



Southern
Southern West Virginia
Community and Technical College

Board of Governors

**DECEMBER 13, 2011
MEETING AGENDA**

Members

Terry R. Sammons, Chair
Thomas A. Heywood, Vice Chair
Wilma J. Zigmond, Secretary
Linda Q. Akers
Kevin N. Fowler
Shelley T. Huffman

Jada C. Hunter
George Kostas
Glenn T. Yost
Adam Bradford
Debbie Dingess
George Morrison

Joanne Jaeger Tomblin
President

**Southern West Virginia Community and Technical College
Board of Governors Meeting of December 13, 2011**

The Governor's Mansion, 1716 Kanawha Boulevard, East, Charleston, WV

AGENDA

1. Call to Order. Mr. Terry Sammons
Board Chair
2. Board of Governors Committee on Tuition and Fees Update. Mr. Tom Heywood
Chair
3. President's Report. Ms. Joanne Jaeger Tomblin
President
4. Office of Information Technology Update. Ms. Susan Askew
Chief Information Officer
5. Financial Report. Mr. Sam Litteral
Chief Financial Officer
6. Financial Audit Presentation. Mr. Chris Deweese
Suttle and Stalnaker PLLC
7. Action Items. pp. 82-127
 - 7.1 Approval of Audited Financial Report. pp. 82
 - 7.2 Appointment of Lay Board Member to Screening Committee for
Vice President of Academic Affairs and Student Services. Chair Sammons
 - 7.3 Appointment of Board of Governors Self-Assessment Review Committee. Chair Sammons
 - 7.4 Approval of October 13, 2011 Minutes. pp. 83-87
 - 7.5 Approval of Institutional Policies for 30-day Public Comment
 - 7.5.1 SCP-2218, Evaluation Process for Full-time Faculty. pp. 88-96
 - 7.5.2 SCP-2250, Hiring Adjunct Faculty. pp. 97-100
 - 7.5.3 SCP-2375, Home Campus Assignment and Campus Requirements for Faculty. pp. 101-104
 - 7.5.4 SCP-3100, Full-time Faculty Responsibilities for Academic Advising of Students. pp. 105-107
 - 7.5.5 SCP-3551, Meeting Scheduled Classes. pp. 108-111
 - 7.6 Follow-up Reports Required by the Community and Technical College System
 - 7.6.1 Health Care Professionals, A.A.S. pp. 112-124
 - 7.6.2 Survey Technology, A.A.S. pp. 125-127
8. Informational Items. pp. 128-129
 - 8.1 FY 2013 Budget Request by the WV Council for Community and Technical College Education
 - 8.2 Tenure Status of Full-time Instructional Faculty for the WV Community and Technical College System
9. Possible Executive Session Pursuant to West Virginia Code §6-9A-4(2)(A) to discuss personnel and
management issues. Chair Sammons
10. Adjournment. Chair Sammons

Southern West Virginia
Community and Technical College
Financial Statements

Years Ended June 30, 2011 and 2010
and
Independent Auditors' Reports

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
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INDEPENDENT AUDITORS' REPORT

Governing Board
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Southern West Virginia Community and Technical College (the College), as of June 30, 2011 and 2010, and for the years ended which collectively comprise the College's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on the respective financial statements based on our audits. We did not audit the discretely presented financial statements of the Southern West Virginia Community College Foundation, Inc. (a component unit of the College). Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the discretely presented financial statements of The Southern West Virginia Community College Foundation, Inc., is based solely on the report of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

In our opinion, based on our audits and report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College as of June 30, 2011 and 2010, and the respective changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 5 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information, and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2011, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Charleston, West Virginia
October 14, 2011

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Overview of the Financial Statements and Financial Analysis

Southern West Virginia Community and Technical College (“the College”) presents its financial statements for the fiscal years ended June 30, 2011, and June 30, 2010. The emphasis of discussions about these statements will be on current year data. There are three financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows. This discussion and analysis of the College’s financial statements provides an overview of its financial activities for the year and is required supplemental information. Since this analysis is designed to focus on current activities, resulting change and currently known facts, please read it in conjunction with the College’s basic financial statements and the footnotes to these financial statements. Responsibility for the completeness and fairness of this information rests with the College.

The Governmental Accounting Standards Board (GASB) establishes standards for the presentation format of college and College financial statements. The current format places emphasis on the overall economic resources of the College.

Statements of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the College as of the end of the fiscal year. The Statement of Net Assets is a point of time financial statement. The purpose of the Statement of Net Assets is to present to the readers of the financial statements a fiscal snapshot of the College. The Statement of Net Assets presents end-of-year data concerning Assets (current and noncurrent), Liabilities (current and noncurrent), and Net Assets (Assets minus Liabilities). The difference between current and noncurrent assets and liabilities is discussed in the footnotes to the financial statements.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operations of the College. They are also able to determine how much the College owes vendors and lending institutions. The Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for College expenditures.

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, provides the College's equity in property, plant and equipment owned by the College. The next asset category is restricted net assets, which is divided into two categories, nonexpendable and expendable. The College does not currently have nonexpendable restricted net assets since all funds of this nature would be directed to the Southern West Virginia Community College Foundation, Incorporated. The corpus of nonexpendable restricted resources is only available for investment purposes. Expendable restricted net assets are available for expenditure by the College 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. The final category is unrestricted net assets. Unrestricted assets are available to the College for any lawful purpose of the College.

Statements of Net Assets
June 30
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Assets			
Current assets	\$ 6,673	\$ 6,744	\$ 6,080
Other non-current assets	25	56	360
Capital assets, net	<u>25,433</u>	<u>25,311</u>	<u>25,417</u>
Total assets	<u>32,131</u>	<u>32,111</u>	<u>31,857</u>
Liabilities			
Current liabilities	3,485	3,960	3,608
Noncurrent liabilities	<u>2,955</u>	<u>1,872</u>	<u>536</u>
Total liabilities	<u>6,440</u>	<u>5,832</u>	<u>4,144</u>
Net assets			
Invested in capital assets, net	25,345	25,199	25,273
Restricted – expendable	1	1	2
Unrestricted	<u>345</u>	<u>1,079</u>	<u>2,438</u>
Total net assets	<u>\$ 25,691</u>	<u>\$ 26,279</u>	<u>\$ 27,713</u>

Total net assets of the College decreased by \$588 thousand from June 30, 2010 to June 30, 2011. Total net assets decreased by \$1.4 million from June 30, 2009 to June 30, 2010. These changes are related to a number of changes as described below:

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

- The fiscal year 2011 increase of \$146 thousand of net assets invested in capital was primarily due to an increase in the amount of capital assets capitalized over depreciation expense.
- The unrestricted net assets decreased by \$734 thousand as of June 30, 2011. This decrease was primarily related to the Other Post Employment Benefits (OPEB) liability. The OPEB liability increased by \$1.1 million from 2010 to 2011.
- The current ratio for fiscal years 2011 and 2010 is 1.9 and 1.7 times, respectively. The current ratio measures the ability to meet short-term obligations. The current ratio is the most widely-used measure of liquidity. Typically, current ratios range from 1 to 4.

Statements of Revenues, Expenses and Changes in Net Assets

The difference in total net assets as presented on the Statement of Net Assets is based on the activity presented in the Statement of Revenues, Expenses and Changes in Net Assets. The purpose of the statement is to present the revenues received by the College, both operating and nonoperating, and the expenses paid by the College, operating and nonoperating, and any other revenues, expenses, gains and losses received or spent by the College.

Operating revenues are received for providing goods and services to the various constituencies of the College. Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the College. Revenues received for which goods and services are not provided are reported as nonoperating revenues. For example state appropriations are nonoperating because they are provided by the Legislature to the College without the Legislature directly receiving commensurate goods and services for those revenues.

Statements of Revenues, Expenses and Changes in Net Assets
Years Ended June 30,
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues	\$ 7,443	\$ 8,581	\$ 9,625
Operating expenses	<u>23,163</u>	<u>23,074</u>	<u>22,044</u>
Operating loss	(15,720)	(14,493)	(12,419)
Nonoperating revenues	14,227	13,059	13,413
Capital bond proceeds from the Commission	237	-	-
State capital grants (federal)	<u>668</u>	<u>-</u>	<u>-</u>
Increase (decrease) in Net Assets	<u>\$ (588)</u>	<u>\$ (1,434)</u>	<u>\$ 994</u>

SOUTHERN WEST VIRGINIA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

A review of the individual revenue and expense categories and those items that contributed to the overall decreases in Net Assets reveals the following explanations:

Operating Revenues

- For both fiscal years 2011 and 2010, tuition and fees contributed approximately 26% and 23% of the total operating revenues, respectively. This was a result of relatively consistent enrollment between the two fiscal years and a slight increase in student fees.
- For fiscal year 2011 grant and contract revenues decreased by \$476 thousand for an 11% decrease. The decrease was due to a reduction in funding of several Federal and State grant awards in fiscal year 2011. As a percentage of operating revenue, grant and contract revenue accounted for nearly 52% in fiscal year 2011, and 51% for fiscal year 2010.
- In fiscal year 2011 other revenues decreased by \$560 thousand resulting from a \$494 thousand decrease in miscellaneous revenue coupled with a \$66 thousand decrease in auxiliary revenue.

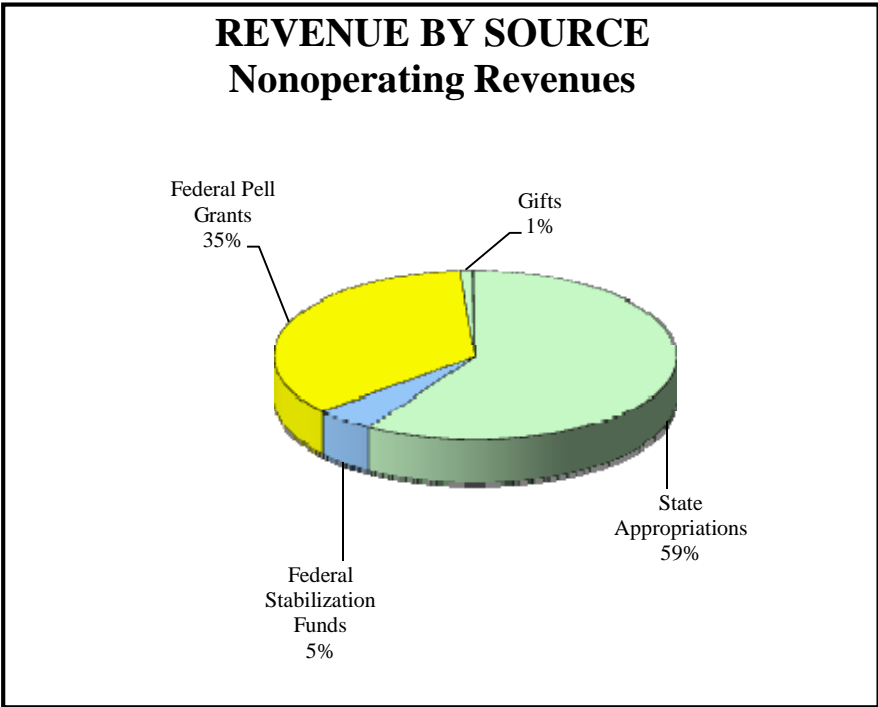
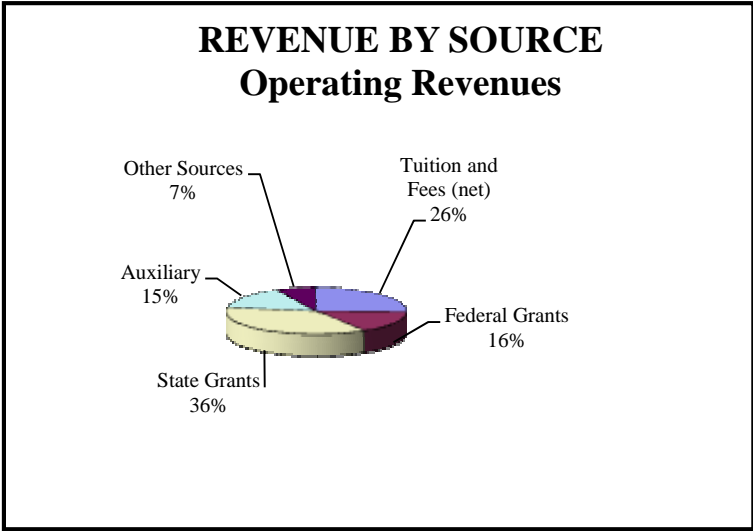
Operating Expenses

- The total cost of benefits decreased by 26% for fiscal year 2011 as compared to fiscal year 2010 reflecting a decrease in the number of employees receiving benefits as several positions were vacant during 2011.
- In fiscal year 2011 salaries and wages decreased by \$506 thousand or approximately 5%. This decrease was a result of several employee vacancies that were not filled during the year.

Nonoperating Revenues

- For fiscal year 2011 Federal Pell grant revenues increased by \$579 thousand or approximately 13%. This increase was the result of an increase in the maximum amount of individual awards.
- In fiscal year 2011 State appropriations increased by \$321 thousand or 4%. State appropriations were supplemented with federal stimulus funding of \$674 thousand in fiscal year 2011.
- In fiscal year 2011 investment income decreased by \$2 thousand or 18%. The College participates in the investment pool managed by the State.

SOUTHERN WEST VIRGINIA
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MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

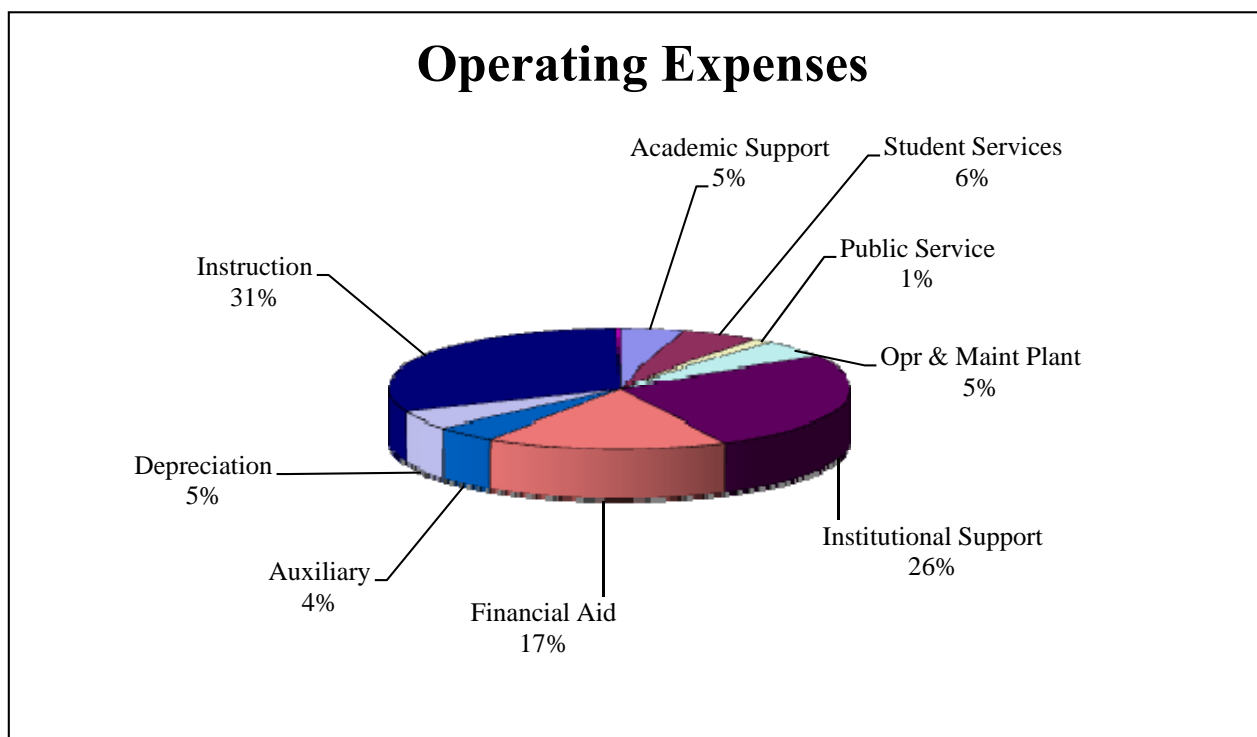


SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Operating Expenses
Years Ended June 30,
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	(2010 to 2011) Increase (Decrease)	(2010 to 2011) Percent Change
Operating expense					
Instruction	\$ 7,176	\$ 6,881	\$ 7,722	\$ 295	4.29%
Academic support	1,037	1,532	1,060	(495)	(32.31)%
Student services	1,291	1,466	1,450	(175)	(11.94)%
Public service	323	552	718	(229)	(41.49)%
Operations & maintenance plant	1,183	1,095	2,069	88	8.04%
Institutional support	6,013	5,866	3,780	147	2.51%
Financial aid	3,917	3,479	3,052	438	12.59%
Auxiliary	1,020	1,102	971	(82)	(7.44)%
Depreciation	1,148	1,052	1,179	96	9.13%
Other	<u>55</u>	<u>49</u>	<u>43</u>	<u>6</u>	12.24%
 Total	 <u>\$ 23,163</u>	 <u>\$ 23,074</u>	 <u>\$ 22,044</u>	 <u>\$ 89</u>	 .39%

