020 and rolled forward to a measurement date of June 30, 2021.

The long-term expected rate of return of 6.65% on OPEB plan investments was determined by a combination of an expected long-term rate of return of 7.00% for long-term assets invested with the WV Investment Management Board and an expected short-term rate of return of 2.50% for assets invested with the BTI.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which 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 percentage. Target asset allocations, capital market assumptions (CMA), and forecast returns were provided by the Plan's investment advisors, including the West Virginia Investment Management Board (WV-IMB). The projected nominal return for the Money Market Pool held with the BTI was estimated based on the WV-IMB assumed inflation of 2.0% plus a 25 basis point spread.

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

As of June 30, 2022 and 2021, the target allocations and estimates of annualized long-term expected returns assuming a 10-year horizon are summarized below:

	2022 Target Allocation	Long-Term Expected Real Return
Asset Class:		
Global Equity	55 %	4.8 %
Core Plus Fixed Income	15	2.1
Core Real Estate	10	4.1
Hedge Funds	10	2.4
Private Equity	10	6.8
Total	100 %	

	2021 Target Allocation	Long-Term Expected Real Return
Asset Class:		
Global Equity	55 %	6.8 %
Core Plus Fixed Income	15	4.1
Core Real Estate	10	6.1
Hedge Funds	10	4.4
Private Equity	10	8.8
Total	100 %	

Discount Rate

A single discount rate of 6.65% was used to measure the total OPEB liability (asset). This single discount rate was based on the expected rate of return on OPEB plan investments of 6.65%. The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made in accordance with the 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 (asset).

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Assumptions (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the net OPEB liability (asset) of the Plan as of June 30, 2022 and 2021 calculated using a discount rate that is one percentage point lower (5.65%) or one percentage point higher (7.65%) than the current rate.

	2022		
	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB Liability	$ 292,808	$ (54,566)	$ (342,986)

	2021		
	1% Decrease (5.65%)	Current Discount Rate (6.65%)	1% Increase (7.65%)
Net OPEB Liability	$ 1,117,217	$ 783,389	$ 503,931

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rate

The following presents the University's proportionate share of the net OPEB liability as of June 30, 2022 and 2021 calculated using the healthcare cost trend rate, as well as what the University's net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate.

	2022		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ (402,887)	$ (54,566)	$ 369,729

	2021		
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 471,372	$ 783,389	$ 1,160,242

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The June 30, 2022 net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability (asset) was determined by an actuarial valuation as of June 30, 2020, rolled forward to the measurement date of June 30, 2021. The June 30, 2021 net OPEB liability was measured as of June 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2020, which was the measurement date.

At June 30, 2022, the University's proportionate share of the net OPEB liability (asset) was $(65,310). Of this amount, the University recognized $(54,566) as its proportionate share on the statement of net position. The remainder of $(10,744) denotes the University's proportionate share of net OPEB liability (asset) attributable to the special funding.

At June 30, 2021, the University's proportionate share of the net OPEB liability was $956,609. Of this amount, the University recognized $783,389 as its proportionate share on the statement of net position. The remainder of $173,220 denotes the University's proportionate share of net OPEB liability attributable to the special funding.

The allocation percentage assigned to each participating employer and nonemployer contributing entity is based on its proportionate share of employer and nonemployer contributions to OPEB for each of the fiscal years ended June 30, 2021 and 2020. Employer contributions are recognized when due. At the June 30, 2021 measurement date, the University's proportion was 0.183509801%, an increase of 0.006148721% from its proportion of 0. 0.177361080% calculated as of June 30, 2020. At the June 30, 2020 measurement date, the University's proportion was 0.177361080%, a decrease of 0.003935944% from its proportion of 0.181297024% calculated as of June 30, 2019.

For the year ended June 30, 2022, the University recognized OPEB expense (offset) of $(1,108,756). Of this amount, $(1,058,803) was recognized as the University's proportionate share of OPEB expense and $(49,953) as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $(49,953) for support provided by the State.

For the year ended June 30, 2021, the University recognized OPEB expense (offset) of $(725,514). Of this amount, $(799,912) was recognized as the University's proportionate share of OPEB expense and $74,398 as the amount of OPEB expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $74,398 for support provided by the State.

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NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

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

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 375,879
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	117,104	83,993
Opt-Out Employer Change in Proportionate Share	-	19,903
Change in Assumptions	-	1,154,644
Net Difference between Projected and Actual Investment Earnings	-	376,576
Contributions After the Measurement Date	193,253	-
Total	$ 310,357	$ 2,010,995

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ -	$ 507,935
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	113,282	289,004
Opt-Out Employer Change in Proportionate Share	-	48,512
Change in Assumptions	-	1,768,273
Net Difference between Projected and Actual Investment Earnings	85,980	26,515
Contributions After the Measurement Date	334,645	-
Total	$ 533,907	$ 2,640,239

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

The University will recognize the $193,253 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 ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amortization
2023	$ (983,235)
2024	(680,848)
2025	(120,881)
2026	(108,927)
Total	$ (1,893,891)

Payables to the OPEB Plan

At June 30, 2022, the University reported $13,531 in accrued payroll and accounts payable related to normal contributions to the plan.

NOTE 10 LEASES

During the fiscal year ended June 30, 2022, the Glenville State University Housing Corporation as lessor, leased certain facilities to a third party. The agreement began in October 2021 and ends in September 2026, unless cancelled by the tenant. Lease payments are at a monthly fixed rate with normal escalations over the term of the lease. The lease also includes a variable non-lease payment component for meals which is based upon actual daily food costs and meal counts. The Housing Corporation has determined the net present value with consideration for the residual value at the lease termination date. Rent income under leases other than short-term, for the fiscal year ended June 30, 2022 is summarized as follows:

Lease Revenue	$ 321,180
Interest Revenue	223,212
Total	$ 544,392

Future minimum lease payments under lease agreements are as follows:

Maturity	Principal	Interest	Total
2023	$ 314,454	$ 263,994	$ 578,448
2024	389,119	212,467	601,586
2025	476,622	149,027	625,649
2026	579,042	71,634	650,676
2027	160,273	3,975	164,248
Total	$ 1,919,510	$ 701,097	$ 2,620,607

NOTE 11 STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

The state has chartered the HEPC with the responsibility to construct or renovate, finance, and maintain various academic and other facilities of the state's universities and colleges, including certain facilities of the University. Financing for these facilities was provided through revenue bonds issued by the former Board of Regents or the former Boards of the University and College Systems (the Boards). These obligations administered by HEPC are the direct and total responsibility of HEPC, as successor to the former Boards.

The Commission has the authority to assess each public institution of higher education for payment of debt service on these system bonds. The tuition and registration fees of the members of the former state university system are generally pledged as collateral for HEPC'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 HEPC, an estimate of the obligation of each institution is reported as a long-term payable by each institution and as a receivable by HEPC. The balances at June 30, 2022 and 2021, were $377,734 and $444,285, respectively.

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

	2022	2021
Principal	$ 66,551	$ 62,373
Interest	19,542	22,470
Total	$ 86,093	$ 84,843

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

NOTE 12 UNRESTRICTED COMPONENTS OF NET POSITION

The unrestricted components of the University's net position is composed of resources as follows:

	2022	2021
Designated for Affiliated Organizations	$ 708,030	$ 341,398
Net OPEB	(1,646,072)	(2,889,721)
Net Pension	(751,498)	(954,067)
Undesignated	(1,073,241)	(1,642,449)
Total	$ (2,762,781)	$ (5,144,839)

NOTE 13 RETIREMENT PLANS

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

The University's total payroll for the years ended June 30, 2022, 2021, and 2020 was $11,030,544, $10,341,679, and $9,991,285, respectively; total covered employees' salaries in the TRS and TIAA-CREF were $423,045 and $9,145,416 in 2022, $584,406 and $8,541,161 in 2021, and $650,657 and $8,063,710 in 2020.

Defined Contribution Pension Plan

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

Total contributions to the TIAA-CREF for the years ended June 30, 2022, 2021, and 2020, were $1,097,450, $1,024,939, and $967,646, respectively, which consisted of equal contributions from the University and covered employees in 2022, 2021, and 2020 of $548,725, $512,470, and $483,823, respectively.

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan. New hires have the choice of either plan. As of June 30, 2022, no University employees were enrolled in the Educators Money 401(a) basic retirement plan.

NOTE 13 RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan

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

Following are the University's pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions, revenues, and the pension expense and expenditures for the fiscal years ended June 30:

	2022	2021
Net Pension Liability	$ 315,572	$ 757,855
Deferred Outflows of Resources	162,510	229,185
Deferred Inflows of Resources	598,436	425,397
Revenues	(12,013)	172,746
Pension Expense	(153,762)	97,347
Contributions Made by the University	64,208	87,661

TRS

Plan Description

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

TRS is considered a component unit of the state of West Virginia for financial reporting purposes, and, as such, its financial report is also included in the state of West Virginia's Annual Comprehensive 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.

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (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 5, but less than 20, years of credited service who do not withdraw their accumulated contributions are entitled to a deferred retirement commencing at age 62. Retirement benefits are equivalent to 2% of average annual salary multiplied by years of service. Average salary is defined as the average of the 5 highest fiscal years of earnings during the last 15. Chapter 18, Article 7A, of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan, including contribution rates, to the State Legislature.

Contributions

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

Member Contributions

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

Employer Contributions

The state (including institutions of higher education) contributes:

- 15% of gross salary of their state-employed members hired prior to July 1, 1991,
- 7.5% of the gross salary of their TRS covered employees hired for the first time after July 1, 2005, and for those TDCRS members who elected to transfer to TRS effective July 1, 2008,
- A certain percentage of fire insurance premiums paid by state residents, and
- Under WV State code section 18-9-A-6a, beginning in fiscal year 1996, an amount determined by the State Actuary as being needed to eliminate the TRS unfunded liability by 2034. As of June 30, 2022 and 2021, respectively, the University's proportionate share attributable to this special funding subsidy was $(12,013) and $172,746.

The University's contributions to TRS for the years ended June 30, 2022, 2021, and 2020 were $64,208, $87,661, and $97,599, respectively.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions

The total pension liabilities for financial reporting purposes were determined by actuarial valuations as of July 1, 2020 and 2019, and rolled forward to June 30, 2021 and 2020, respectively. The following actuarial assumptions were used and applied to all periods included in the measurement:

- Actuarial cost method: Entry age normal cost with level percentage of payroll.
- Asset valuation method: Investments are reported at fair (market) value.
- Amortization method and period: Level dollar, fixed period over 40 years, from July 1, 1994 through fiscal year 2034.
- Investment rate of return of 7.25%, net of pension plan administrative and investment expenses.
- Projected salary increases: Teachers 2.75–5.90% and nonteachers 2.75–6.50%, based on age.
- Inflation rate of 2.75%.
- Discount rate of 7.25%.
- Mortality rates based on Pub-2010 Mortality Tables.
- Withdrawal rates: Teachers 7.00-35.00% and non-teachers 2.33-18.00%.
- Disability rates: 0.004-0.563%.
- Retirement age: An age-related assumption is used for participants not yet receiving payments.
- Retirement rates: 15% to 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, 2014, to June 30, 2019. These assumptions will remain in effect for valuation purposes until such time as the CPRB adopts revised assumptions.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Assumptions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the long-term arithmetic real rates of return for each major asset class included in TRS' target asset allocation as of June 30, 2022 and 2021, are summarized below.

	Target Allocation	Long-Term Expected Real Return
Asset Class:		
Domestic Equity	27.5 %	5.1 %
International Equity	27.5	5.2
Fixed Income	15.0	1.5
Real Estate	10.0	5.8
Private Equity	10.0	9.3
Hedge Funds	10.0	3.8
Total	100.0%	

Discount Rate

The discount rate used to measure the total TRS pension liability was 7.25% and 7.50% for the fiscal years ended 2021 and 2020. 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.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the University's proportionate share of the STRS net pension liability as of June 30, 2022 calculated using the discount rate of 7.25% (7.50% in 2021), as well as what the University's STRS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25% in 2022; 6.50% in 2021) or one percentage point higher (8.25% in 2022; 8.50% in 2021) than the current rate.

	2022		
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	$ 557,637	$ 315,572	$ 109,876

	2021		
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability	$ 1,023,797	$ 757,855	$ 531,253

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

The June 30, 2022 TRS net pension liability was measured as of June 30, 2021, and the total pension liability was determined by an actuarial valuation as of July 1, 2020, rolled forward to the measurement date of June 30, 2021. The June 30, 2021 STRS net pension liability was measured as of June 30, 2020, and the total pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to the measurement date of June 30, 2020.