The following is a graphic illustration of fiscal year 2011 operating expenses:



SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

Statements of Cash Flows

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

Statements of Cash Flows
Years Ended June 30,
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Cash provided (used) by:			
Operating activities	\$ (13,836)	\$ (10,666)	\$ (10,429)
Noncapital financing activities	14,197	13,048	13,101
Capital and related financing activities	(338)	(673)	(422)
Investing activities	<u>9</u>	<u>11</u>	<u>45</u>
Net change in cash	32	1,720	2,295
Cash, beginning of year	<u>6,186</u>	<u>4,466</u>	<u>2,171</u>
Cash, end of year	<u>\$ 6,218</u>	<u>\$ 6,186</u>	<u>\$ 4,466</u>

Capital Asset and Debt Administration

Capital Assets, Net
June 30,
(in thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>(2010 to 2011) Increase (Decrease)</u>	<u>(2010 to 2011) Percent Change</u>
Capital Assets					
Land and Improvements	\$ 1,288	\$ 1,288	\$ 1,288	\$ -	0.00%
Construction in Progress	237	63	-	174	276.19%
Buildings	31,271	30,346	29,962	925	3.05%
Equipment	6,854	6,749	6,299	105	1.56%
Library Holdings	<u>3,864</u>	<u>3,817</u>	<u>3,814</u>	<u>47</u>	1.23%
Total	43,514	42,263	41,363	1,251	2.96%
Less: Accum Depreciation	<u>(18,081)</u>	<u>(16,952)</u>	<u>(15,946)</u>	<u>1,129</u>	6.66%
Net Capital Assets	<u>\$ 25,433</u>	<u>\$ 25,311</u>	<u>\$ 25,417</u>	<u>\$ 122</u>	0.48%

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011

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Capital assets net increase of \$122 thousand was a result of construction in progress on the Applied Technology Center at the Williamson campus.

The OPEB liability increased by \$1.1 million in fiscal year 2011.

Readers interested in more detailed information regarding capital assets and debt administration should review the accompanying notes 5 and 6 to the financial statements.

Economic Outlook

During the 2000 Legislative Session the governance of higher education in the State was changed. Effective July 1, 2001, Higher Education Policy Commission (Commission) was established at the State level and the institutional Board of Advisors was replaced by the institutional Board of Governors. The 2006 Legislature created the Council for Community and Technical College Education, removing governance of the College from the Commission. The economic outlook for West Virginia continues to be negative for several more years, leaving the College vulnerable to spending freezes if there is a significant downturn in the state's economy.

Although the economic forecasts for the State of West Virginia and the number of high school graduates in the State continues to decline, the College attracts and maintains non-traditional students to replace losses of traditional college age students. Also, emphasis is placed on dual credit course offerings in high schools. The College continues to offer incentives to faculty to develop modular and web based courses as alternate methods of course delivery. Improved physical plant and favorable comparison of fee structures with peer institutions indicate that the College should be able to remain competitive for new and returning students.

During December 2009 the Commission, on behalf of the Council, issued approximately \$78 million in bonds which will be repaid from excess Lottery Funds. The College's share of the bond issuance was \$6.0 million which will be used to finance the construction of a new building on the Williamson campus. During fiscal year 2011, the College had payments made from these available funds of \$237 thousand by the Commission. As of June 30, 2011, the remaining available funds are approximately \$5.8 million.

Requests for Information

The financial report is designed to provide an overview of the finances of the College for those with an interest in this organization. Questions concerning any of the information provide in this report or requests for additional financial information should be addressed to the Southern West Virginia Community and Technical College at Post Office 2900, Mount Gay, West Virginia 25637.

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF NET ASSETS
JUNE 30, 2011 AND 2010

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	<u>2011</u>	<u>2010</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 6,218,320	\$ 6,186,199
Accounts receivable - net	135,136	250,607
Prepaid expenses	4,712	7,266
Due from the Commission	76	3,901
Due from Federal Government	7,774	9,242
Due from other State Agencies	-	29,904
Inventories	<u>306,686</u>	<u>256,502</u>
Total current assets	<u>6,672,704</u>	<u>6,743,621</u>
Noncurrent assets		
Cash and cash equivalents	25,769	55,628
Investment in capital assets-net	<u>25,432,628</u>	<u>25,311,404</u>
Total noncurrent assets	<u>25,458,397</u>	<u>25,367,032</u>
 Total assets	 <u>32,131,101</u>	 <u>32,110,653</u>
LIABILITIES		
Current liabilities		
Accounts payable	178,670	106,837
Due to the Commission	125,628	99,283
Due to other State Agencies	-	23,556
Due to other governments	30,249	29,517
Accrued liabilities	984,824	964,768
Compensated absences-current portion	293,034	339,051
Current portion of long-term capital lease	25,834	24,850
Deferred revenue	<u>1,846,486</u>	<u>2,372,537</u>
Total current liabilities	<u>3,484,725</u>	<u>3,960,399</u>
Noncurrent liabilities		
Long-term portion of capital lease	61,931	87,765
Other post employment benefit liability	2,732,501	1,607,674
Compensated absences	<u>160,529</u>	<u>175,977</u>
Total noncurrent liabilities	<u>2,954,961</u>	<u>1,871,416</u>
 Total liabilities	 <u>6,439,686</u>	 <u>5,831,815</u>
NET ASSETS		
Invested in capital assets-net of related debt	<u>25,344,863</u>	<u>25,198,789</u>
Restricted for expendable:		
Loans	<u>1,013</u>	<u>913</u>
Total restricted expendable	<u>1,013</u>	<u>913</u>
Unrestricted	<u>345,539</u>	<u>1,079,136</u>
 Total net assets	 <u>\$ 25,691,415</u>	 <u>\$ 26,278,838</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 671,262	\$ 576,680
Certificates of deposit	47,746	147,233
Investments at estimated market value	1,867,123	1,627,817
Note receivable	2,500	2,500
Miscellaneous receivable	3,041	5,110
Interest receivable	8,403	12,950
Prepaid expenses	13,392	1,997
Unconditional promises to give, less allowance for uncollectible promises	435,037	437,414
Fixed assets, net	301	645
Other assets	-	11,185
	\$ 3,048,805	\$ 2,823,531
	\$ 3,048,805	\$ 2,823,531
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 29,861	\$ 25,425
Payable to related party	105,493	125,324
Total liabilities	135,354	150,749
NET ASSETS		
Unrestricted	77,681	144,572
Temporarily restricted	2,820,770	2,513,210
Permanently restricted	15,000	15,000
Total net assets	2,913,451	2,672,782
	\$ 3,048,805	\$ 2,823,531

The Accompanying Notes Are An Integral
Part Of These Financial Statements

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2011 AND 2010

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	<u>2011</u>	<u>2010</u>
Operating revenues		
Student tuition and fees (net of scholarship allowance of \$3,354,406 and \$3,048,560)	\$ 1,893,456	\$ 1,995,792
Contracts and grants:		
Federal	1,164,276	1,215,483
State	2,702,846	2,975,328
Private	3,056	155,556
Auxiliary enterprise revenue (net of scholarship allowance of \$202,692 and \$230,685)	1,143,033	1,208,990
Miscellaneous-net	<u>535,826</u>	<u>1,029,491</u>
Total operating revenues	<u>7,442,493</u>	<u>8,580,640</u>
Operating expenses		
Salaries and wages	8,975,107	9,481,115
Benefits	3,500,153	4,724,384
Supplies and other services	4,939,280	3,657,006
Utilities	628,311	572,550
Student financial aid-scholarships and fellowships	3,916,949	3,538,515
Depreciation	1,148,025	1,052,051
Fees assessed by the Commission for operations	<u>55,014</u>	<u>48,509</u>
Total operating expenses	<u>23,162,839</u>	<u>23,074,130</u>
Operating loss	<u>(15,720,346)</u>	<u>(14,493,490)</u>
Nonoperating revenues (expenses)		
State appropriations	8,385,386	8,064,346
State fiscal stabilization funds (federal)	673,621	568,851
Gifts	145,000	-
Investment income	8,974	10,984
Federal Pell grants	4,993,381	4,414,812
Other nonoperating	<u>20,940</u>	<u>-</u>
Net nonoperating revenues	<u>14,227,302</u>	<u>13,058,993</u>
Loss before other revenues, expenses, gains and losses	<u>(1,493,044)</u>	<u>(1,434,497)</u>
Capital bond proceeds from the Commission	236,983	-
State capital grants (federal)	<u>668,638</u>	<u>-</u>
Decrease in net assets	(587,423)	(1,434,497)
Net assets, beginning of year	<u>26,278,838</u>	<u>27,713,335</u>
Net assets, end of year	<u>\$ 25,691,415</u>	<u>\$ 26,278,838</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
YEAR ENDED DECEMBER 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT				
Contributions	\$ 4,400	\$ 509,871	\$ -	\$ 514,271
Federal grant revenue	-	7,108	-	7,108
Interest and dividend income	3,681	69,976	-	73,657
Gain on investment	316	131,948	-	132,264
Net assets released from restriction	411,343	(411,343)	-	-
Total revenues, investment income, and other support	<u>419,740</u>	<u>307,560</u>	<u>-</u>	<u>727,300</u>
EXPENSES				
Program services:				
Scholarships	247,931	-	-	247,931
Educational development	110,477	-	-	110,477
Total program services	<u>358,408</u>	<u>-</u>	<u>-</u>	<u>358,408</u>
Administrative and general	101,723	-	-	101,723
Fundraising	26,500	-	-	26,500
Total expenses	<u>486,631</u>	<u>-</u>	<u>-</u>	<u>486,631</u>
CHANGE IN NET ASSETS	(66,891)	307,560	-	240,669
NET ASSETS, BEGINNING OF YEAR	<u>144,572</u>	<u>2,513,210</u>	<u>15,000</u>	<u>2,672,782</u>
NET ASSETS, END OF YEAR	<u>\$ 77,681</u>	<u>\$ 2,820,770</u>	<u>\$ 15,000</u>	<u>\$ 2,913,451</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, INVESTMENT INCOME, AND OTHER SUPPORT				
Contributions	\$ 12,140	\$ 233,900	\$ -	\$ 246,040
Federal grant revenue	-	4,398	-	4,398
Interest and dividend income	868	75,447	-	76,315
Gain on investment	4,269	88,065	-	92,334
Net assets released from restriction	554,834	(554,834)	-	-
Total revenues, investment income, and other support	<u>572,111</u>	<u>(153,024)</u>	<u>-</u>	<u>419,087</u>
EXPENSES				
Program services:				
Scholarships	246,030	-	-	246,030
Educational development	128,957	-	-	128,957
Total program services	<u>374,987</u>	<u>-</u>	<u>-</u>	<u>374,987</u>
Administrative and general	56,887	-	-	56,887
Fundraising	23,524	-	-	23,524
Total expenses	<u>455,398</u>	<u>-</u>	<u>-</u>	<u>455,398</u>
CHANGE IN NET ASSETS	116,713	(153,024)	-	(36,311)
NET ASSETS, BEGINNING OF YEAR	<u>27,859</u>	<u>2,666,234</u>	<u>15,000</u>	<u>2,709,093</u>
NET ASSETS, END OF YEAR	<u>\$ 144,572</u>	<u>\$ 2,513,210</u>	<u>\$ 15,000</u>	<u>\$ 2,672,782</u>

SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2011 AND 2010

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	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Cash received from student tuition and fees	\$ 2,024,702	\$ 2,080,036
Cash received from contracts and grants	3,367,070	5,845,480
Payments to and on behalf of employees	(11,417,931)	(12,874,060)
Payments to suppliers	(4,891,868)	(3,801,077)
Payments to utilities	(625,432)	(567,287)
Payments for scholarships and fellowships	(3,916,949)	(3,538,515)
Auxiliary enterprise charges-net	1,143,033	1,208,990
Fees assessed by Commission	(55,014)	(48,509)
Other receipts (payments)-net	<u>535,827</u>	<u>1,029,491</u>
Net cash used in operating activities	<u>(13,836,562)</u>	<u>(10,665,451)</u>
Cash flows from noncapital financing activities		
State appropriations	8,385,386	8,064,346
State fiscal stabilization funds (federal)	673,621	568,851
Gifts	145,000	-
Pell grants	<u>4,993,381</u>	<u>4,414,812</u>
Net cash provided by noncapital financing activities	<u>14,197,388</u>	<u>13,048,009</u>
Cash flows from capital financing activities		
State capital grants (federal)	668,638	-
Purchases of capital assets	(1,032,266)	(946,833)
Payments on long-term borrowings from financial institutions	(24,850)	(30,731)
Withdrawals from noncurrent cash and cash equivalents	29,859	304,372
Other nonoperating revenue	<u>20,940</u>	<u>-</u>
Net cash used in capital financing activities	<u>(337,679)</u>	<u>(673,192)</u>
Cash flows from investing activities		
Interest on investments	<u>8,974</u>	<u>10,984</u>
Cash provided by investing activities	<u>8,974</u>	<u>10,984</u>
INCREASE IN CASH AND CASH EQUIVALENTS	32,121	1,720,350
Cash and cash equivalents - beginning of year	<u>6,186,199</u>	<u>4,465,849</u>
Cash and cash equivalents - end of year	<u>\$ 6,218,320</u>	<u>\$ 6,186,199</u>
Reconciliation of net operating loss to net cash used in operating activities		
Operating loss	\$ (15,720,346)	\$ (14,493,490)
Adjustments to reconcile net operating loss to net cash used in operating activities		
Depreciation expense	1,148,025	1,052,051
Changes in assets and liabilities		
Prepaid expenses	2,554	1,473
Accounts receivable-net	115,471	97,235
Due from the Commission	3,825	897,545
Due from Federal Government	1,468	14,158
Due from other State Agencies	29,904	49,291
Inventories	(50,184)	(2,841)
Accounts payable	71,833	(105,148)
Due to the Commission	26,345	(226,946)
Due to other State Agencies	(23,556)	(2,716)
Due to other governments	732	(3,773)
Accrued liabilities	20,056	(50,403)
Compensated absences	(61,465)	(21,218)
Other post employment benefits	1,124,827	1,370,769
Deferred revenue	<u>(526,051)</u>	<u>758,562</u>
Net cash used in operating activities	<u>\$ (13,836,562)</u>	<u>\$ (10,665,451)</u>
Significant noncash transactions:		
Payments received on behalf of Southern	<u>\$ 236,983</u>	<u>\$ -</u>

The Accompanying Notes Are An Integral
Part Of These Financial Statements

NOTE 1 - ORGANIZATION

Southern West Virginia Community and Technical College (the “College”) is governed by the Southern West Virginia Community and Technical College Board of Governors (the “Board”). The Board was established by Senate Bill 653 (“S.B. 653”).