At June 30, 2022, the University's proportionate share of the TRS net pension liability was $1,021,134. Of this amount, the University recognized $315,572 as its proportionate share on the Statement of Net Position. The remainder of $705,562 denotes the University's proportionate share of net pension liability attributable to the special funding.

At June 30, 2021, the University's proportionate share of the TRS net pension liability was $2,404,587. Of this amount, the University recognized $757,855 as its proportionate share on the Statement of Net Position. The remainder of $1,646,732 denotes the University's proportionate share of net pension liability attributable to the special funding.

NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

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

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, 2021 and 2020. Employer contributions are recognized when due. At the June 30, 2021 measurement date, the University's proportion was 0.020193%, a decrease of 0.003336% from its proportion of 0.023529% calculated as of June 30, 2020. At June 30, 2019 the University's proportion was 0.023529%, a decrease of 0.000671% from its proportion of 0.024200% calculated as of June 30, 2019.

For the years ended June 30, 2022 and 2021, the University recognized TRS pension expense of $(153,762) and $97,734, respectively. Of these amounts, $(141,749) and $(75,012), respectively, were recognized as the University's proportionate share of the TRS expense and $(12,013) and $172,746, respectively, as the amount of pension expense attributable to special funding from a non-employer contributing entity. The University also recognized revenue of $(12,013) and $172,746, respectively, for support provided by the State.

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

	2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	$ 33,417	$ 336,985
Net Difference between Projected and Actual Investment Earnings	-	252,211
Differences between Expected and Actual Experience	25,709	9,240
Differences in Assumptions	39,176	-
Contributions After the Measurement Date	64,208	-
Total	$ 162,510	$ 598,436

GLENVILLE STATE UNIVERSITY
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NOTE 13 RETIREMENT PLANS (CONTINUED)

TRS (Continued)

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

	2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Proportion and Difference between Employer Contributions and Proportionate Share of Contributions	$ 67,513	$ 408,756
Net Difference between Projected and Actual Investment Earnings	45,918	-
Differences between Expected and Actual Experience	17,414	16,641
Differences in Assumptions	10,679	-
Contributions After the Measurement Date	87,661	-
Total	$ 229,185	$ 425,397

The University will recognize the $64,208 reported as deferred outflows of resources resulting from pension contributions after the measurement date as a reduction of the TRS net pension liability in the year ending June 30, 2023. 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:

Year Ending June 30,	Amortization
2023	$ (161,013)
2024	(185,784)
2025	(68,661)
2026	(84,676)
Total	$ (500,134)

Payables to the Pension Plan

The University did not report any amounts payable for normal contributions to the TRS as of June 30, 2022 and 2021.

NOTE 14 CONTINGENCIES

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

NOTE 14 CONTINGENCIES (CONTINUED)

Under the terms of federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies.

The Internal Revenue Code of 1986 establishes rules and regulations for arbitrage rebates. There are no arbitrage rebate liabilities that have been recorded in the financial statements as of June 30, 2022 and 2021.

Several of the University properties are known to contain asbestos. The University is not required by federal, state or local law and Federal Environmental, Health and Safety Regulations to remove asbestos from its buildings, but is required to manage the presence of asbestos in a safe manner. The University addresses this responsibility on a case-by-case basis. The University addresses the presence of asbestos as building renovation or demolition projects are undertaken and through asbestos operation and maintenance programs directed at containing, managing or operating with the asbestos in a safe manner.

During the 2020 fiscal year, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. Through the ensuing years since, the COVID-19 pandemic continued to have significant effects on global markets, supply chains, businesses, and communities. Specific to the University, COVID-19 continued to impact various parts of its 2022 operations and financial results, including, but not limited to, declines in enrollment, losses of auxiliary revenues, additional bad debts, costs for increased use of technology, or potential shortages of personnel. Currently, the University has been able to return operations to a more “normal” manner as it pertains to COVID-19; however, we remain vigilant to any further developments that may transpire which may require further operational adjustments.

Due to COVID-19, the Federal Government passed the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA) Act in December 2020 and the American Rescue Plan Act (ARP) in March 2021 which included funding for the Higher Education Emergency Relief Fund (HEERF II and III). These funds were awarded to institutions of higher education in two allotments for each of HEERF II and HEERF III; institutional aid to provide support for pivoting instruction to online delivery or reimbursement of refunds, and a student portion to provide emergency financial aid grants to students. As of Fiscal 22 year-end, the institution has expended nearly all but a minor portion of the various HEERF based funds made available to us.

Due to the extraordinary inflationary pressures being broadly and extensively experience across the economy, the University remains vigilant to the impacts of those pressures on our operations. To bolster our revenues, the Institutions has implemented a three-year program of tuition and fee increases, beginning with the current FY2023. That program implements increases of 2%, 4%, and 2% during FY23, FY24, and FY25 respectively. Additionally, the University has executed on strategic pay rate adjustments across our entire work force over the past two fiscal years. These represent changes that we believe to be necessary to remain competitive and functional with our workforce during the current economic times where employee retention pressures are prevalent.

NOTE 14 CONTINGENCIES (CONTINUED)

In light of the potential impacts from situations similar to those experienced due to the recent COVID-19 pandemic, or from the current economic pressure, and from other factors likely to cause negative enrollment trends in higher education, management believes that appropriate actions are being taken to ensure that the University will continue as a going concern in the foreseeable future. These include:

- Applying for and utilizing various federal and state grants to supplement or complement existing operational objectives. The University has expanded its focus toward applying for grants recently as well as into the future, a strategy which will be a cornerstone for the University's future financial stability.

- Continuing to utilize the established budget and planning processes that connect, more directly, the expenditures of the University's budget with needs of its academic and student service functions on campus. This integrated planning provides a more clearly-defined budgeting process and, thus, provides a strong foundation for building academic programs and student services aimed at attracting and retaining more students.

- Continuing or starting initiatives designed to increase enrollment: (1) High School Dual Enrollment program which allows high school students to enroll in college courses at a very affordable rate to the student; (2) maintain, as well as expand our "Second Chance" program, which allows incarcerated students to enroll in college courses and use federal financial aid to attend without cost. We intend to expand this program in FY24 to previously unserved portions of the institutions we already serve; (3) continued focus on grass roots programs such as Hidden Promise and Home Grown. These are programs GSU initiated and will continue to attract the niche of students for which they were designed while also allowing us to build and implement other programs around them; (4) continued development of the BS in Nursing program while we also execute on our longer term strategy to offer more programs in the areas of Health Sciences; and (5) continued growth of the University's Graduate programs. The developments currently underway in this area will result in efficiencies and economies of scale in our overall Graduate program, allowing it to become a major contributor to the Institution's financial results.

- In Fiscal Year 2022, the GSU Foundation further increased scholarship support to our students. This financial assistance offsets aid that was previously categorized as tuition discounts. Beginning with FY2023, the University is building further upon that progress by deploying approximately $1Million to convert additional tuition discounts into scholarships. These initiatives have a direct impact to the University's net financial results and we expect to be able to continue, and eventually increase, these programs into future years.

- The Glenville State University Foundation, Inc. is a supporting organization to the University and has significant resources available which directly benefit the University's operations as well as offering protection from short term cyclical cash flow challenges through a standing, formal line of borrowing credit.

NOTE 14 CONTINGENCIES (CONTINUED)

- The University continues to benefit from the bond refinancing that was executed in September, 2017. That refinancing continues to provide a long-term debt situation for the University at a very beneficial, overall fixed interest rate, as discussed in footnote 7. This simplified structure provides stability for the University and results in improved overall cash flows.

NOTE 15 CONDENSED COMPONENT UNIT INFORMATION

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

CONDENSED SCHEDULES OF NET POSITION

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2022	2021	2022	2021
Assets:				
Current Assets	$ 1,756,183	$ 1,184,673	$ (4,220)	$ (481)
Noncurrent and Capital Assets	2,773,809	1,132,456	172,263	149,975
Total Assets	$ 4,529,992	$ 2,317,129	$ 168,043	$ 149,494
Liabilities:				
Current Liabilities	$ 50,605	$ 90,570	$ 34,866	$ 44,773
Noncurrent Liabilities	-	-	720,558	-
Deferred Inflows	1,820,023	-	-	681,058
Total Liabilities	1,870,628	90,570	755,424	725,831
Net Position:				
Net Investment In Capital Assets	1,182,012	1,132,456	181,941	149,975
Unrestricted	1,477,352	1,094,103	(769,322)	(726,312)
Total Net Position	2,659,364	2,226,559	(587,381)	(576,337)
Total Liabilities and Net Position	$ 4,529,992	$ 2,317,129	$ 168,043	$ 149,494

CONDENSED SCHEDULES OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2022	2021	2022	2021
Operating:				
Revenues	$ 693,391	$ 566,975	$ 48,445	$ 44,200
Expenses	244,132	185,808	82,365	30,701
Net Operating Income (Loss)	449,259	381,167	(33,920)	13,499
Nonoperating:				
Revenues	-	-	-	-
Expenses	16,454	25,441	7,124	2,557
Net Nonoperating Loss	(16,454)	(25,441)	(7,124)	(2,557)
Increase (Decrease) in Net Position	432,805	355,726	(41,044)	10,942
Net Position - Beginning of Year	2,226,559	1,870,833	(546,337)	(557,279)
Net Position - End of Year	$ 2,659,364	$ 2,226,559	$ (587,381)	$ (546,337)

GLENVILLE STATE UNIVERSITY
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JUNE 30, 2022 AND 2021

NOTE 15 CONDENSED COMPONENT UNIT INFORMATION (CONTINUED)

CONDENSED SCHEDULES OF CASH FLOWS

	Glenville State University Housing Corporation		Glenville State University Research Corporation	
	2022	2021	2022	2021
Net Cash from Operating Activities	$ 409,843	$ 121,725	$ (949)	$ (9,782)
Net Cash from Nonoperating Activities	-	-	(19,656)	-
Cash and Cash Equivalents - Beginning of Year	279,373	157,648	(481)	9,301
Cash and Cash Equivalents - End of Year	$ 689,216	$ 279,373	$ (21,086)	$ (481)

GLENVILLE STATE UNIVERSITY
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NOTE 16 NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

For the years ended June 30 the following tables present operating expenses within both natural and functional classifications:

2022	Salaries and Wages	Benefits	Supplies, Services, and Miscellaneous	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 4,437,588	$ 457,273	$ 2,892,859	$ -	$ -	$ -	$ 7,787,720
Academic Support	398,203	41,033	259,587	-	-	-	698,823
Student Services	1,489,123	153,447	970,756	-	-	-	2,613,326
General Institutional Support	2,278,910	234,831	361,403	-	-	-	2,875,144
Operations and Maintenance of Plants	1,218,875	125,599	794,582	1,439,026	-	-	3,578,082
Student Financial Aid	-	-	-	-	6,037,558	-	6,037,558
Auxiliary Enterprises	1,207,845	124,464	787,391	-	-	-	2,119,700
Deprecation	-	-	-	-	-	2,541,101	2,541,101
Total	$ 11,030,544	$ 1,136,647	$ 6,066,578	$ 1,439,026	$ 6,037,558	$ 2,541,101	$ 28,251,454

2021	Salaries and Wages	Benefits	Supplies, Services, and Miscellaneous	Utilities	Scholarships and Fellowships	Depreciation	Total
Instruction	$ 4,343,505	$ 665,961	$ 1,965,627	$ -	$ -	$ -	$ 6,975,093
Academic Support	413,667	63,425	187,203	-	-	-	664,295
Student Services	1,447,835	221,987	655,209	-	-	-	2,325,031
General Institutional Support	2,068,336	317,124	936,013	-	-	-	3,321,473
Operations and Maintenance of Plants	723,918	110,994	327,605	1,416,416	-	-	2,578,933
Student Financial Aid	-	-	-	-	3,287,291	-	3,287,291
Auxiliary Enterprises	1,344,418	206,131	608,408	-	-	-	2,158,957
Deprecation	-	-	-	-	-	2,413,263	2,413,263
Total	$ 10,341,679	$ 1,585,622	$ 4,680,065	$ 1,416,416	$ 3,287,291	$ 2,413,263	$ 23,724,336

NOTE 17 RECLASSIFICATION

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation. These reclassifications had no effect on the total net position for either period.

NOTE 18 FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the state of West Virginia and has as its purpose, "...to aid, strengthen and further in every proper and useful way, the work and services of the University and its affiliated nonprofit organizations…." Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors. In carrying out its responsibilities, the Board of Directors of the Foundation employ management, form policy, and maintain fiscal accountability over funds administered by the Foundation. Although the University does not control the timing or amount of receipts from the Foundation, most of the resources or the income derived therefrom are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the University, the Foundation is considered a component unit of the University and is therefore discretely presented with the University's financial statements in accordance with GASB.