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

S.B. 653 also created the West Virginia Higher Education Policy Commission (the “Commission”), which is responsible for developing, gaining consensus around and overseeing the implementation and development of a higher education public policy agenda. Senate Bill 448 gives the West Virginia Council for Community and Technical College Education the responsibility of developing, overseeing and advancing the State's public policy agenda as it relates to community and technical college education.

As a requirement of Governmental Accounting Standards Board standards (GASB), the College has included information from the Southern West Virginia Community College Foundation, Inc. (the “Foundation”).

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The College follows all GASB pronouncements, as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, and has elected not to apply the FASB Statements and Interpretations issued after November 30, 1989, to its combined financial statements.

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

The accompanying financial statements present all funds under the College. The basic criterion for inclusion in the accompanying financial statements is the exercise of oversight responsibility derived from the College's ability to significantly influence operations and accountability for fiscal matters of related entities. A related Southern Alumni Association (Alumni Association) of the College is not part of the College's reporting entity and is not included in the accompanying financial statements as the College has no ability to designate management, cannot significantly influence operations of these entities and is not accountable for the fiscal matters of the Alumni Association under GASB.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As of July 1, 2003, the College adopted GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, an amendment to GASB Statement No. 14. As a result, the Southern West Virginia Community College Foundation, Inc. (Foundation) was originally not included because the economic resources held by the Foundation was not significant to that inclusion. Beginning with the year ended June 30, 2008, the resources held by the Foundation became significant and are now included. As a result, the audited financial statements of the Foundation are presented here as a discrete component unit with the College combined financial statements in accordance with GASB. The Foundation's audited financial statements were as of and for the year ended December 31, 2010 and 2009. The Foundation is a private nonprofit organization that reports under FASB standards, including FASB Statement No. 117, Financial Reporting for Not-for-Profit Organization. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's audited financial information as it is presented herein as required by GASB No. 39.

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

- *Invested in capital assets, net of related debt* - This represents the College's total investment in capital assets, net of outstanding depreciation and 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 investment in capital assets, net of related debt.
- *Restricted net assets, expendable* - This includes resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

The West Virginia State Legislature, as a regulatory body outside the reporting entity, has restricted the use of certain funds by Article 10, *Fees and Other Money Collected as State Institutions of Higher Education* of the West Virginia State Code. House Bill 101 passed in March 2005 simplified the tuition and fee structure and removed the restrictions but included designations associated with auxiliary and capital items. These activities are fundamental to the normal ongoing operations of the institution. These restrictions are subject to change by future actions of the West Virginia State Legislature.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Restricted net assets, nonexpendable* - This includes endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal. The College does not have any restricted nonexpendable net assets at June 30, 2011 or 2010.
- *Unrestricted net assets* - Unrestricted net assets represent resources derived from student tuition and fees, state appropriations and sales and services of educational activities. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the Board of Governors to meet current expenses for any purpose. These resources also include resources of auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The BTI maintains the Consolidated Fund investment fund, which consists of eight investment pools and participant-directed accounts, three of which the College may invest in. These pools have been structured as multiparticipant 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., E. Room E-122 Charleston, West Virginia, 25305 or <http://www.wvbt.com>.

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

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

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

Noncurrent Cash and Cash Equivalents - Cash that is (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 (3) permanently restricted net assets, is classified as a noncurrent asset in the accompanying statements of net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets - Capital assets include property, plant and equipment and books and materials that are part of a catalogued library. Capital assets are stated at cost at the date of acquisition or construction, or fair market value at the date of donation in the case of gifts. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 50 years for buildings and infrastructure, 20 years for land improvements, 7 years for library holdings, and 5 to 10 years for furniture and equipment. The College's capitalization threshold is \$5,000. There was no interest capitalized during 2011 and 2010. The accompanying combined financial statements reflect all adjustments required by GASB.

Deferred Revenue - Revenues for programs or activities to be conducted primarily in the next fiscal year are classified as deferred revenue. Deferred revenue at the College primarily consists of summer tuition collected in advance. Financial aid and other deposits are separately classified as deposits.

Compensated Absences and Other Post Employment Benefits - The College accounts for compensated absences in accordance with the provisions of GASB.

GASB provides standards for the measurement, recognition, and display of other post employment benefit ("OPEB") expenditures, assets, and liabilities, including applicable note disclosures and required supplementary information. During fiscal year 2006, House Bill No. 4654 was established to create a trust fund for post employment benefits for the State of West Virginia (the "State"). Effective July 1, 2008, the College was required to participate in this multiple employer cost-sharing plan, the West Virginia Retiree Health Benefit Trust Fund, sponsored by the State of West Virginia. The Plan provides the following retiree group insurance coverage to participants: medical and prescription drug coverage through a self-insured preferred provider benefit (PPB) plan and through external managed care organizations (MCOs), basic group life, accidental death, and prescription drug coverage for retired employees of the State and various related State and non-State agencies and their dependents. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency ("PEIA"), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston WV 25305-0710 or <http://www.wvpeia.com>.

GASB requires entities to accrue for employees' rights to receive compensation for vacation leave or payments in lieu of accrued vacation or sick leave as such benefits are earned and payment becomes probable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The College's full-time employees earn up to two vacation leave days for each month of service and are entitled to compensation for accumulated, unpaid vacation leave upon termination. Full-time employees also earn 1-1/2 sick leave days for each month of service and are entitled to extend their health or life insurance coverage upon retirement in lieu of accumulated, unpaid sick leave. Generally, two days of accrued sick leave extend health insurance for one month of single coverage, and three days extend health insurance for one month of family coverage. For employees hired after 1988 or who were hired before 1988 but did not choose such coverage until after 1988 but before July 1, 2001, the employee shares in the cost of the extended benefit coverage to the extent of 50% of the premium required for the extended coverage. Employees hired July 1, 2001, or later will no longer receive sick leave credit toward insurance premiums when they retire. Additionally, all retirees have the option to purchase continued coverage regardless of their eligibility for premium credits. The liability is now provided for under the multiple employer cost-sharing plan sponsored by the State.

Certain faculty employees (generally those with less than a 12-month contract) earn a similar extended health or life insurance coverage retirement benefit based on years of service. Generally 3 1/3 years of teaching service extends health insurance for one year of single coverage and five years extend health insurance for one year of family coverage. The same hire date mentioned above applies to coverage for faculty employees also. Faculty hired after July 1, 2010 will no longer receive years of service credit towards insurance premiums when they retire. Employees hired after July 1, 2010 receive no health insurance premium subsidy from the College. Two groups of employees hired after July 1, 2010 will not be required to pay the unsubsidized rate: 1) active employees who were originally hired before July 1, 2010, who have a break in service of fewer than two years after July 1, 2010, 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.

For the year ended June 30, 2008, the estimate of the liability for the extended health or life insurance benefit has been calculated using the vesting method in accordance with the provisions of GASB Statement No. 16. Under that method, the College identified the accrued sick leave benefit earned to date by each employee, determined the cost of that benefit by reference to the benefit provisions and the current cost experienced by the College for such coverage, and estimated the probability of the payment of that benefit to employees upon retirement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the state. Other private insurance companies began to offer coverage to private-sector employers beginning July 1, 2009 and to government employers beginning July 1, 2010. Nearly every employer in the State, who has payroll must have coverage. The cost of all coverage is paid by the employers. BrickStreet retains the risk related to the compensation of injured employees under the program.

Classification of Revenues - The College has classified its revenues according to the following criteria:

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- *Nonoperating revenues* - Nonoperating revenues include activities that have the characteristics of non-exchange transactions, such as gifts and contributions, and other revenues that are defined as nonoperating revenues by GASB, such as state appropriations, Federal Pell Grants and investment income.
- *Other revenues* - Other revenues consist primarily of capital grants and gifts.

Use of Restricted Net Assets - The College has not adopted a formal policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. Generally, the College utilizes restricted net assets first, when practicable.

Federal Financial Assistance Programs - The College distributes student financial assistance funds on behalf of the federal government to students under the federal Pell Grant, Supplemental Educational Opportunity Grant and College Work Study programs. The activity of these programs is recorded in the accompanying financial statements. In 2011 and 2010, the College received and disbursed \$5,087,632 and \$4,560,178 respectively, under these federal student aid programs.

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income Taxes - The College is exempt from income taxes, except for unrelated business income, as a governmental instrumentality under Federal income tax laws and regulations of the Internal Revenue Service as described in Section 115 of the Internal Revenue Code.

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

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

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

Newly Adopted Statements Issued by the Governmental Accounting Standards Board - During 2011, the College adopted Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement establishes new categories for reporting fund balance and revised the definitions for governmental fund types. The adoption of this statement did not have a material impact on the financial statements.

The College also adopted GASB Statement No. 59, *Financial Instruments Omnibus*. This statement improves financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards related to certain financial instruments and external investment pools. The adoption of this statement did not have a material impact on the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Statements Issued by the Governmental Accounting Standards Board —The Governmental Accounting Standards Board has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, effective for fiscal years beginning after December 15, 2011. This statement addresses how to account for and report service concession arrangements (SCAs) by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators. The College has not yet determined the effect that the adoption of GASB Statement No. 60 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, effective for fiscal years beginning after June 15, 2012. This statement improves financial reporting for a governmental financial reporting entity by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of the entity. The College has not yet determined the effect that the adoption of GASB Statement No. 61 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, effective for fiscal years beginning after December 15, 2011. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance included in the FASB and ACIPA pronouncements issued on or before November 30, 1989. This statement will improve financial reporting by contribution to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. The College has not yet determined the effect that the adoption of GASB Statement No. 62 may have on its financial statements.

The Governmental Accounting Standards Board has also issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, effective for fiscal years beginning after December 15, 2011. The objective of this statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in the statement of financial position and related disclosures. The College has not yet determined the effect that the adoption of GASB Statement No. 63 may have on its financial statements.

NOTE 3 - CASH AND CASH EQUIVALENTS

The Governmental Accounting Standards Board has also issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions*, effective for fiscal years beginning after June 15, 2011. The objective of this statement is to improve financial reporting by clarifying whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The College has not yet determined the effect that the adoption of GASB Statement No. 64 may have on its financial statements.

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

	2011		
	Current	Noncurrent	Total
Cash on deposit with the State Treasurer	\$ 6,190,887	\$ -	\$ 6,190,887
Cash in bank	22,633	25,769	48,402
Cash on hand	4,800	-	4,800
	<u>\$ 6,218,320</u>	<u>\$ 25,769</u>	<u>\$ 6,244,089</u>
	2010		
	Current	Noncurrent	Total
Cash on deposit with the State Treasurer	\$ 6,144,717	\$ -	\$ 6,144,717
Cash in bank	36,682	55,628	92,310
Cash on hand	4,800	-	4,800
	<u>\$ 6,186,199</u>	<u>\$ 55,628</u>	<u>\$ 6,241,827</u>

Cash held by the State Treasurer includes \$2,208,996 and \$2,513,632 of restricted cash primarily for operating grants as of June 30, 2011 and 2010, respectively.

The combined carrying amount of cash in the bank at June 30, 2011 and 2010 was \$48,402 and \$92,310, as compared with the combined bank balance of \$58,095 and \$111,802, respectively. The difference is primarily caused by items in transit and outstanding checks. The bank balances were covered by federal depository insurance as noted below or were collateralized by securities held by the State's agent. Regarding federal depository insurance, interest bearing accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Non-interest bearing accounts are 100% insured through December 31, 2012.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Amounts with the State Treasurer and the Municipal Bond Commission as of June 30, 2011 and 2010, are comprised of the following investment pools:

The BTI has adopted an investment policy in accordance with the “Uniform Prudent Investor Act.” The “prudent investor rule” guides those with responsibility for investing the money for others. Such fiduciaries must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income; preserve capital; and, in general, avoid speculative investments. The BTI’s investment policy is to invest assets in a manner that strives for maximum safety, provides adequate liquidity to meet all operating requirements, and achieves the highest possible investment return consistent with the primary objectives of safety and liquidity. The BTI recognizes that risk, volatility, and the possibility of loss in purchasing power are present to some degree in all types of investments. Due to the short-term nature of BTI’s Consolidated Fund, the BTI believes that it is imperative to review and adjust the investment policy in reaction to interest rate market fluctuations/trends on a regular basis and has adopted a formal review schedule. Investment policies have been established for each investment pool and account of the BTI’s Consolidated Fund. Of the BTI’s Consolidated Fund pools and accounts in which the Commission invest, all are subject to credit risk.

WV Money Market Pool — Credit Risk — Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. For the years ended June 30, 2011 and 2010, the WV Money Market Pool has been rated AAAM by Standard & Poor’s. 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. As this pool has been rated, specific information on the credit ratings of the underlying investments of the pool have not been provided.

The BTI limits the exposure to credit risk in the WV Money Market Pool by requiring all corporate bonds to be rated AA- by Standard & Poor’s (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standard & Poor’s and P-1 by Moody’s. The pool must have at least 15% of its assets in U.S. Treasury issues.

At June 30, 2011 and 2010, the WV Money Market Pool investments had a total carrying value of \$3,018,560,000 and \$2,876,711,000, respectively, of which the College’s ownership represents 0.18% and 0.20%, respectively.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

WV Government Money Market Pool — Credit Risk — For the years ended June 30, 2011 and 2010, the WV Government Market Pool has been rated AAAM by Standard & Poor's. 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. As this pool has been rated, specific information on the credit ratings of the underlying investments of the pool have not been provided.

The BTI limits the exposure to credit risk in the WV Government Money Market Pool by limiting the pool to U.S. Treasury issues, U.S. government agency issues, money market funds investing in U.S. Treasury issues and U.S. government agency issues, and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

At June 30, 2011 and 2010, the WV Government Money Market Pool investments had a total carrying value of \$262,692,000 and \$221,183,000, respectively, of which the College's ownership represents 0.01% and 0.02%, respectively.

WV Short Term Bond Pool — Credit Risk — The BTI limits the exposure to credit risk in the WV Short Term Bond Pool by requiring all corporate bonds to be rated A by Standards & Poor's (or its equivalent) or higher. Commercial paper must be rated at least A-1 by Standards & Poor's and P1 by Moody's. The following table provides information on the credit ratings of the WV Short Term Bond Pool's investments (in thousands):

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Security Type	Credit Rating*		2011		2010	
	Moody's	S&P	Carrying Value	Percent of Pool Assets	Carrying Value	Percent of Pool Assets
Corporate asset backed securities	Aaa	AAA	\$ 87,197	18.40 %	\$ 24,330	5.37 %
	Aaa	NR *	19,891	4.20	10,353	2.28
	Aa3	AAA	-	-	1,000	0.22
	Aa3	AA+ **	454	0.10	-	-
	Ba1	CC **	-	-	45	0.01
	Ba2	BB **	-	-	219	0.05
	B1	BBB **	-	-	605	0.13
	B1	CCC **	885	0.19	857	0.19
	B2	CCC **	-	-	366	0.08
	B3	B **	366	0.08	442	0.10
	B3	BBB **	631	0.13	247	0.05
	B3	CCC **	-	-	554	0.12
	Ca	CCC **	664	0.14	-	-
	Caal	CCC **	-	-	230	0.05
	Caa2	CCC **	473	0.10	779	0.17
	Caa3	CCC **	393	0.08	-	-
	Caa3	D **	27	0.01	-	-
	NR	* AAA	-	-	3,538	0.78
	NR	* NR *	4,000	0.84	-	-
			114,981	24.27	43,565	9.60
Corporate bonds and notes	Aaa	AAA	-	-	72,549	16.00
	Aaa	AA	2,043	0.43	2,060	0.46
	Aa1	AA	-	-	5,430	1.20
	Aa1	A	4,143	0.87	-	-
	Aa2	AAA	-	-	-	-
	Aa2	AA	11,866	2.50	6,650	1.47
	Aa3	AA	7,064	1.49	6,722	1.48
	Aa3	A	13,040	2.75	13,850	3.05
	A1	AA	8,107	1.71	15,485	3.41
	A1	A	22,731	4.80	21,098	4.65
	A2	AA	2,555	0.54	-	-
	A2	A	23,976	5.06	41,093	9.06
	A3	A	8,770	1.85	4,158	0.92
			104,295	22.00	189,095	41.70
Commercial paper	P-1	A-1	15,995	3.38	-	-
U.S. agency bonds	Aaa	AAA	20,017	4.22	40,180	8.86
U.S. Treasury notes***	Aaa	AAA	25,034	5.28	158,423	34.93
U.S. agency mortgage backed securities****	Aaa	AAA	97,296	20.53	4,540	1.00
Money market funds	Aaa	AAA	96,287	20.32	-	-
Money market funds	Aaa	AAA	-	-	17,715	3.91
			\$473,905	100 %	\$453,518	100 %

* NR = Not Rated

** The securities were not in compliance with BTI Investment Policy at June 30, 2011 and/or 2010. The securities were in compliance when originally acquired, but were subsequently downgraded. BTI management and its investment advisors have determined that it is in the best interests of the participants to hold the securities for optimal outcome.