Based on the Foundation's audited financial statements as of June 30, 2022, 2021, and 2020, the Foundation's net assets (including unrealized gains) totaled $19,124,880, $19,878,449, and $13,431,815, respectively. Complete financial statements for the Foundation can be obtained from the Executive Director of the Glenville State University Foundation, Inc., 200 High Street, Glenville, West Virginia 26351.

During the years ended June 30, 2022 and 2021, the Foundation contributed $664,668 and $426,923, respectively, to the University for scholarships.

NOTE 18 FOUNDATION (CONTINUED)

Summary of Significant Accounting Policies

Nature of Activities and Organization

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

In February 2022, Glenville State College was awarded University status resulting in a name change to Glenville State University. In April 2022, the Glenville State College Foundation, Inc. officially changed its name to Glenville State University Foundation, Inc. (the Foundation) to reflect this change.

Reporting Entity

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

Basis of Accounting

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 18 FOUNDATION (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

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

Net assets without donor restrictions are not subject to donor-imposed stipulations. Net assets without donor restrictions are maintained and distributed at the discretion of the Foundation's Board of Directors.

Net assets with donor restrictions are subject to donor-imposed stipulations, which will either expire by the passage of time or by action of the Foundation. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Income Tax Status

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

For the years ended June 30, 2022 and 2021, the Foundation has no material uncertain tax positions to be accounted for in the financial statements under professional standards. The Foundation recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. The Foundation's returns for years ending on or after June 30, 2019, remain subject to examination.

Cash and Cash Equivalents

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

Marketable Investments

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

NOTE 18 FOUNDATION (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Receivables

Receivables consists of amounts due from the Foundation's lessee and the University. Uncollectible accounts are written off in the year they are determined to become uncollectible. As needed, the Foundation records an allowance for doubtful accounts from the determination of collectability, which is based on historical bad debt experience and an evaluation of the periodic aging accounts. The Foundation believes no allowance for doubtful accounts is necessary as of June 30, 2022 and 2021.

Fixed Assets

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

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

Bequests and Contributions Receivable

Bequests and contributions receivable consist of bequests and contributions to give stock, cash, and life insurance proceeds. Bequests and contributions to give cash and stock are recorded at fair value. Bequests and contributions to give life insurance proceeds are recorded at the cash surrender value.

All bequests and contributions receivable as of June 30, 2022 and 2021, are, in the opinion of Foundation management, fully collectible.

Land and Other Assets Held for Investment

Contributions of land, mineral rights, works of art, and equipment are carried at their fair or appraisal value determined on the date of the gift. If purchased, they are recorded at cost. From time to time, management reviews these assets for impairment.

Organization Funds Held for Others

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

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

GLENVILLE STATE UNIVERSITY
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NOTE 18 FOUNDATION (CONTINUED)

Summary of Significant Accounting Policies (Continued)

Contributions

Contributions received by the Foundation are recorded at their fair values at the date of such gifts and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor-imposed stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Foundation records contributions in accordance with professional standards contained in FASB Accounting Standards Codification (ASC) 958-605-25, *Not-for-Profit Entities: Revenue Recognition: Recognition*. Contributions received by the Foundation are reported at their fair values on the date of such gifts.

Advertising

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

Risks and Uncertainties

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

Subsequent Events

Management has evaluated subsequent events through September 8, 2022, the date the financial statements were available to be issued.

Liquidity and Availability of Financial Assets

The Foundation's financial assets available for general expenditure within one year after June 30 are as follows:

	2022	2021
Cash and Cash Equivalents	$ 100,219	$ 148,487
Investments, at Fair Value	783,313	679,101
Related Party Receivables	-	5,700
Other Receivables	3,458	-
Total	$ 886,990	$ 833,288

NOTE 18 FOUNDATION (CONTINUED)

Liquidity and Availability of Financial Assets (Continued)

The Foundation's investments held at year-end are considered available for expenditure based on the Foundation's approved spending policy. Under current policy, the distribution shall be a minimum of 5.0% of the endowment portfolio's average market value on June 30 for the three years immediately preceding the establishment of the distributable amount.

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

Marketable Investments

Investments are stated at estimated fair value in the financial statements. The following is an analysis of the composition of the Foundation's investments at June 30:

	2022	2021
Marketable Investments:		
Cash, Interest-Bearing	$ 1,716,616	$ 2,766,930
Mutual Funds	4,098,707	4,297,088
Bonds	2,372,999	1,949,164
Stocks	8,692,226	8,826,576
Alternatives	858,047	628,043
Total Marketable Investments	$ 17,738,595	$ 18,467,801

Fair Value Measurements

Determination of Fair Value

The Foundation uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. In accordance with FASB ASC 820-10-50, *Fair Value Measurement: Overall: Disclosure*, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Foundation's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

NOTE 18 FOUNDATION (CONTINUED)

Fair Value Measurements (Continued)

Determination of Fair Value (Continued)

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

Fair Value Hierarchy

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

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

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

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

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 18 FOUNDATION (CONTINUED)

Fair Value Measurements (Continued)

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

	2022			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Total Cash, Interest-Bearing	$ -	$ 1,716,616	$ -	$ 1,716,616
Mutual Funds:				
Balanced	47,649	-	-	47,649
Foreign Large Blend	547,128	-	-	547,128
High Yield Bond	218,128	-	-	218,128
Intermediate Term Bond	394,955	-	-	394,955
International Large Growth	21,076	-	-	21,076
Large Blend	1,054,863	-	-	1,054,863
Large Cap Value	182,518	-	-	182,518
Large Growth	45,232	-	-	45,232
Long-Short Equity	137,917	-	-	137,917
Multisector Bond	880,078	-	-	880,078
S&P 500 Index	334,031	-	-	334,031
S&P Mid Cap 400 Index	163,791	-	-	163,791
S&P Small Cap 600 Index	71,341	-	-	71,341
Total Mutual Funds	4,098,707	-	-	4,098,707
Bonds:				
Corporate Bonds	-	1,313,519	-	1,313,519
Federal Agencies	-	243,456	-	243,456
Treasury Securities	-	816,024	-	816,024
Total Bonds	-	2,372,999	-	2,372,999
Stocks:				
Consumer Cyclical	553,622	-	-	553,622
Consumer Goods	664,383	-	-	664,383
Energy	586,270	-	-	586,270
Financials	1,605,307	-	-	1,605,307
Healthcare	1,319,497	-	-	1,319,497
Industrial Goods	849,614	-	-	849,614
Materials	333,288	-	-	333,288
Real Estate	136,694	-	-	136,694
Services	645,873	-	-	645,873
Technology	1,672,098	-	-	1,672,098
Utilities	325,580	-	-	325,580
Total Stocks	8,692,226	-	-	8,692,226
Total Investments, at Fair Value	$ 12,790,933	$ 4,089,615	$ -	16,880,548
Alternatives:				
Hedge Fund (NAV)				858,047
Total Marketable Investments				$ 17,738,595

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 18 FOUNDATION (CONTINUED)

Fair Value Measurements (Continued)

	2021			
	Level 1	Level 2	Level 3	Fair Value
Investments:				
Total Cash, Interest-Bearing	$ -	$ 2,766,930	$ -	$ 2,766,930
Mutual Funds:				
Balanced	54,470	-	-	54,470
Foreign Large Blend	695,973	-	-	695,973
High Yield Bond	217,247	-	-	217,247
Intermediate Term Bond	450,474	-	-	450,474
International Large Growth	28,846	-	-	28,846
Large Blend	1,156,297	-	-	1,156,297
Large Cap Value	196,348	-	-	196,348
Large Growth	211,105	-	-	211,105
Multisector Bond	676,176	-	-	676,176
S&P 500 Index	378,760	-	-	378,760
S&P Mid Cap 400 Index	194,561	-	-	194,561
S&P Small Cap 600 Index	36,831	-	-	36,831
Total Mutual Funds	4,297,088	-	-	4,297,088
Bonds:				
Corporate Bonds	-	1,027,588	-	1,027,588
Federal Agencies	-	184,300	-	184,300
Treasury Securities	-	737,276	-	737,276
Total Bonds	-	1,949,164	-	1,949,164
Stocks:				
Consumer Goods	1,103,867	-	-	1,103,867
Energy	434,323	-	-	434,323
Financials	1,602,017	-	-	1,602,017
Healthcare	1,238,096	-	-	1,238,096
Industrial Goods	843,091	-	-	843,091
Materials	346,394	-	-	346,394
Real Estate	132,029	-	-	132,029
Services	630,129	-	-	630,129
Technology	2,254,287	-	-	2,254,287
Utilities	242,343	-	-	242,343
Total Stocks	8,826,576	-	-	8,826,576
Total Investments, at Fair Value	$ 13,123,664	$ 4,716,094	$ -	17,839,758
Alternatives:				
Hedge Fund (NAV)				628,043
Total Marketable Investments				$ 18,467,801

NOTE 18 FOUNDATION (CONTINUED)

Net Asset Value (NAV) Per Share

In accordance with the fair value measurements and disclosures guidance, the category, fair value, redemption frequency, and redemption notice period for investments, the fair value of which are estimated using the NAV per share as of June 30 are as follows. There were no unfunded commitments as of June 30, 2022 and 2021.
Redemption

	Redemption Frequency (If Currently Eligible)	Redemption Notice Period	2022	2021
Alternatives:				
Hedge Funds*	Various	Various	$ 858,047	$ 628,043

*Funds in this category invest in hedge funds to achieve capital appreciation with limited variability of returns.

Fixed Assets

Fixed assets consist of the following as of June 30:

	2022	2021
Land Improvements, Nondepreciable	$ 564,403	$ 564,403
Buildings	3,133,358	3,133,358
Office Equipment	43,780	41,579
Vehicles	193,771	193,771
Total	3,935,312	3,933,111
Less: Accumulated Depreciation	(1,050,480)	(908,122)
Fixed Assets, Net	$ 2,884,832	$ 3,024,989

Depreciation expense for the years ended June 30, 2022 and 2021, was $142,358 and $143,985, respectively.

Land and Other Assets Held for Investment

Land and other assets held for investment consist of the following as of June 30:

	2022	2021
Land and Mineral Rights	$ 270,031	$ 231,531
Bluegrass Collection	35,000	35,000
Works of Art	20,000	20,000
Storage Equipment	1,000	1,000
Total	$ 326,031	$ 287,531

If facts and circumstances suggest that land and other assets held for investment may be impaired, the carrying value is reviewed for recoverability. If this review indicates that the carrying value of the asset will not be recovered, the carrying value is reduced to its estimated fair value through an impairment loss. During the years ended June 30, 2022 and 2021, there was no impairment loss recognized.

NOTE 18 FOUNDATION (CONTINUED)

Loan Payable

Loan payable consists of the following as of June 30:

	2022	2021
Loan payable to United Bank, Inc. for $3,530,000. Payments are to be made in monthly installments of $15,247 including a fixed interest rate of 3.19% and matures June 27, 2024. The loan is collateralized by a first deed of trust on Building A located at 921 Mineral Road and the assignment of all lease agreements.	$ 2,898,363	$ 2,985,967
Less: Current Portion of Loan Payable	(91,884)	(89,003)
Net Long-Term Portion	$ 2,806,479	$ 2,896,964

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

Year Ending June 30,	Amortization
2023	$ 91,884
2024	2,806,479
Total	$ 2,898,363

Related-Party Transactions

The Foundation entered into an operating lease agreement effective November 18, 2009 with Glenville State University for the Alumni House, a 3,780 square feet building located at 213 North Court Street. The lease is payable in annual installments of $1 and expires on June 30, 2049.

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

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

The Foundation entered into a line of credit agreement effective May 15, 2019 with Glenville State University for up to $1,000,000. The line of credit has an interest rate of 4% per annum. As of June 30, 2022 and 2021, the University owed the Foundation $-0- on this line of credit.

NOTE 18 FOUNDATION (CONTINUED)

Leases – Lessor

The Foundation entered into a cancellable operating lease with Minnie Hamilton for 10,585 square feet of the first floor of the Waco Center's Building A which was effective July 15, 2014 and shall expire on July 14, 2054, unless sooner by mutual agreement. The minimum lease receivable for the first five years is $14,133 per month ($169,600 per year) with each succeeding five year period being readjusted, but at no time exceeding a 2.5% increase per year. On May 13, 2021, the Foundation exercised its right to terminate the lease agreement by providing a written notice of termination to Minnie Hamilton with a lease cancellation date of November 13, 2021. Simultaneous, with providing the notice of termination to Minnie Hamilton, the Foundation signed a letter of intent to lease the space in the Waco Center's Building A to a new tenant beginning on November 15, 2021.