*** U.S. Treasury issues are explicitly guaranteed by the United States government and are not subject to credit risk.

**** U.S. agency mortgage backed securities are explicitly guaranteed by the United States government and are not subject to credit risk.

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

At June 30, 2011 and 2010, the College's ownership represents 0.15% and 0.11%, respectively, of these amounts held by the BTI.

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 BTI's Consolidated Fund pools and accounts are subject to interest rate risk.

The overall weighted average maturity of the investments of the WV Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 731 days. The following table provides information on the weighted average maturities for the various asset types in the WV Money Market Pool:

Security Type	2011		2010	
	Carrying Value (In thousands)	WAM (Days)	Carrying Value (In thousands)	WAM (Days)
Repurchase agreements	\$ 84,357	1	\$ 174,980	1
U.S. Treasury notes	298,345	137	65,153	140
U.S. Treasury bills	231,051	34	476,670	35
Commercial paper	1,069,576	35	855,844	18
Certificates of deposit	140,000	58	281,000	45
U.S. agency discount notes	697,164	45	606,048	52
Corporate bonds and notes	127,000	20	20,000	19
U.S. agency bonds/notes	170,788	66	246,990	55
Money market funds	200,279	1	150,026	1
	<u>\$ 3,018,560</u>	46	<u>\$ 2,876,711</u>	33

The overall weighted average maturity of the investments of the WV Government Money Market Pool cannot exceed 60 days. Maximum maturity of individual securities cannot exceed 397 days from date of purchase, except for government floating rate notes, which can be up to 731 days. The following table provides information on the weighted average maturities for the various asset types in the WV Government Money Market Pool:

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Security Type	2011		2010	
	Carrying Value (In thousands)	WAM (Days)	Carrying Value (In thousands)	WAM (Days)
Repurchase agreements	\$ 98,400	1	\$ 66,600	1
U.S. Treasury notes	45,811	131	8,526	114
U.S. Treasury bills	-	-	29,982	72
U.S. agency discount notes	60,852	74	36,465	115
U.S. agency bonds/notes	57,498	22	79,532	30
Money market funds	131	1	78	1
	<u>\$ 262,692</u>	45	<u>\$ 221,183</u>	44

The overall effective duration of the investments of the WV Short Term Bond Pool cannot exceed 731 days. Maximum effective duration of individual securities cannot exceed 1,827 days (five years) from date of purchase. The following table provides information on the effective duration for the various asset types in the WV Short Term Bond Pool:

Security Type	2011		2010	
	Carrying Value (In thousands)	WAM (Days)	Carrying Value (In thousands)	WAM (Days)
U.S. Treasury bonds/notes	\$ 25,034	227	\$ 158,423	583
Commercial paper	15,995	55	-	-
Corporate notes	104,295	234	189,095	560
Corporate assets backed securities	114,981	268	43,565	679
U.S. agency bonds/notes	20,017	85	40,180	288
U.S. agency mortgage backed securities	97,296	18	4,540	360
Money market funds	96,287	1	17,715	1
	<u>\$ 473,905</u>	138	<u>\$ 453,518</u>	530

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

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of the BTI's 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.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the BTI will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Repurchase agreements are required to be collateralized by at least 102% of their value, and the collateral is held in the name of the BTI. Securities lending collateral that is reported on the BTI's statement of fiduciary net assets is invested in a pool managed by the securities lending agent. In all transactions, the BTI or its agent does not release cash or securities until the counterparty delivers its side of the transaction.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. None of the BTI's Consolidated Fund's investment pools or accounts holds interests in foreign currency or interests valued in foreign currency.

Deposits — Custodial credit risk of deposits is the risk that in the event of failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. Deposits include nonnegotiable certificates of deposit. None of the above pools contain nonnegotiable certificates of deposit. The BTI does not have a deposit policy for custodial credit risk.

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable were as follows at June 30:

	<u>2011</u>	<u>2010</u>
Student tuition and fees - net of allowance for doubtful accounts of \$261,35 and \$265,009	\$ 73,532	\$ 157,672
Due from Foundation	-	7,291
Other accounts receivable	61,604	85,644
Accounts receivable net	<u>\$ 135,136</u>	<u>\$ 250,607</u>
Grants and contracts receivable:		
Due from the Commission	\$ 76	\$ 3,901
Due from Federal Government	7,774	9,242
Due from Other State Agencies	-	29,904
	<u>\$ 7,850</u>	<u>\$ 43,047</u>

NOTE 5 - CAPITAL ASSETS

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

	2011			Ending Balance
	Beginning Balance	Additions	Reductions	
Capital assets not being depreciated				
Construction in Process	\$ 62,685	\$ 236,983	\$ (62,685)	\$ 236,983
Land	<u>1,288,470</u>	<u>-</u>	<u>-</u>	<u>1,288,470</u>
Total capital assets not being depreciated	<u>\$ 1,351,155</u>	<u>\$ 236,983</u>	<u>\$ (62,685)</u>	<u>\$ 1,525,453</u>
Other capital assets				
Buildings	\$ 30,346,207	\$ 924,615	\$ -	\$ 31,270,822
Equipment	6,748,952	104,752	-	6,853,704
Library holdings	<u>3,816,584</u>	<u>65,584</u>	<u>(18,069)</u>	<u>3,864,099</u>
Total other capital assets	<u>40,911,743</u>	<u>1,094,951</u>	<u>(18,069)</u>	<u>41,988,625</u>
Less accumulated depreciation for				
Buildings	(8,412,777)	(715,800)	-	(9,128,577)
Equipment	(4,854,966)	(372,468)	-	(5,227,434)
Library holdings	<u>(3,683,751)</u>	<u>(59,757)</u>	<u>18,069</u>	<u>(3,725,439)</u>
Total accumulated depreciation	<u>(16,951,494)</u>	<u>(1,148,025)</u>	<u>18,069</u>	<u>(18,081,450)</u>
Other capital assets-net	<u>\$ 23,960,249</u>	<u>\$ (53,074)</u>	<u>\$ -</u>	<u>\$ 23,907,175</u>
Capital asset summary				
Capital assets not being depreciated	\$ 1,351,155	\$ 236,983	\$ (62,685)	\$ 1,525,453
Other capital assets	<u>40,911,743</u>	<u>1,094,951</u>	<u>(18,069)</u>	<u>41,988,625</u>
Total cost of capital assets	42,262,898	1,331,934	(80,754)	43,514,078
Less accumulated depreciation	<u>(16,951,494)</u>	<u>(1,148,025)</u>	<u>18,069</u>	<u>(18,081,450)</u>
Capital assets-net	<u>\$ 25,311,404</u>	<u>\$ 183,909</u>	<u>\$ (62,685)</u>	<u>\$ 25,432,628</u>

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
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NOTE 5 - CAPITAL ASSETS (Continued)

	2010			
	Beginning Balance	Additions	Reductions	Ending Balance
Capital assets not being depreciated				
Construction in Process	\$ -	\$ 62,685	\$ -	\$ 62,685
Land	1,288,470	-	-	1,288,470
Total capital assets not being depreciated	<u>\$ 1,288,470</u>	<u>\$ 62,685</u>	<u>\$ -</u>	<u>\$ 1,351,155</u>
Other capital assets				
Buildings	\$ 29,961,693	\$ 384,514	\$ -	\$ 30,346,207
Equipment	6,299,115	449,837	-	6,748,952
Library holdings	3,813,699	49,797	(46,912)	3,816,584
Total other capital assets	<u>40,074,507</u>	<u>884,148</u>	<u>(46,912)</u>	<u>40,911,743</u>
Less accumulated depreciation for				
Buildings	(7,829,145)	(583,632)	-	(8,412,777)
Equipment	(4,434,080)	(420,886)	-	(4,854,966)
Library holdings	(3,683,130)	(47,533)	46,912	(3,683,751)
Total accumulated depreciation	<u>(15,946,355)</u>	<u>(1,052,051)</u>	<u>46,912</u>	<u>(16,951,494)</u>
Other capital assets-net	<u>\$ 24,128,152</u>	<u>\$ (167,903)</u>	<u>\$ -</u>	<u>\$ 23,960,249</u>
Capital asset summary				
Capital assets not being depreciated	\$ 1,288,470	\$ 62,685	\$ -	\$ 1,351,155
Other capital assets	40,074,507	884,148	(46,912)	40,911,743
Total cost of capital assets	41,362,977	946,833	(46,912)	42,262,898
Less accumulated depreciation	<u>(15,946,355)</u>	<u>(1,052,051)</u>	<u>46,912</u>	<u>(16,951,494)</u>
Capital assets-net	<u>\$ 25,416,622</u>	<u>\$ (105,218)</u>	<u>\$ -</u>	<u>\$ 25,311,404</u>

The College maintains certain collections of inexhaustible assets to which no value can be practically determined. Accordingly, such collections are not capitalized or recognized for financial statement purposes. Such collections include contributed works of art, historical treasures, and literature that are held for exhibition, education, research, and public service. These collections are neither disposed of for financial gain nor encumbered in any means.

At June 30, 2011, the College had no significant outstanding contractual commitments for property, plant and equipment expenditures.

NOTE 6 - LONG-TERM LIABILITIES

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

	2011						
	Beginning				Ending	Current	Noncurrent
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>	<u>Portion</u>	
Capital Leases	\$ 112,615	\$ -	\$ 24,850	\$ 87,765	\$ 25,834	\$ 61,931	
Other post employment benefits	1,607,674	1,124,827	-	2,732,501	-	2,732,501	
Compensated absences	<u>515,028</u>	<u>-</u>	<u>61,465</u>	<u>453,563</u>	<u>293,034</u>	<u>160,529</u>	
Total noncurrent liabilities	<u>\$ 2,235,317</u>	<u>\$ 1,124,827</u>	<u>\$ 86,315</u>	<u>\$ 3,273,829</u>	<u>\$ 318,868</u>	<u>\$ 2,954,961</u>	

	2010						
	Beginning				Ending	Current	Noncurrent
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>Portion</u>	<u>Portion</u>	
Capital Leases	\$ 143,346	\$ -	\$ 30,731	\$ 112,615	\$ 24,850	\$ 87,765	
Other post employment benefits	236,905	1,749,149	378,380	1,607,674	-	1,607,674	
Compensated absences	<u>536,246</u>	<u>-</u>	<u>21,218</u>	<u>515,028</u>	<u>339,051</u>	<u>175,977</u>	
Total noncurrent liabilities	<u>\$ 916,497</u>	<u>\$ 1,749,149</u>	<u>\$ 430,329</u>	<u>\$ 2,235,317</u>	<u>\$ 363,901</u>	<u>\$ 1,871,416</u>	

On August 22, 2007 the College entered into a capital lease for equipment with SunTrust Leasing Corporation. The lease is payable in monthly installments of \$2,399 over 84 months at an interest rate of 3.89%. The total amount outstanding on the lease at June 30, 2011 was \$87,765.

The cost of equipment under capital leases is included in the Statement of Net Assets as investment in capital assets and was \$127,186 at June 30, 2011. Accumulated depreciation of the leased equipment at June 30, 2011 was approximately \$117,011. Depreciation of assets under capital leases is included in depreciation expense.

NOTE 6 - LONG-TERM LIABILITIES (Continued)

The future minimum lease payments required under the capital lease and the present value of the net minimum lease payments as of June 30, 2011, are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2012	\$ 28,791
2013	28,791
2014	28,791
2015	<u>7,196</u>
Total minimum lease payments	93,569
Less: Amount representing interest	<u>5,804</u>
Present value of net minimum lease payments	<u>\$ 87,765</u>

NOTE 7 - OPERATING LEASE OBLIGATIONS

The College leases various equipment, automobiles, and buildings, under operating lease agreements. Aggregate payment for operating leases amounted to \$91,168 and \$77,818 for the years ended June 30, 2011 and 2010, respectively. The College was not obligated under any noncancellable leases at June 30, 2011. Future minimum rental commitments are as follows as of June 30, 2011:

<u>Year Ending June 30</u>	<u>Operating Leases</u>
2012	\$ 111,296
2013	45,565
2014	40,517
2015	24,653
2016	40
Thereafter	<u>40</u>
Total	<u>\$ 222,111</u>

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

In accordance with GASB, OPEB costs are accrued based upon invoices received from PEIA based upon actuarial determined amounts. At June 30, 2011 and 2010, the noncurrent liability related to OPEB costs was \$2,732,501 and \$1,607,674, respectively. The total of OPEB expense incurred and the amount of OPEB expense that relates to retirees was \$1,537,812 and \$416,962, respectively, during 2011, \$1,737,275 and \$378,380, respectively, during 2010 and \$769,044 and \$375,934, respectively, during 2009. As of the years ended June 30, 2011, 2010 and 2009, there were 33, 31 and 23 retirees receiving these benefits, respectively.

NOTE 9 - STATE SYSTEM OF HIGHER EDUCATION INDEBTEDNESS

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

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

During December 2009, the Commission, on behalf of the Council, issued \$78,295,000 of Community and Technical Colleges Improvement Revenue Bonds, 2009 Series A (the "2009 Bonds"). The proceeds of the 2009 Bonds will be used to finance the acquisition, construction, equipping, or improvement of community and technical college facilities in West Virginia. The bond projects listed in the bond offering for the 2009 Bonds proposes bond funding of \$6,000,000 for the College. State lottery funds will be used to repay the debt. As of June 30, 2011, the College had drawn down \$236,983 of these bond funds to pay for capital projects.

NOTE 10 - UNRESTRICTED NET ASSETS

The College did not have any designated unrestricted net assets as of June 30, 2011 or 2010.

	<u>2011</u>	<u>2010</u>
Total unrestricted net assets before OPEB liability	\$ 3,078,040	\$ 2,686,810
Less: OPEB liability	<u>2,732,501</u>	<u>1,607,674</u>
 Total unrestricted net assets	 <u>\$ 345,539</u>	 <u>\$ 1,079,136</u>

NOTE 11 - RETIREMENT PLANS

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

Effective January 1, 2003, higher education employees enrolled in the basic 401(a) retirement plan with TIAA-CREF have an option to switch to the Educators Money 401(a) basic retirement plan (Educators Money). New hires have the choice of either plan. As of June 30, 2011, there were no employees enrolled in the Educators Money 401(a) basic retirement plan.

The STRS is a cost sharing, public employee retirement system. Employer and employee contribution rates are established annually by the State Legislature. The contractual maximum contribution rate is 15%. The College accrued and paid its contribution to the STRS at the rate of 15% of each enrolled employee's total annual salary for years ended June 30, 2011, 2010, and 2009. Required employee contributions were at the rate of 6% of total annual salary for years ended June 30, 2011, 2010, and 2009. Participants in the STRS may retire with full benefits upon reaching age 60 with 5 years of service, age 55 with 30 years of service, or any age with 35 years of service. Lump-sum withdrawal of employee contributions is available upon termination of employment. Pension benefits are based upon 2% of final average salary (the highest 5 years' salary out of the last 15 years) multiplied by the number of years of service.

NOTE 11 - RETIREMENT PLANS (Continued)

Total contributions to the STRS for the years ended June 30, 2011, 2010 and 2009 were \$215,215, \$307,926 and \$345,093, respectively, which consisted of \$153,725, \$219,947 and \$246,495 from the College in 2011, 2010 and 2009, respectively, and \$61,490, \$87,979 and \$98,598 from the covered employees in 2011, 2010 and 2009, respectively.

The contribution rate is set by the State Legislature on an overall basis and the STRS does not perform a calculation of the contribution requirement for individual employers, such as the College. Historical trend and net pension obligation information is available from the annual financial report of the Consolidated Public Retirement Board. A copy of the report may be obtained by writing to the Consolidated Public Retirement Board, Building 5, Room 1000, Charleston, WV 25305.

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

Total contributions to the TIAA-CREF for the years ended June 30, 2011, 2010 and 2009 were \$822,510, \$858,360 and \$871,634 respectively, which consisted of equal contributions from the College and covered employees in 2011, 2010 and 2009 of \$411,255, \$429,180 and \$435,817, respectively.

The College's total payroll for the years ended June 30, 2011, 2010, and 2009 were \$8,998,151, \$9,478,014 and \$9,872,822, respectively; total covered employees' salaries in the STRS and TIAA-CREF were \$1,024,835 and \$6,793,206 in 2011, respectively; \$1,466,309 and \$7,078,607 in 2010, respectively; and \$1,643,646 and \$7,263,617 in 2009, respectively.

NOTE 12 - FOUNDATION

The Foundation is a separate nonprofit organization incorporated in the State and has as its purpose “to support, encourage and assist in the development and growth of the College, to render service and assistance to the College, and through it to the citizens of the State of West Virginia...” Oversight of the Foundation is the responsibility of a separate and independently elected Board of Directors, not otherwise affiliated with the College. In carrying out its responsibilities, the Board of Directors of the Foundation employs management, forms policy and maintains fiscal accountability over funds administered by the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College and is therefore discretely presented with the College’s financial statements in accordance with GASB.

The Foundation’s net assets totaled \$2,913,451 and \$2,672,782 at December 31, 2010 and 2009, respectively. The net assets include amounts which are restricted by donors to use for specific projects or departments of the College. During the years ended June 30, 2011 and 2010, the Foundation made \$363,820 and \$258,197, respectively, in contributions to the College. As of June 30, 2011 and 2010, the College had accounts receivable of \$0 and \$10,815 due from the Foundation. Complete financial statements for the Foundation can be obtained from the Southern West Virginia Community College Foundation.

NOTE 13 - AFFILIATED ORGANIZATION

The College has a separately incorporated affiliated organization, the Southern Alumni Association. Oversight responsibility for this entity rests with an independent board and management not otherwise affiliated with the College. Accordingly, the financial statements of such organizations are not included in the accompanying financial statements under the blended component unit requirements. They are not included in the College’s accompanying financial statements under directly presented component unit requirements as, they (1) are not material or (2) have dual purposes (i.e., not entirely or almost entirely for the benefit of the College).

NOTE 14 - CONTINGENCIES

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

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

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

NOTE 15 COMPONENT UNIT DISCLOSURES

The following are the notes taken directly from the Foundation's financial statements starting on the following page:

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – Southern West Virginia Community College Foundation, Inc. (the “Foundation”) was incorporated in September 1971 as a tax-exempt, not-for-profit corporation under Section 501(c)(3) of the Internal Revenue Code for the purpose of collecting donations from individuals, corporations, and foundations to be distributed as scholarships to persons attending what is now known as Southern West Virginia Community and Technical College (the “College”), and to be used for other purposes benefiting the College. The Foundation is classified as other than a private foundation by the Internal Revenue Service and is exempt from income taxes.

Basis of Accounting and Financial Statement Presentation – The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U. S. generally accepted accounting principles (“U.S. GAAP”). The accompanying financial statements of the Foundation present information regarding its net assets and activities in the following three categories:

Unrestricted – Net assets are under the discretionary control of the Board of Directors (the “Board”) and include amounts designated by the Board for specified purposes.

Temporarily Restricted – Net assets are restricted by the donor for a specific purpose (generally scholarships or educational development programs) or use in a future time period. The income on these net assets is either temporarily restricted or unrestricted based on the intentions of the donor.

Permanently Restricted – Net assets are subject to the donor’s restriction that the principal remain invested in perpetuity. The income on these net assets generally is used for scholarships or educational development programs.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Use of Estimates – The preparation of financial statements in conformity with U.S. GAAP 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 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents – Cash and cash equivalents include cash in checking accounts and short-term investments with an original maturity of 3 months or less.

Investments – Investments are reported at fair value.

Unconditional Promises to Give – Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of the net realizable value, using the federal prime rate plus two percent as applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from local individual and business contributors as a result of the VISION 2020 campaign.

An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end. At December 31, 2009, management determined that all outstanding promises to give are fully collectible.

Contributions – Contributions and grants, including bequests, special gifts, and other donations, are recorded as revenue when received or, if by pledge, when an unconditional pledge is made. All contributions and grants are considered to be available for unrestricted use unless specifically restricted by the donor or grantor. Noncash bequests, gifts, and donations, if any, would be recorded at the fair market value of the asset at the date of donation.

Program Services Expenses – All scholarships and other program services distributions are approved by the Board. Unconditional grants to the College are recognized when approved. Grants approved by the Board that are payable upon performance of specified conditions by the grantee (if any) are recognized in the statement of activities and change in net assets when the specified conditions are satisfied.

Fixed Assets – The Foundation's fixed assets are carried at cost. Depreciation is computed using the straight-line method with estimated useful lives of three and five years for software and equipment, respectively. Depreciation expense of \$344 and \$4,052 was recognized during the periods ended December 31, 2010 and 2009, respectively.

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 2 - INVESTMENTS

The cost and estimated fair values of investments at December 31 are as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Estimated Fair Value</u>	<u>Cost</u>	<u>Estimated Fair Value</u>	<u>Cost</u>
Equity securities	\$ 1,661,465	\$ 1,658,234	\$ 1,005,629	\$ 1,149,457
U.S. government obligations	<u>205,658</u>	<u>199,848</u>	<u>622,188</u>	<u>599,854</u>
Total	<u>\$ 1,867,123</u>	<u>\$ 1,858,082</u>	<u>\$ 1,627,817</u>	<u>\$ 1,749,311</u>

The following table shows the gross unrealized losses and fair value, aggregated by investment category and lengths of time, that the individual securities have been in a continuous unrealized loss position at December 31:

	<u>2010</u>					
	<u>Less than 12 months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
Equity securities	\$ -	\$ -	\$ 701,275	\$ 116,748	\$ 701,275	\$ 116,748

	<u>2009</u>					
	<u>Less than 12 months</u>		<u>12 Months or Greater</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>	<u>Fair Value</u>	<u>Gross Unrealized Losses</u>
Equity securities	\$ -	\$ -	\$ 631,471	\$ 171,450	\$ 631,471	\$ 171,450

Gain on investments for the periods ended December 31 is summarized as follows:

	<u>2010</u>	<u>2009</u>
Net realized gains	\$ 4	\$ 274
Net unrealized gains	<u>132,260</u>	<u>92,060</u>
Total	<u>\$ 132,264</u>	<u>\$ 92,334</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give at December 31 are as follows:

	<u>2010</u>	<u>2009</u>
Receivable in less than one year	\$ 272,164	\$ 301,731
Receivable in one to five years	138,567	143,267
Receivable in more than five years	<u>43,000</u>	<u>-</u>
Total unconditional promises to give	453,731	444,998
Less discounts to net present value	<u>(18,694)</u>	<u>(7,584)</u>
Net unconditional promises to give	<u>\$ 435,037</u>	<u>\$ 437,414</u>

The discount rates used on long-term promises to give were 3.25 percent in 2010 and 2009.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Foundation scholarships are awarded by the College. The College awarded \$247,931 and \$246,030 in scholarships to students on behalf of the Foundation in 2010 and 2009, respectively. The College also presented the faculty of the College with educational awards totaling \$3,000 per period ended December 31, 2010 and 2009. Each of these transactions was recorded as a payable on the Foundation's financial statements.

At December 31, 2010 and 2009, the Foundation's related party payables to the College for scholarships and faculty educational awards were \$105,493 and \$125,324, respectively.

Contributed services received from the College and from unrelated volunteers have not been recorded, as the value of the services cannot be determined.

NOTE 5 – NET ASSETS

Temporary and permanent restrictions on net assets at December 31, 2010 and 2009 are for scholarships and educational development.

Net assets were released from restriction for the following purposes during the years ended December 31:

	<u>2010</u>	<u>2009</u>
Scholarships	\$ 247,931	\$ 246,030
Educational development	110,477	128,957
Fundraising	26,500	23,524
Other	<u>26,435</u>	<u>156,323</u>
Total	<u>\$ 411,343</u>	<u>\$ 554,834</u>

SOUTHERN WEST VIRGINIA COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 6 – FIXED ASSETS

At December 31, fixed assets consist of the following:

	2010	2009
Software	\$ 48,627	\$ 48,627
Equipment	1,723	1,723
Accumulated depreciation	(50,049)	(49,705)
Fixed assets, net	\$ 301	\$ 645

NOTE 7 – CAPITAL LEASE OBLIGATION

The Foundation is the lessee of computer software under a capital lease expiring in January 2009. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair value of the asset. The assets are depreciated over the lower of their related lease terms or their estimated productive lives.

No depreciation expense resulting from this capital lease was incurred in the fiscal years ended December 31, 2010 and 2009, respectively.

The following is a summary of property held under the capital lease:

Software	\$ 41,602
Less accumulated depreciation	(41,602)
Net	\$ -

The implied interest rate on the capitalized lease is 8.25 percent and is imputed based on the Foundation's borrowing rate at the inception of the lease. Interest expense recognized on this implied rate is \$-0- and \$-0- in the periods ended December 31, 2010 and 2009, respectively.

NOTE 8 – FAIR VALUE MEASUREMENTS

Accounting standards require that the Foundation adopt fair value measurement for financial assets and financial liabilities. This enhanced guidance for using fair value to measure assets and liabilities applies whenever other standards require or permit assets or liabilities to be measured at fair value. This guidance does not expand the use of fair value in any new circumstances.

Accounting standards establish a hierarchal disclosure framework associated with the level of pricing observability utilized in measuring assets and liabilities at fair value. The three broad levels defined by these standards are as follows:

NOTE 8 – FAIR VALUE MEASUREMENTS (CONTINUED)

Level I: Quoted prices are available in active markets for identical assets or liabilities as of the reported date.

Level II: Pricing inputs other than quoted prices available in active markets, which are either directly or indirectly observable as of the reported date. The nature of these assets and liabilities include items for which quoted prices are available but traded less frequently, and items that are fair valued using other financial instruments, the parameters of which can be directly observed.

Level III: Assets or liabilities that have little or no pricing observability as of the reported date. These items do not have two-way markets and are measured using management's best estimate of fair value, where the inputs into the determination of fair value require significant management judgment or estimation.

The following table presents assets reported on the financial statements at their fair value, by level within the fair value hierarchy. Equity securities are classified as Level I securities and are valued using observable market prices. Debt securities are classified as Level II securities and are valued using matrix pricing or other market approaches. As required by accounting standards, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
<u>Valued on a recurring basis:</u>				
December 31, 2010				
Assets:				
Equity securities	\$ 1,661,465	\$ -	\$ -	\$ 1,661,465
Debt securities	-	205,658	-	205,658
December 31, 2009				
Assets:				
Equity securities	\$ 1,005,629	\$ -	\$ -	\$ 1,005,629
Debt securities	-	622,188	-	622,188

NOTE 9 - SUBSEQUENT EVENTS

The Foundation assessed events occurring subsequent to December 31, 2010, through May 23, 2011, for potential recognition and disclosure in the financial statements. No events have occurred that would require adjustment to, or disclosure in, the financial statements which were issued May 23, 2011.

SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED JUNE 30, 2011 AND 2010

NOTE 16 - NATURAL CLASSIFICATIONS WITH FUNCTIONAL CLASSIFICATIONS

These tables represent operating expenses within both natural and functional classifications for the years ended June 30:
 2011

	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Fees Assessed by the Commission		Total
							Commission	Total	
Instruction	\$ 4,766,843	\$ 1,249,565	\$ 1,141,000	\$ 18,976	\$ -	\$ -	\$ -	\$ -	7,176,384
Public service	97,325	25,103	200,817	-	-	-	-	-	323,245
Academic support	551,337	169,616	315,803	-	-	-	-	-	1,036,756
Student services	793,167	230,187	267,185	-	-	-	-	-	1,290,539
General institutional support	2,469,052	1,767,681	1,773,461	2,735	-	-	-	-	6,012,929
Operations and maintenance of plant	123,959	19,705	432,377	606,600	-	-	-	-	1,182,641
Student financial aid	-	-	-	-	3,916,949	-	-	-	3,916,949
Auxiliary enterprises	173,424	38,296	808,637	-	-	-	-	-	1,020,357
Depreciation	-	-	-	-	-	1,148,025	-	-	1,148,025
Other	-	-	-	-	-	-	55,014	-	55,014
Total	\$ 8,975,107	\$ 3,500,153	\$ 4,939,280	\$ 628,311	\$ 3,916,949	\$ 1,148,025	\$ 55,014	\$ -	23,162,839

2010

	Salaries and Wages	Benefits	Supplies and Other Services	Utilities	Scholarships and Fellowships	Depreciation	Fees Assessed by the Commission		Total
							Commission	Total	
Instruction	\$ 4,899,757	\$ 1,255,340	\$ 693,700	\$ 23,773	\$ 8,524	\$ -	\$ -	\$ -	6,881,094
Public service	199,018	53,699	298,350	1,059	-	-	-	-	552,126
Academic support	643,814	175,324	707,948	5,100	-	-	-	-	1,532,186
Student services	948,648	255,684	212,625	-	49,391	-	-	-	1,466,348
General institutional support	2,457,750	2,864,289	542,477	433	1,428	-	-	-	5,866,377
Operations and maintenance of plant	145,409	67,082	340,167	542,185	-	-	-	-	1,094,843
Student financial aid	-	-	-	-	3,479,172	-	-	-	3,479,172
Auxiliary enterprises	186,719	52,966	861,739	-	-	-	-	-	1,101,424
Depreciation	-	-	-	-	-	1,052,051	-	-	1,052,051
Other	-	-	-	-	-	-	48,509	-	48,509
Total	\$ 9,481,115	\$ 4,724,384	\$ 3,657,006	\$ 572,550	\$ 3,538,515	\$ 1,052,051	\$ 48,509	\$ -	23,074,130



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

To the Governing Board
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

We have audited the financial statements of Southern West Virginia Community and Technical College (the College) as of and for the year ended June 30, 2011, and have issued our report thereon dated October 14, 2011, which states reliance on other auditors for the discretely presented component unit. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of The Southern West Virginia Community College Foundation, Inc., as described in our report on the College's financial statements. This report does not include results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

Management of the College is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the College's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over financial reporting.

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 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.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the College's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of the College in a separate letter dated October 14, 2011.

This report is intended solely for the information and use of the College's management, the Members of the College's Governing Board, the West Virginia Higher Education Policy Commission, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.



Charleston, West Virginia
October 14, 2011

**SOUTHERN WEST VIRGINIA
COMMUNITY AND TECHNICAL COLLEGE**

REPORT TO THE GOVERNING BOARD

October 14, 2011

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October 14, 2011

Governing Board
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

We have audited the financial statements of the Southern West Virginia Community and Technical College (the College) as of and for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 12, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the College are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements, and they have been summarized in the attached schedule of recorded audit adjustments. In addition, there were certain uncorrected misstatements identified during the audit. Management has determined that the effects of these uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The attached schedule summarizes uncorrected misstatements of the financial statements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 14, 2011.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

* * * * *

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

Very truly yours,

A handwritten signature in cursive script that reads "Suttle & Stalnaker, PLLC".