On November 15, 2021, the Foundation entered into a cancellable operating lease with WVU Medicine for 10,585 square feet of the first floor of the Waco Center's Building A which was effective November 15, 2021 and shall expire on November 14, 2031 with the right to renew for five additional five year terms. The minimum lease receivable for the first five years is $17,642 per month ($211,704 per year) which each succeeding a five-year period being adjusted, but at no time exceeding a 2.5% increase per year.

The cost of the space was $889,638 and $889,638 at June 30, 2022 and 2021, respectively. Accumulated depreciation on the space was $245,417 and $214,740 at June 30, 2022 and 2021, respectively.

The Foundation leases several vehicles as operating leases with the initial lease term as three years with renewal options. Lease expense for the years ended June 30, 2022 and 2021 was $16,062 and $16,000, respectfully. Minimum future lease payments under these leases are expected to be as follows:

Year Ending June 30,	Amount
2023	$ 11,050
2024	10,050
2025	8,655
Total	$ 29,755

Administrative Fee Assessment

As provided by the West Virginia Code, the Foundation is entitled to charge an administrative fee for the management of the various assets held in trust. For the years ended June 30, 2022 and 2021, the Foundation charged an administrative fee sufficient to cover operating expenses of $251,265 and $278,911, respectively. For financial statement purposes, the administrative fee income assessed by the Foundation is netted against the administrative fee expense recognized by the funds. These amounts net to zero, and no income or expense is reported.

NOTE 18 FOUNDATION (CONTINUED)

Concentrations

The Foundation places its cash with local high-credit quality financial institutions under normal financial arrangements. During the year ended June 30, 2022, the Foundation's cash balances periodically exceeded the FDIC insured deposit limit of $250,000.

Endowment Funds

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

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

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

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

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

NOTE 18 FOUNDATION (CONTINUED)

Endowment Funds (Continued)

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

The annual amount to be distributed to endowment accounts during the fiscal year beginning each July 1 shall be the minimum of 5.0% of the endowment portfolio's average market value on June 30 for the three years immediately preceding the establishment of the distributable amount.

The Board of Directors of the Foundation has interpreted the West Virginia Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions: (1 the original value of gifts donated to the endowment, (2) the original value of subsequent gifts to the endowment, and (3) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. These funds are classified as net assets with donor restrictions until they are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: the duration and preservation of the fund, the purposes of the Foundation and the donor restricted endowment fund, general economic conditions, the possible effect of inflation and deflation, the expected total return from income and the appreciation of investments, and other resources of the Foundation.

The endowment net assets consisted of the following types of funds as of June 30:

	2022	2021
Without Donor Restrictions	$ 338,449	$ 389,225
With Donor Restrictions	14,382,081	16,794,517
Total	$ 14,720,530	$ 17,183,742

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 18 FOUNDATION (CONTINUED)

Endowment Funds (Continued)

Change in endowment net assets for the years ended June 30 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - June 30, 2020	$ 325,612	$ 11,498,783	$ 11,824,395
Bequest and Contributions	-	3,016,329	3,016,329
Investment Return	76,434	2,969,720	3,046,154
Expenditures	(2,821)	(721,125)	(723,946)
Change to Endowment	(10,000)	30,810	20,810
Endowment Funds - June 30, 2021	389,225	16,794,517	17,183,742
Bequest and Contributions	-	248,901	248,901
Investment Return	(43,369)	(2,107,004)	(2,150,373)
Expenditures	(7,407)	(565,495)	(572,902)
Change to Endowment	-	11,162	11,162
Endowment Funds - June 30, 2022	$ 338,449	$ 14,382,081	$ 14,720,530

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor contributed. As of June 30, 2022, deficiencies of this nature exist in 60 donor-restricted endowment funds, which together have an original gift amount of $6,703,736, a current fair value of $6,027,360, and a deficiency of $676,376. As of June 30, 2021, deficiencies of this nature exist in 18 donor-restricted endowment funds, which together have an original gift amount of $1,084,759, a current fair value of $953,383, and a deficiency of $131,376. These deficiencies resulted from unfavorable market fluctuations and continued appropriation to certain programs that was deemed prudent by the Board of Directors.

In accordance with the Foundation's policy for underwater endowment funds, endowment funds with a market value below corpus gift value of 0%-9% will provide a payout of 3%, endowment funds with a market value below corpus gift value of 10%-19% will provide a payout of 2%, and endowment funds with a market value below corpus gift value of more than 20% will not provide a payout.

Net Assets With Donor Restrictions

	2022	2021
Donor-restricted net assets available for grants, scholarships, and donor-designated charitable purposes for the benefit of Glenville State University, and net assets intended to be held in perpetuity	$ 18,051,215	$ 19,109,992

NOTE 18 FOUNDATION (CONTINUED)

Functional Expense

Expenses are allocated among program services, management and general, and fundraising based on the purposes for which the expenses have been incurred. The Foundation incurs certain joint costs which are not specifically attributable to a particular component of activities. These costs include salaries and wages, depreciation, interest, and certain office and occupancy expenses. Joint costs are allocated on the basis of estimates of time and effort, square footage, or purposes for which the expenses have been incurred. For the years ended June 30 the following tables present operating expenses within both natural and functional classifications:

	2022			
	Program Services	Management and General	Fundraising	Total
Expenditures for Benefit of Glenville State University	$ 1,128,731	$ -	$ -	$ 1,128,731
Scholarships	664,688	-	-	664,688
Salaries and Wages	25,175	50,351	50,351	125,877
Legal, Consulting, and Accounting	-	16,750	-	16,750
Investment Management Fee	-	125,059	-	125,059
Miscellaneous	-	21,402	5,351	26,753
Promotions and Publications	49,636	-	5,515	55,151
Office	895	895	2,686	4,476
Travel and Advancement	6,701	-	10,051	16,752
Memberships and Subscriptions	32	32	96	160
Insurance	8,477	8,478	-	16,955
Interest	47,678	47,679	-	95,357
Depreciation	71,179	71,179	-	142,358
Meals and Meetings	-	271	-	271
Annual Fund	-	244	2,193	2,437
Alumni	8,093	2,023	-	10,116
Database Management	13,454	6,727	13,454	33,635
Total Expenses	$ 2,024,739	$ 351,090	$ 89,697	$ 2,465,526

GLENVILLE STATE UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 18 FOUNDATION (CONTINUED)

Functional Expense (Continued)