Suttle & Stalnaker, PLLC
Charleston, West Virginia

Southern West Virginia Community and Technical College
Summary of Accounting Estimates
Year Ended June 30, 2011

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in College's June 30, 2011 financial statements:

Area	Accounting Policy	Estimation Process	Comments
Depreciation of capital assets	Straight – line method	Based on cost, or if contributed, at fair value of the asset. Depreciation is calculated using the straight-line method over the estimated useful life. Annually, management reviews capital assets for impairment.	We concur with this process.
Valuation of receivables	Net realizable value	Review of net amounts of anticipated collections, established grants, contracts, and loans and historical collection information.	We concur with this process.
Compensated absences	Estimated	Based upon management's calculation of the ultimate liability to be paid.	We concur with this process.
Other post employment benefit liability	Estimated	Based upon the third party trust funds actuarial determination of the annual required contribution which is billed to the College.	We concur with this process.

Southern West Virginia Community and Technical College
Summary of Recorded Audit Adjustments
Year Ended June 30, 2011

During the course of our audit, we accumulated adjustments that were determined by management to be material to the statements of net assets, revenues, expenses, and changes in net assets, and cash flows and to the related financial statement disclosures, or management otherwise determined were appropriate to make. Following is a summary of the adjustments made to the original trial balance we received.

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
To adjust beginning net assets to agree to prior year ending net assets.			
41000-0000-175800	Year End Unrestricted	5,370.26	
551000-E000-468000	Tuition & Required E&G Fees		5,370.26
Total		5,370.26	5,370.26
To adjust funds due to HEPC to actual at year end.			
527000-E054-175800	Year End Unrestricted	8,715.00	
20200-0000-175800	Year End Unrestricted		8,715.00
Total		8,715.00	8,715.00
To reclassify federal grant revenue.			
415001-E020-838480	Private Gifts, Grants and Contracts	21,353.00	
433000-E000-468000	Tuition & Required E&G Fees	144,208.00	
430000-E035-468000	Tuition & Required E&G Fees		165,561.00
Total		165,561.00	165,561.00

Southern West Virginia Community and Technical College
Summary of Uncorrected Misstatements
Year Ended June 30, 2011

During the course of our audit, we accumulated uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate; to the statements of net assets, revenues, expenses, and changes in net assets, and cash flows and to the related financial statement disclosures. Following is a summary of those differences.

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
To record depreciation on Verizon phone system capital lease.			
765000-E053-915800	Year End Plant	30,524.62	
195000-0000-915800	Year End Plant		30,524.62
Total		<u>30,524.62</u>	<u>30,524.62</u>
To adjust accounts receivable to actual at year end.			
12000-0000-175800	Year End Unrestricted	35,185.86	
400000-E051-175800	Year End Unrestricted		35,185.86
Total		<u>35,185.86</u>	<u>35,185.86</u>
To record CIP moved to building & building improvements at year end.			
190400-0000-915800	Year End Plant	62,685.49	
559000-E042-870211	Student Support Services		62,685.49
Total		<u>62,685.49</u>	<u>62,685.49</u>

Certain Written Communications Between Management and Our Firm

Arrangement Letter

Management Representations Letter

ARRANGEMENT LETTER



August 12, 2011

Samuel Litteral, Chief Financial Officer
Southern West Virginia Community and Technical College
PO Box 2900
Dempsey Branch Road
Mount Gay, WV 25637

Dear Mr. Litteral:

This letter is to explain our understanding of the arrangements for the services we are to perform for Southern West Virginia Community and Technical College (the College) for the year ending June 30, 2011. We ask that you either confirm or amend this understanding.

Audit Services

We will perform an audit of the College's basic financial statements which include the Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows as of and for the year ending June 30, 2011 which collectively comprise the basic financial statements. We understand that these financial statements will be prepared in accordance with accounting principles generally accepted in the United States of America. The objective of an audit of financial statements is to express an opinion on those statements.

We understand that you intend to furnish a copy of the College's financial statements, including our report thereon, to the West Virginia Higher Education Policy Commission and such party shall, upon your confirmation, utilize this report for preparation of the combined Higher Education Policy Commission financial statements to be reported upon by Deloitte & Touche, LLP. In addition, we understand that you will provide a copy of our report to the State of West Virginia for preparation of the combined State of West Virginia financial statements to be reported upon by Ernst & Young LLP.

We are responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management with the oversight of the board of directors are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

We will conduct the audit in accordance with auditing standards generally accepted in the United States of America; and *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement whether caused by error or fraud. Accordingly, a material misstatement may remain undetected. Also, an audit is not designed to detect errors or frauds that are immaterial to the financial statements. The determination of abuse is subjective; therefore, *Government Auditing Standards* do not expect us to provide reasonable assurance of detecting abuse.

An audit of financial statements also includes obtaining an understanding of internal control sufficient to plan the audit and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, we will communicate to you and to management any significant deficiencies or material weaknesses that become known to us during the course of the audit.

The Virginia Center • 1411 Virginia Street, East • Suite 100 • Charleston, WV 25301
Phone (304)-343-4126 or 1-(800)-788-3844 • Fax (304)-343-8008

Towne Square • 201 Third Street • PO Box 149 • Parkersburg, WV 26102
Phone (304)-485-6584 • Fax (304)-485-0971

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We will also communicate to the board of directors (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements, (b) any fraud, illegal acts, violations of provisions of contracts or grant agreements and abuse that come to our attention (unless they are clearly inconsequential), (c) any disagreements with management and other serious difficulties encountered in performing the audit, and (d) various matters related to the entity's accounting policies and financial statements.

In addition to our report on the College's financial statements, we will also issue the following reports or types of reports:

- Report on internal control related to the financial statements. This report will describe the scope of testing of internal control and the results of our tests of internal controls.
- Report on compliance with laws, regulations, and the provision of contracts or grant agreements. We will report on any noncompliance which could have a material effect on the financial statements.

The Southern West Virginia Community College Foundation, Inc. is a component unit of the College as defined by GASB Statement Number 39 and you have informed us that it will be required to be included in your basic financial statements for the year ended December 31, 2010. We understand that the audit of the Southern West Virginia Community College Foundation will be conducted by other auditors whose report will be made available to us by September 15, 2011.

Our report on internal control will include any significant deficiencies and material weaknesses in the system of which we become aware as a result of obtaining an understanding of internal control and performing tests of internal control consistent with requirements of the standards and circular identified above. Our report on compliance will address material errors, fraud, abuse, violations of compliance requirements, and other responsibilities imposed by state and federal statutes and regulations and assumed by contracts; and any state or federal grant, entitlement of loan program questioned costs of which we become aware, consistent with requirements of the standards identified above.

Southern West Virginia Community and Technical College's Responsibilities

Management is responsible for the financial statements, including adjusting the financial statements to correct material misstatements, and for making all financial records and related information available to us. Management is responsible for providing us with a written management representation letter confirming certain representations made during the course of our audit of the financial statements and affirming to us that it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole and to the opinion units of the financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting and for informing us of all significant deficiencies and material weaknesses in the design or operation of such controls of which it has knowledge.

Management is responsible for identifying and ensuring that the entity complies with the laws and regulations applicable to its activities, and for informing us about all known material violations of such laws or regulations. In addition, management is responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the entity involving management employees who have significant roles in internal control and others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, short sellers, or others.

Management is also responsible for 1) making us aware of significant vendor relationships where the vendor is responsible for program compliance, 2) following up and taking corrective action on audit findings, including the preparation of a summary schedule of prior audit findings, and a corrective action plan, and 3) report distribution including submitting the reporting package(s).

The board of directors is responsible for informing us of its views about the risks of fraud within the entity, and its knowledge of any fraud or suspected fraud affecting the entity.

The College agrees that our report on the financial statements will not be included in an official statement or other document involved with the sale of debt instruments without our prior consent. Additionally, if the College intends to publish or otherwise reproduce the financial statements and/or make reference to us or our audit, you agree to provide us with printer's proofs or a master for our review and consent before reproduction and/or release occurs. You also agree to provide us with a copy of the final reproduced material for our consent before it is distributed or released. Our fees for any additional services that may be required under our quality assurance system as a result of the above will be established with you at the time such services are determined to be necessary. In the event our auditor/client relationship has been terminated when the Organization seeks such consent, we will be under no obligation to grant such consent or approval.

During the course of our engagement, we may accumulate records containing data which should be reflected in your books and records. You will determine that all such data, if necessary, will be so reflected. Accordingly, you will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by organization personnel, including the preparation of schedules and analyses of accounts, will be discussed and coordinated with management. Specific information related to timelines, adjusting journal entries, draft financial statements and additional billings that are part of this contract are included in the master contract on file with the West Virginia Higher Education Policy Commission. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Other Terms of our Engagement

The working papers for this engagement are the property of Suttle & Stalnaker, PLLC. However, you acknowledge and grant your assent that representatives of the cognizant or oversight agency or their designee, other government audit staffs, and the U.S. Government Accountability Office shall have access to the audit working papers upon their request; and that we shall maintain the working papers for a period of at least three years after the date of the report, or for a longer period if we are requested to do so by the cognizant or oversight agency. Access to requested workpapers will be provided under the supervision of Suttle & Stalnaker, PLLC audit personnel and at a location designated by our Firm.

If circumstances arise relating to the conditions of your records, the availability of sufficient, competent evidential matter, or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting, misappropriation of assets, or noncompliance which in our professional judgment prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including declining to express an opinion or issue a report, or withdrawal from the engagement.

In the event we are requested or authorized by the College or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for the College, the College will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Professional standards and our Firm policies require that we perform certain additional procedures whenever our reports are included, or we are named as accountants, auditors, or "experts" in a document used in a public offering of debt securities. Our report on the financial statements is not to be included in an official statement or other document involved with the sale of debt instruments without our prior consent. Additionally, if you intend to publish or otherwise reproduce the financial statements and/or make reference to us or our audit, you agree to provide us with printer's proofs or master for our review and consent before reproduction and/or release occurs. You also agree to provide us with a copy of the final reproduced material for our consent before it is distributed or released. Our fees for any additional services that may be required under our quality assurance system as a result of the above will be established with you at the time such services are determined to be necessary.

Other Services

The two overarching principles of the independence standards of the *Government Auditing Standards* issued by the Comptroller General of the United States provide that management is responsible for the substantive outcomes of the works, and therefore, has a responsibility and is able to make any informed judgment on the results of the services described above. Accordingly, the College agrees to the following:

The Vice President of Finance will be accountable and responsible for overseeing the preparation of the financial statements.

The College will establish and monitor the performance of the preparation of the financial statements to ensure that they meet management's objectives.

The College will make any decisions that involve management functions related to the preparation of the financial statements and accepts full responsibility for such decisions.

The College will evaluate the adequacy of services performed and any findings that result.

Fees

We generally base our fees on the time required at our regular rates for the services and personnel assigned plus out-of-pocket costs and relevant computer charges. Our charges also include other appropriate factors, including the difficulty of the assignment, the degree of skill required, time limitations imposed on us by others, the experience and ability of the personnel assigned, and the value of the services to the client. Our fee for the services described in this letter will be the amount included in the master contract on file with the West Virginia Higher Education Policy Commission. You may request that we perform additional services not contemplated by this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

In accordance with our firm policies, work may be suspended if your account balance becomes 90 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

Closing

This letter constitutes the complete and exclusive statement of agreement between Suttle & Stalnaker, PLLC and the College, superseding all proposals oral or written and all other communication, with respect to the terms of the engagement between the parties.

In accordance with *Government Auditing Standards*, a copy of our most recent peer review report accompanies this letter. There was no letter of comments received for our peer review.

If this letter defines the arrangements as you understand them, please sign and date the enclosed copy, and return it to us. We appreciate your business.

Very truly yours,



Suttle & Stalnaker, PLLC

RESPONSE:

This letter correctly sets forth the understanding of Southern West Virginia Community and Technical College.



Chief Financial Officer

cc: Joanne Jaeger Tomblin, President
Kevin N. Fowler, Board of Governors, Chair



Kelley,
Galloway &
Company, PSC

CERTIFIED PUBLIC ACCOUNTANTS

- 1200 BATH AVENUE ▪ P. O. BOX 990 ▪ ASHLAND, KENTUCKY 41105-0990 ▪
- Phone (606) 329-1811 ▪ Fax (606) 329-8756 ▪ E-mail contact@kelleygalloway.com ▪ Web site www.kelleygalloway.com ▪

Member of the Center for Public Company Audit Firms, the Private Companies Practice Section of the American Institute of Certified Public Accountants and PKF North American Network

December 31, 2008

To the Members
Suttle & Stalnaker, PLLC

We have reviewed the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC (the firm) in effect for the year ended May 31, 2008. A system of quality control encompasses the firm's organizational structure, the policies adopted and the procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under *Government Auditing Standards*. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe that the procedures we performed provide a reasonable basis for our opinion.

In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Our review was based on selected tests; therefore it would not necessarily detect all weaknesses in the system of quality control or all instances of noncompliance with it. There are inherent limitations in the effectiveness of any system of quality

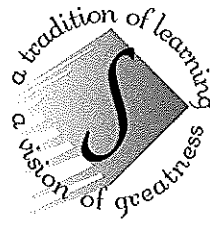
control and therefore noncompliance with the system of quality control may occur and not be detected. Projection of any evaluation of a system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Suttle & Stalnaker, PLLC in effect for the year ended May 31, 2008, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

Kelley, Galloway & Company, PSC

Kelley, Galloway & Company, PSC
Ashland, Kentucky

MANAGEMENT REPRESENTATIONS LETTER



Southern West Virginia Community and Technical College

October 14, 2011

Suttle & Stalnaker, PLLC
The Virginia Center, Suite 100
1411 Virginia Street, East
Charleston, West Virginia 25301

We are providing this letter in connection with your audit of the financial statements of Southern West Virginia Community and Technical College (the College), a component unit of the West Virginia Higher Education Fund of the State of West Virginia, as of June 30, 2011 and for the year then ended for the purpose of expressing opinions as to whether the financial statements present fairly, in all material respects, the respective financial position of the College and the respective changes in financial position and, where applicable, cash flows thereof in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of October 14, 2011, the following representations made to you during your audit.

- 1) The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We have identified for you all organizations that are a part of this reporting entity or with which we have a relationship, these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards that are:

a) Component Units

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DISTRICT OFFICE
PO Box 2900
Mount Gay, WV 25637
Phone: 304-792-7160
Fax: 304-792-7046

LOGAN CAMPUS
PO Box 2900
Mount Gay, WV 25637
Phone: 304-792-7098
Fax: 304-792-7028

WILLIAMSON CAMPUS
1601 Armory Drive
Williamson, WV 25661
Phone: 304-235-6046
Fax: 304-235-6042

BOONE/LINCOLN CAMPUS
3505 Daniel Boone Parkway
Danville, WV 25053
Phone: 304-369-2952
Fax: 304-369-2954

LINCOLN SITE
81 Lincoln Panther
Hamlin, WV 25523
Phone: 304-824-2326
Fax: 304-824-2339


WYOMING/McDOWELL CAMPUS
HC 89 Box 423
Martinsburg, WV 25875
Phone: 304-294-8346
Fax: 304-294-8534

- b) Other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.
 - c) Jointly governed organizations in which we participated.
- 3) We have made available to you all—
- a) Financial records and related data
 - b) Minutes of the meetings of the Board of Governor's or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 4) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 5) There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- 6) We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to the financial statements.
- 7) We are responsible for and have reviewed and approved the proposed adjustments, if any, to the trial balances identified during the audit, which are included in the attached summarized schedule of posted adjustments and will post all adjustments accordingly.
- 8) We have reviewed, approved, and are responsible for the overseeing the preparation and completion of the basic financial statement and related notes.
- 9) We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.
- 10) We have no knowledge of any fraud or suspected fraud affecting the entity involving:
- a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 11) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
- 12) We have a process to track the status of audit findings and recommendations.
- 13) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 14) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- 15) We have identified for you all of our funds of the organization.
- 16) We have properly classified all funds and activities.
- 17) The College has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 18) The following, if any, have been properly recorded or disclosed in the financial statements:
- a) Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.

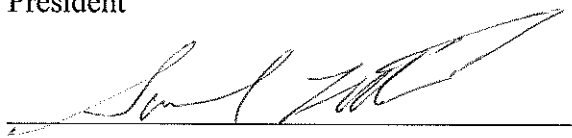
- b) Guarantees, whether written or oral, under which the University is contingently liable.
 - c) All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates and measurements. We believe the estimates and measurements are reasonable in the circumstances.
 - d) Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
 - e) Line of credit or similar arrangements.
 - f) Agreements to repurchase assets previously sold.
 - g) Security agreements in effect under the Uniform Commercial Code.
 - h) Any other liens or encumbrances on assets or revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - i) The fair value of investments.
 - j) Amounts of contractual obligations for construction and purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - k) Any liabilities which are subordinated in any way to any other actual or possible liabilities.
 - l) Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - m) Debt issue provisions.
 - n) All leases and material amounts of rental obligations under long-term leases.
 - o) All significant estimates and material concentrations known to management which are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, Disclosure of Certain Significant Risks and Uncertainties. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - p) Authorized but unissued bonds and/or notes.
 - q) Risk financing activities.
 - r) Derivative financial instruments.
 - s) Special and extraordinary items.
 - t) Deposits and investment securities category of custodial credit risk.
 - u) Component units which are required to be disclosed in accordance with GASB Statement No. 39, Determining Whether Certain Organizations Are Component Units, or GASB Statement No. 14, The Financial Reporting Entity.
- 19) We are responsible for making the accounting estimates included in the financial statements. Those estimates reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and course of action we expect to take. In regard, adequate provisions have been made,
- a) To reduce receivables to their estimated net collectable amounts.
 - b) To reduce obsolete, damaged, or excess inventories to their estimated net realizable values.

- c) To reduce investments, intangibles, and other assets which have permanently declined in value to their realizable values.
 - d) For risk retention, including uninsured losses or loss retentions (deductibles) attributable to events occurring through the date of this letter and/or for expected retroactive insurance premium adjustments applicable to periods through the date of this letter.
 - e) For pension obligations, post-retirement benefits other than pensions and deferred compensation agreements attributable to employee services rendered through the date of this letter.
 - f) For any material loss to be sustained in the fulfillment of, or from the inability to fulfill, any service commitments.
 - g) For any material loss to be sustained as a result of purchase commitments.
 - h) For environmental cleanup obligations.
- 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- 21) There are no—
- a) Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
 - b) Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with generally accepted accounting principles.
 - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by generally accepted accounting principles.
- 22) The College has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 23) The College has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 24) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- 25) Components of net assets (invested in capital assets, net of related debt; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
- 26) Investments, derivative transactions, and land and other real estate held by endowments are properly valued.
- 27) Provisions for uncollectible receivables have been properly identified and recorded.
- 28) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

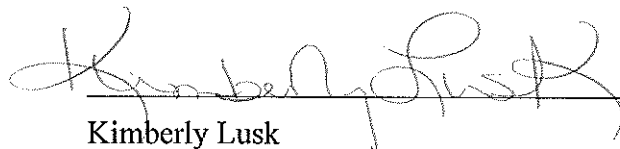
- 29) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 30) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 31) Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.
- 32) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 33) Required supplementary information is properly measured and presented.
- 34) We have appropriately disclosed the College's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
- 35) We have evaluated the College's ability to continue as a going concern and have included appropriate disclosures, as necessary, in the financial statements.
- 36) We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Joanne Jaeger Tomblin
President



Samuel Litteral
Chief Financial Officer



Kimberly Lusk
Associate Controller

Governing Board
Southern West Virginia Community and Technical College
Mt. Gay, West Virginia

In planning and performing our audit of the financial statements of Southern West Virginia Community and Technical College (the College) as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards* issued by the Comptroller General of the United States, we considered the College's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

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 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

* * * * *

The following are other comments and recommendations determined not to be a material weakness or significant deficiency, but are considered comments worthy of reporting to management.

Cash Receipt Procedures

During testing of revenue transactions it was noted that receipts are not being deposited in a timely manner. Of the twenty-five revenue transactions tested, there were four instances in which cash was not deposited within one business day of receipt.

We recommend that management review cash receipt procedures with staff to ensure that cash is deposited timely and in accordance with College policies and procedures.

Other Accounts Receivable

The original supporting schedules we were provided for audit for certain other accounts receivable balances did not agree to the general ledger.

We recommend that management ensure that all supporting schedules reconcile to the general ledger balances prior to audit procedures being performed.

Schedule of Expenditures of Federal Awards

During testing it was noted that federal revenue per the general ledger did not agree to the Schedule of Expenditures of Federal Awards (SEFA). This was due to the improper coding of federal revenue and pass through revenue as State funding rather than Federal funding.

We recommend that management carefully review all grant awards to determine whether they are Federal or State grants. Furthermore, management should ensure amounts reported on the SEFA reconcile to the general ledger.

Physical Inventory of Capital Assets and Maintenance of Capital Assets Records

Our capital asset observation revealed that there are assets with missing tags and assets with a physical location that does not agree to the item location on the capital asset listing. We believe that this indicates the need for a complete physical inventory of capital assets, which will be the best and most efficient method for developing an accurate listing of all capital assets. Additionally, this will allow the College to develop procedures whereby the capital asset listing is reconciled to the general ledger, which will ensure an accurate accounting for assets. Specifically, the listing should include the following data:

- Asset or tag number
- Description of the asset
- Location of the asset
- Cost, voucher number, and vendor name
- Date placed in service
- Estimated useful life

- Depreciation method
- Depreciation expense and accumulated depreciation for the year
- Date asset was retired and selling price if applicable

Complete information such as the above on all capital assets would provide excellent control for the safeguarding of these assets, which are a significant cost. We understand that the College is in the process of implementing a new fixed asset inventory system although the system was not fully implemented during the period under audit. We recommend that the College continue their efforts to implement the new system.

Computerization of Capital Asset System

Currently, manual records are kept for all capital assets. We strongly recommend the College convert to a computerized system designed to accumulate asset cost and calculate depreciation expense. There is currently a capital asset module within the Banner accounting system which the College has purchased.

We recommend that the College implement Banner capital assets which would eliminate a significant amount of manual record-keeping duties, make operations more efficient, and provide more accurate information with which to make business decisions regarding capital assets.

Leave and Expense Reports

During testing of the leave and expense reports submitted by the President we found that the College's current procedures do not require approval for such reports. While it appears all amounts are reasonable and recorded properly, the lack of review presents a control risk.

We recommend that the President's leave and expense reports be reviewed by another individual, perhaps a board member. Additional verification of facts could assist in preventing common errors, and improve the overall accuracy and integrity of the record keeping process.

Information Systems Controls

During a review of the College's information systems policies and procedures the following areas were noted where controls could be strengthened.

Disaster Recovery Plan

The College revised its Disaster Recovery Plan (DRP) during fiscal year 2011, but the plan has not been fully implemented at June 30, 2011. Lack of a fully implemented DRP increases the risk of the College being unable to recover if a disaster event occurred when key Information Technology personnel are not available.

We recommend the College fully implement the DRP in order to more fully protect their information technology systems.

* * * * *

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

Suttle & Stalnaker, PLLC
Suttle & Stalnaker, PLLC
Charleston, West Virginia
October 14, 2011

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for Approval of the Filing of the Audited Financial Report

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors accept the filing of the audited financial report for the fiscal year ended June 30, 2011.

STAFF MEMBER: Sam Litteral

BACKGROUND:

The accounting firm of Suttle and Stalnaker, PLLC, has conducted the financial audit for Southern West Virginia Community and Technical College for fiscal year ended June 30, 2011. Mr. Chris Deweese and Ms. Kelly Shafer, Suttle and Stalnaker Certified Public Accountants, will make a brief presentation regarding their findings. Copies of the financial statements are included with this agenda item.

The Governmental Accounting Standards Board (GASB) establishes standards for the presentation format for college and university standards' statements. This format places emphasis on the overall economic resources of the College. The statement format includes the Statement of Net Assets; Statements of Revenues, Expenses, and Changes in Net Assets; and the Statement of Cash Flows, all reported on a comparative basis with the prior year. The reporting format includes a narrative section called Management's Discussion and Analysis. This section is designed to provide an objective and readable analysis of financial activities based upon facts, decisions, and conditions known as the auditor's report.

**Southern West Virginia Community and Technical College
Board of Governors Meeting of October 13, 2011
The Resort at Glade Springs – Woodland Room 1 and 2
255 Resort Drive, Daniels, WV**

Board Members Present: Terry Sammons, Tom Heywood, Wilma Zigmond, George Kostas, Kevin Fowler, Debbie Dingess, Shelley Huffman, Jada Hunter, George Morrison, Adam Bradford

Board Members Absent: Linda Akers, Glenn Yost

Administrative Staff: President Joanne Jaeger Tomblin, Elizabeth Walker, General Counsel, Sam Litteral, Ronald Lemon, Allyn Sue Barker, Susan Askew, Pamela Alderman, Cindy McCoy, Darrell Taylor, Rita Roberson, David Lord, Bill Cook, Randy Skeens, Emma Baisden

1. Welcome and Call to Order:

Board of Governors Chair, Terry Sammons, declared a quorum was present and called the meeting of the Southern West Virginia Community and Technical College Board of Governors to order at 6:00 p.m.

2. Board of Governors and Administration Self-Assessment Report

Ms. Elizabeth Walker, Board Counsel, led the Board of Governors and administrators through the results of the 10th annual self-evaluation conducted on an aggregated and anonymous basis. Several concerns were expressed in the administrator evaluation results section pertaining to "Meetings of Administrators (Tab B, # 4)" and "Information Provided in Advance of Meetings (Tab B, # 10)." Scores have dropped and several dissentient opinions were stated. The Board of Governors opened the floor for discussion of the concerns expressed. No discussion ensued. The Board decided to appoint a committee to review the evaluation results of the past 10 years. The committee will be appointed at the December 13, 2011 meeting. Ms. Walker announced that she will be embarking on a new venture beginning January 2012 and will no longer be with the firm of Bowles, Rice, McDavid, Graff and Love.

3. President's Report:

1. President Tomblin introduced Ms. Susan Askew, Interim Chief Information Officer with SunGard Higher Education, to the Board. Ms. Askew replaced George Beshears.
2. President Tomblin announced that Cindy Crigger, Vice President for Communications, resigned her position effective October 14 and plans to relocate to Florida.
3. A second pre bid meeting was held for the Williamson Applied Technology Facility and approximately ten company representatives attended. The architects have revised the architectural drawings and believe they have it at cost without compromising the appearance of the facility. The project is moving forward.
4. Southern will submit an ATE grant for \$2,000,000 next week to the National Science Foundation to create a comprehensive academic program providing multiple career pathways within the coal mining industry. The proposed project will connect to the K-12 system by providing clear career pathways for students in both STEM and mining industry-specific course work. It will also provide for the creation of professional development centers for the Logan and Williamson Campuses.
5. The Technology Services team has accelerated the Active Directory/Exchange Migration Project with a target completion date of November 10, 2011. The project is approximately 30 percent complete.

6. Renovations are underway in the former Logan Campus TV Studio in order to relocate Technology Services. Sam Litteral has been working with Technology Services to design a workspace that will be both functional and decorative.
7. Ms. Pamela Alderman, Dean for Career and Technical Programs, is applying for a Medical Assisting grant through the WV Council for Community and Technical College Education. If funded, a Medical Assisting program will be offered at the Boone Campus.
8. The Higher Learning Commission Self-Study website has been activated and may be accessed on Southern's main web page. This Self-Study website will provide information to the college and community about the self-study progress as it progresses and culminates with the team visit by the Higher Learning Commission consultant-evaluators in April 2013.
9. President Tomblin gave accolades to Mr. Bill Cook, Director of Boone Campus Operations, for his efforts during the temporary closing of the Boone Campus in response to the Boone County Career and Technical Center after the facility tested positive for drug residue. The College leases space at the Career Center which is located in an adjacent building. Everything is now back to normal at the Boone Campus.
10. The Fall 2011 Headcount is 2,316 and Full-time Enrollment (FTE) is 1644.4. The Dual Credit program Headcount is 353 and FTE is 108. October 15 is the census date for enrollment reporting. President Tomblin expressed concern about Southern's enrollment figures. She stated that it would be challenging for the institution to stay on track with enrollment and we must begin online learning.
11. The Community College Survey of Student Engagement (CCSSE) selected Southern as one of ten colleges in the nation to be profiled for exemplary performance in high school to college transition.

4. **Assessment and Dual Credit Report**

Dr. Cindy McCoy, Dean for University Transfer Programs, distributed the 2011 Assessment Summary to members of the Board. According to the data from the Proficiency Profile, Southern students are failing to keep up with students around the country in math and critical thinking skills. Although the percentage differences are small, Southern's students are scoring lower than the national average in the comparison data. Southern's faculty members have evaluated the scores from each program and have determined that course content and program requirements must be changed to improve student success. Passage rates on national exams have always been high, and last year was no exception. Six programs received 100% passage rates, and the remaining programs ranked 70% or above. Dr. McCoy stated that a comparison of last year's Assessment score's with this year's scores show very little change. There was a small improvement in the Critical Thinking, Humanities and Natural Science scores, with a decrease in the Reading and Math, and no change in the Social Science area. Mr. Tom Heywood suggested setting specific goals and objectives which can be measured. Dr. McCoy will take Mr. Heywood's suggestion back to the Assessment Committee.

5. **Financial Report**

Chief Financial Officer, Sam Litteral, provided the financial report dated September 30, 2011 to Board members. He reviewed restricted, unrestricted, and auxiliary revenues and expenditures. He informed Board members that utilities continue to rise and take a large portion of the institutional budget. The Classified Staff Salary Schedule must be fully funded by 2016. Mr. Litteral informed the group that Southern's financial audit has been completed and it will be presented to the Board at its December 13, 2011 meeting.

6. Action Items:

6.1 Appointment of Committee on Tuition and Fees

Chair Sammons appointed a committee to prepare a proposal for tuition and fee increases for FY 2012-2013. The committee will bring a recommendation forward for the Board's review and consideration at its February 21, 2012 meeting. Senate Bill 330 will make it more difficult to receive approval for a tuition increase of more than 5 percent. Members appointed include Terry Sammons, Tom Heywood, Adam Bradford, Joanne Tomblin, Sam Litteral, Allyn Sue Barker, and George Morrison. Mr. Heywood will serve as committee chair. Upon a motion by Shelley Huffman and second by Wilma Zigmond, the Board unanimously approved the Committee appointments.

6.2 Approval of August 16, 2011, Minutes

MOTION: Shelley Huffman moved to accept the meeting minutes as presented.

ACTION: Wilma Zigmond seconded the motion. The motion carried unanimously.

6.3 Review and Approval of Institutional Mission Statement, Vision Statement, and Core Values

MOTION: Shelley Huffman moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors reaffirm its approval of the Institutional Mission Statement, Vision Statement, and Core Values.

ACTION: Kevin Fowler seconded the motion. The motion carried unanimously.

6.4 Final Approval of Proposed Policies

6.4.1 SCP-1735, Solicitation Policy

MOTION: Tom Heywood moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-1735, *Solicitation Policy*, following the required 30-day public comment period.

ACTION: Kevin Fowler seconded the motion. The motion carried unanimously.

6.4.2 SCP-2000, Elimination of Faculty Positions Due to Program Reduction or Elimination

MOTION: Kevin Fowler moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-2000, *Elimination of Faculty Positions Due to Program Reduction or Elimination*, following the required 30-day public comment period.