	2021			
	Program Services	Management and General	Fundraising	Total
Expenditures for Benefit of Glenville State University	$ 724,028	$ -	$ -	$ 724,028
Scholarships	426,923	-	-	426,923
Salaries and Wages	28,251	56,500	56,500	141,251
Legal, Consulting, and Accounting	-	18,350	-	18,350
Investment Management Fee	-	87,580	-	87,580
Miscellaneous	-	22,770	5,692	28,462
Promotions and Publications	28,248	-	3,139	31,387
Office	377	376	1,129	1,882
Travel and Advancement	7,507	-	11,261	18,768
Memberships and Subscriptions	30	30	88	148
Insurance	7,776	7,776	-	15,552
Interest	48,950	48,950	-	97,900
Depreciation	71,992	71,993	-	143,985
Annual Fund	-	320	2,876	3,196
Alumni	7,878	1,969	-	9,847
Database Management	9,971	4,985	9,971	24,927
Total Expenses	$ 1,361,931	$ 321,599	$ 90,656	$ 1,774,186

GLENVILLE STATE UNIVERSITY
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
LAST TEN FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
University's Proportionate Share as a Percentage of Net Pension Liability	0.020193 %	0.023529 %	0.024200 %	0.030098 %	0.045449 %	0.039778 %	0.043056 %	0.525160 %
University's Proportionate Share	$ 315,572	$ 757,855	$ 719,991	$ 939,737	$ 1,570,250	$ 1,634,806	$ 1,492,000	$ 1,811,863
State's Proportionate Share	705,562	1,646,732	1,738,186	2,434,910	3,472,445	3,113,871	3,404,353	4,093,721
Total Proportionate Share	$ 1,021,134	$ 2,404,587	$ 2,458,177	$ 3,374,647	$ 5,042,695	$ 4,748,677	$ 4,896,353	$ 5,905,584
University's Covered Employee Payroll	$ 423,045	$ 584,406	$ 650,657	$ 700,282	$ 921,675	$ 907,360	$ 1,028,446	$ 1,305,234
University's Proportionate Share as a Percentage of Covered Payroll	75 %	130 %	111 %	134 %	170 %	180 %	145 %	139 %
University's Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.38 %	70.89 %	72.64 %	71.20 %	67.85 %	65.57 %	66.25 %	65.95 %

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

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GLENVILLE STATE UNIVERSITY
SCHEDULE OF EMPLOYER PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	$ 84,273	$ 109,138	$ 104,835	$ 133,576	$ 188,148	$ 166,922	$ 239,000	$ 239,000
Actual Contribution	84,273	109,138	104,835	133,576	188,146	154,213	195,785	241,922
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ 2	$ 12,709	$ 43,215	$ (2,922)
Covered Payroll	$ 423,045	$ 584,406	$ 650,657	$ 700,282	$ 921,675	$ 907,360	$ 1,028,446	$ 1,305,234
Actual Contribution as a Percentage of Covered Payroll	19.92 %	18.68 %	16.11 %	19.07 %	20.41 %	17.00 %	19.04 %	18.53 %

*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GLENVILLE STATE UNIVERSITY
SCHEDULES OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
YEARS ENDED JUNE 30, 2022 AND 2021

	2021	2020	2019	2018	2017
University's Proportionate Share as a Percentage of Net OPEB Liability	0.18350980 %	0.17736108 %	0.18129702 %	0.18746617 %	0.17441669 %
University's Proportionate Share	$ (54,566)	$ 783,389	$ 3,007,958	$ 4,021,967	$ 4,288,887
State's Proportionate Share	(10,744)	173,220	615,562	831,233	880,942
Total Proportionate Share	$ (65,310)	$ 956,609	$ 3,623,520	$ 4,853,200	$ 5,169,829
University's Covered Employee Payroll	$ 3,778,891	$ 3,037,569	$ 3,490,320	$ 3,844,357	$ 3,835,528
University's Proportionate Share as a Percentage of Covered Payroll	(1.44)%	25.79 %	86.18 %	104.62 %	111.82 %
University's Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	101.81 %	73.49 %	39.69 %	30.98 %	25.10 %

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

*These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

GLENVILLE STATE UNIVERSITY
SCHEDULE OF EMPLOYER OPEB CONTRIBUTIONS
YEARS ENDED JUNE 30, 2022 AND 2021

	2021	2020	2019	2018	2017
Actuarially Determined Contribution	$ 326,238	$ 334,645	$ 373,523	$ 373,889	$ 358,249
Actual Contribution	326,238	334,645	373,523	373,889	358,249
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 3,778,891	$ 3,037,569	$ 3,490,320	$ 3,844,357	$ 3,835,528
Actual Contribution as a Percentage of Covered Payroll	8.63 %	11.02 %	10.70 %	9.73 %	9.34 %

*These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

CliftonLarsonAllen LLP
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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
Glenville State University
Glenville, West Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Glenville State University (the University), a component unit of the West Virginia Higher Education Fund, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 25, 2022. Our report includes a reference to other auditors who audited the financial statements of the Glenville State University Foundation, Inc. as described in our report on the University's financial statements. The financial statements of the Glenvillle State University Foundation, Inc. were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University'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 University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We consider the deficiency in internal control, described in the accompanying schedule and findings and responses as item 2022-001 to be a material weakness.

Board of Governors
Glenville State University

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

Glenville State University's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the University's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The University's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Philadelphia, Pennsylvania
October 25, 2022

GLENVILLE STATE UNIVERSITY
SCHEDULE FINDINGS AND RESPONSES
YEARS ENDED JUNE 30, 2022 AND 2021

2022-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: Management did not provide a complete trial balance and had to post manual entries to capture financial activity not recorded in the general ledger. During the performance of the audit, it was noted that revenue for certain grants and insurance recoveries were incorrectly recorded.

Criteria or Specific Requirement: Management's responsibilities include exercising oversight responsibility for significant financial reporting processes, including controls over procedures used to enter transaction totals into the general ledger; initiate, authorize, record and process journal entries into the general ledger; record recurring and nonrecurring adjustments to the financial statements and safeguarding University assets. Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: Audit adjustments were recorded to properly state revenues and expenses for the year ended June 30, 2022.

Cause: Management should ensure all financial activity is under the control of the general ledger. The University did not have proper internal controls in place related to accounting for grant revenue and insurance recoveries.

Recommendation: We recommend the University evaluate its process for capturing all financial activity and evaluate its policies and procedures regarding recognition of grant revenue to ensure recorded amounts are in accordance with U.S. GAAP.

Repeat Finding: This is not a repeat finding.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and will evaluate their process for capturing all financial activity in the general ledger and will incorporate controls and procedures to ensure grant revenue and insurance recovery transactions are properly recorded.