ACTION: Jada Hunter seconded the motion. The motion carried unanimously.

6.4.3 SCP-4000, Basic Guidelines and Standards for Admissions

MOTION: Tom Heywood moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-4000, *Basic Guidelines and Standards for Admissions*, following the required 30-day public comment period.

ACTION: Shelley Huffman seconded the motion. The motion carried unanimously.

6.4.4 SCP-4192, Administrative Withdrawal of Students

MOTION: Adam Bradford moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-4192, *Administrative Withdrawal of Students*, following the required 30-day public comment period.

ACTION: Jada Hunter seconded the motion. The motion carried unanimously.

6.4.5 SCP-5260, Meeting Financial Exigencies

MOTION: Kevin Fowler moved the adoption of the following resolution:

RESOLVED, That the Southern West Virginia Community and Technical College Board of Governors grant final approval of SCP-5260, *Meeting Financial Exigencies*, following the required 30-day public comment period.

ACTION: George Kostas seconded the motion. The motion carried unanimously.

7. Executive Session:

Tom Heywood moved that the Southern West Virginia Community and Technical College Board of Governors enter an Executive Session pursuant to West Virginia Code §6-9A-4(b) to discuss personnel and management issues. George Kostas seconded the motion which carried unanimously, and the Board thereupon met in an executive session. At the conclusion of discussions, Jada Hunter moved and Kevin Fowler seconded the motion that the Board of Governors rise from the executive session and reconvene in an open session.

Further Action:

Based upon discussions in the executive session, the Board reconvened in an open session and the following action was taken:

1. Approximately one year ago, President Tomblin reported to the Board of Governors the need to fill the

vacancies created by the retirement of Executive Vice President, Merle Dempsey, and the resignation of Vice President for Academic Affairs, Cathy Smith-Cox. President Tomblin chose to create a Provost position to fill the void. The Board affirmed President Tomblin's decision. It is now time to move forward with a national search to fill the Provost/academic leadership position. The Board authorized President Tomblin to retain the services of the Association of Community College Trustees to assist with the search and take all actions necessary to carry out this charge.

2. Chairman, Terry Sammons, announced that the Board of Governors welcomed the news and wholeheartedly endorsed the exciting opportunity for President Tomblin, Allyn Sue Barker and Carl Baisden to travel with the West Virginia Development Office to Beijing and Shanghai, China to participate in the China Coal and Mining Expo, tour a Chinese mining academy, and meet with officials of China University of Mining Technology. The trip is scheduled for October 24 through November 2, 2011.

8. **Adjournment:**

There being no further business, Chair Sammons declared the meeting adjourned at 8:00 p.m. upon a motion by Shelley Huffman and seconded by Jada Hunter. The next Board of Governors meeting is scheduled for December 13, 2011 and will be held at the Governor's Mansion in Charleston, WV.

Terry R. Sammons, Chair

Emma L. Baisden
Assistant to the Board of Governors

DRAFT

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for approval of revisions to SCP-2218, *Evaluation Process for Full-time Faculty*.

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-2218, *Evaluation Process for Full-time Faculty*, to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.

STAFF MEMBER: Sam Litteral

BACKGROUND:

The Finance Unit, working in conjunction with the Director of Human Resources, the Academic Deans, the Academic Affairs Management Council, and the Faculty Senate reviewed SCP-2218 and propose moderate changes to the policy.

Revisions to SCP-2218, *Evaluation Process for Full-time Faculty*, reflect a moderate level of changes. Revisions reflect requirement for annual evaluations of full time faculty per West Virginia Council for Community and Technical College Education's policy Series 9; revisions were made to reflect current titles; and revisions indicate an emphasis on advising separate from classroom teaching performance. Titles of forms were modified to reflect a more collaborative approach to faculty evaluation. The policy format was modified by using the new format and moving policy statements to the appropriate sections. The revised policy was reviewed by Executive Council during its November 2011 meeting. Therefore, the staff recommends that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for a 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2218**

SUBJECT: Evaluation ~~Process for~~ of Full-time Faculty

REFERENCE: Title 135, Procedural Rule, West Virginia Council for Community and Technical College Education, Series 9

ORIGINATION: August 17, 1984

EFFECTIVE: August 17, 1984

REVIEWED: November 2011

SECTION 1. PURPOSE

1.1 To ~~establish guidelines~~ communicate policy for the evaluation of full-time faculty ~~which establishes criteria and process by which faculty accomplishment may be planned, measured and maintained to improve performance and fulfil the mission of the academic department and institution.~~

SECTION 2. SCOPE AND APPLICABILITY

2.1 This policy applies to all full-time faculty of Southern West Virginia Community and Technical College.

SECTION 3. DEFINITIONS

3.1 ~~A~~ Ffull-time Ffaculty member is ~~A~~an individual employed on a full-time year-to-year basis ~~designated as faculty who holds academic rank and is assigned a full-time workload per institutional guidelines.~~

SECTION 4. POLICY

4.1 Full-time faculty shall receive an annual evaluation summary ~~from their department chair prior to the end of each spring semester term. Faculty shall be given a written summary as well as an evaluation conference to discuss the summary.~~

4.2 All full-time faculty shall be evaluated annually on classroom teaching performance, and advising, and student relations. Evaluation of classroom performance shall be based upon in classroom visits ~~which shall occur at a frequency determined by the rank or years of experience of the faculty and other appropriate observations.~~

4.2.1 Newly hired faculty ~~shall~~ should have a classroom visitation at least once per semester for their first three years.

4.2.2 Faculty at the rank of instructor or assistant professor with three to five years of service shall have a classroom visitation at least once per year.

4.2.3 Faculty at the rank of associate professor with fewer than ten years of service shall have a classroom visitation at least once every other year.

- ~~4.2.4~~ Faculty at the rank of instructor or assistant professor with at least five but fewer than ten years of service shall have a classroom visitation at least once every other year.
 - ~~4.2.5~~ Faculty at the rank of professor shall have a classroom visitation at least once every three years.
 - ~~4.2.6~~ Faculty at any rank with ten or more years of service shall have a classroom visitation at least once every three years.
 - 4.2.7 Faculty may request that visitations be performed on a more frequent schedule.
 - 4.2.8 Department Chairs may conduct classroom visitations more often than annually if necessary.
- 4.3 In addition to annual evaluation on teaching performance, advising, and student relations, full-time faculty shall be evaluated on at least three of the following categories as chosen by the faculty member and department chair:
- 4.3.1 Instructional and curriculum development.
 - 4.3.2 Professional growth.
 - 4.3.3 Service to the College.
 - 4.3.4 Service to the profession.
 - 4.3.5 Service to the community.
 - 4.3.6 Research and publication.

SECTION 5. BACKGROUND OR EXCLUSIONS

- 5.1 None.

SECTION 6. GENERAL PROVISIONS

- 6.1 Time Line
 - 6.1.1 ~~September 15~~ October 1 – Faculty submit a ~~Goals and Priorities form~~ the Evaluation Planning Document to the ~~Division~~ Department Chair.
 - 6.1.2 March 15 – Faculty ~~members will~~ submit ~~Self Evaluation forms~~ to the ~~Division~~ Department Chair.
 - 6.1.3 ~~April 15 – May 15 – Division~~ March 15 - May 15 - ~~Department~~ chairs schedule meetings with faculty ~~members~~ for evaluation conference and distribution of evaluation summary.
 - 6.1.4 May 15 - Department Chair submits completed evaluations to the appropriate academic dean.
 - 6.1.5 June 30 - Deans submit evaluations to Human Resources for inclusion in faculty personnel file.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 It shall be the responsibility of the faculty member to submit ~~Goals and Priorities~~ Evaluation Planning Documents and Self Evaluation Forms ~~at the appropriate times~~ consistent with the prescribed time line.
- 7.1 It shall be the responsibility of the ~~division~~ department chair to schedule planning meetings, classroom visits and evaluation conferences consistent with the ~~the~~ prescribed time line.
- 7.2 ~~Division~~ Department chairs shall be evaluated by their respective Dean ~~Vice President for Academic Affairs~~ in a manner consistent with faculty evaluation by ~~division~~ department chairs. This evaluation shall be for the ~~division~~ department chairs' faculty responsibilities and shall not include the chairs' administrative responsibilities.
- 7.3 The chair's administrative responsibilities will be evaluated annually by the appropriate dean according to

the time line established in this policy and the administrative performance management program of the institution.

SECTION 8. CANCELLATION

8.1 None.

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: SCP-2218.A, ~~Supervisor’s~~ Faculty Evaluation of Faculty Member Forms

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: April 2006 — Revisions reflect changes to the evaluation policy to better serve the needs of the institution.

November 2011 - Revisions to SCP-2218, *Evaluation Process for Full-time Faculty*, reflect a moderate level of changes. Revisions reflect requirement for annual evaluations of full time faculty per West Virginia Council for Community and Technical College Education’s policy Series 9; revisions were made to reflect current titles; and revisions indicate an emphasis on advising separate from classroom teaching performance. Titles of forms were modified to reflect a more collaborative approach to faculty evaluation. The policy format was modified by using the new format and moving policy statements to the appropriate sections.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2218.A**

Goals and Priorities for the Academic Year Evaluation Planning Document

(Due by October 1)

Name: _____

In addition to evaluation on “classroom teaching performance” and “advising and student relations,” faculty members and chairs will use this form to plan the three “additional criteria” on which faculty members will be evaluated at the end of the academic year.

The purpose of this form is to assist faculty members and chairpersons in establishing the agreeing on which major responsibilities a faculty member expects to undertake during the coming academic year. This form should be completed and sent to the division department chair by September 15 October 1st of each academic year. The three categories shown selected on this form are the “additional criteria” categories in on which faculty members will be evaluated at the end of the academic year, and in which they will be evaluated for promotion and tenure.

The faculty member may choose to write “normal performance” for a particular category. If a special project or activity is planned, a description should be provided under that category.

~~1. Classroom performance and advising.~~

1. ~~2.~~ Instructional and curriculum development.

2. ~~3.~~ Professional growth.

3. ~~4.~~ Service to the College.

4 ~~5.~~ Service to the profession

5. ~~6.~~ Service to the community.

6. ~~7.~~ Research and publication.

Faculty Signature: _____ Date: _____

~~Division~~ Department Chair Signature: _____ Date: _____

Faculty Self-Evaluation Form
(Due by March 15)

Name: _____

The purpose of this form is to provide ~~division~~ department chairpersons with information that will assist them in preparing yearly evaluations of faculty members. Faculty members should list ~~any~~ significant accomplishments in categories 1 and 2. Also, list accomplishments in the three “additional criteria” designated in the Faculty Planning Document prepared at the beginning of the academic year. ~~the following categories that might not be obvious to the chairperson.~~ Attach additional pages if needed.

1. Classroom teaching performance ~~and advising.~~

2. Advising and student relations.

3.2 Instructional and curriculum development.

4. 3. Professional growth.

5.4. Service to the College.

6.5.: Service to the profession.

7.6. Service to the community.

8.7. Research and publication.

Faculty Signature: _____

Date: _____

Supervisor's Faculty Evaluation of Faculty Member Form
(Due by May 15)

Name	Position
Campus/ Division <u>Department</u>	<u>Academic Year</u> Supervisor

A. Classroom Teaching Performance and ~~Advising~~

Course Number(s) _____ Date(s) of Visits _____

The following are criteria that may be considered by the chairperson:

1. Exhibits instructional organization.
2. Facilitates learning as a lecturer, discussion leader, demonstrator, or guide.
3. Makes clear assignments.
4. Stimulates students intellectually.
5. Supplements the course texts with a variety of materials and information.
6. ~~Demonstrates an interest in students as individuals through academic advising and other informal meetings.~~
7. Encourages students to participate in class discussions.
8. ~~Makes effective use of office hours.~~
9. Pursues all reasonable means of assisting students with special needs.
10. Adheres to course objectives as stated in course syllabus
11. ~~Shows an interest in campus life and student activities.~~

B. Advising and Student Relations

Chairs will provide written comments on the effectiveness of the faculty member's advising, interest in student activities, effective use of office hours, etc.

C. In addition to the evaluation criteria herein described, faculty members whose teaching loads consist all or in part of web classes will receive a written evaluation of the effectiveness of their on-line instructional performance.

D. Additional Criteria

The chairperson will evaluate the faculty member in ~~at least three of the following~~ categories agreed upon in the Evaluation Planning Document:

1. Instructional and curriculum development.
2. Professional growth.
3. Service to the College
4. Service to the profession.
5. Service to the community.
6. Research and publication.

Employee Response to Summary

NAME	Position
Campus/Divison <u>Department</u>	Supervisor

The purpose of this form is to provide the employee being evaluated an opportunity to respond to statements made ~~on other parts of~~ in the evaluation.

Employee Response:

Signature of Employee Date

I do not care to respond to the evaluation.

Signature of Employee Date

Received: _____ Date: _____

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for approval of revisions to SCP-2250, *Hiring Adjunct Faculty*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-2250, *Hiring Adjunct Faculty*, to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.

STAFF MEMBER: Sam Litteral

BACKGROUND:

The Finance Unit, working in conjunction with the Director of Human Resources, the Academic Deans and the Academic Affairs Management Council reviewed SCP-2250 and propose minor changes to the policy.

Revisions to SCP-2250, *Hiring Adjunct Faculty*, reflect no substantial changes. Revisions reflect current practices and titles. The policy was formatted into the new policy template. The revised policy was reviewed by Executive Council during its November 2011 meeting. Therefore, the staff recommends that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for a 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2250**

SUBJECT: Hiring Adjunct Faculty

REFERENCE: West Virginia Council for Community and Technical College Education, Title 135, Series 9, *Academic Freedom, Professional Responsibility, Promotion and Tenure*, West Virginia Code 18-7A-35b (e), SCP-2580, *Part-time Employees: Classified Staff and Adjunct Faculty*

ORIGINATION: November 1, 1984

EFFECTIVE: November 1, 1984

REVIEWED: ~~January 5, 2007~~ November 21, 2011

SECTION 1. PURPOSE

1.1 To establish rules ~~a procedure~~ for hiring part time (adjunct) faculty.

SECTION 2. SCOPE AND APPLICABILITY

2.1 This policy applies to all academic supervisory personnel in employing part-time (adjunct) faculty.

SECTION 3. DEFINITIONS

3.1 Adjunct faculty are defined in SCP-2580 as part-time, non-tenure track faculty who do not meet the definition of full-time, temporary, or term appointment faculty as defined in Title 135 Procedural Rule, West Virginia Council for Community and Technical College Education, Series 9, *Academic Freedom, Professional Responsibility, Promotion and Tenure*.

SECTION 4. POLICY

4.1 The assignment of adjunct faculty members shall be made by the ~~Division~~ Department Chairs subject to review and approval by the ~~Vice President for~~ Chief Academic Affairs Officer. All adjunct faculty shall be selected through a systematic process designed to employ the most qualified person while adhering to affirmative action and minimum qualification guidelines.

4.2 Adjunct faculty shall be used to supplement, not supplant, a full-time instructional staff.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 None.

SECTION 6. GENERAL PROVISIONS

6.1 Adjunct faculty may teach a maximum of nine (9) credit hours per semester.

6.2 "Early Incentive Retirees" (retired between 4/1/88 and 6/30/89) from the ~~WV~~ West Virginia Consolidated

Public Retirement Board Programs may teach a maximum of twelve (12) credit hours per semester without temporary loss of retirement benefits. This provision is provided in ~~WV~~ West Virginia Code for only adjunct instructors at Southern West Virginia Community and Technical College and West Virginia Northern Community and Technical College. The statute does not apply to any other retirees.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

- 7.1 The following steps are required for the selection and assignment of adjunct faculty:
- 7.1.1 The ~~Vice President for~~ Chief Academic Affairs Officer, working with the appropriate ~~Division~~ Department Chair shall determine if full-time faculty and instructional staff are being fully utilized prior to hiring adjunct faculty to teach any specific course(s).
 - 7.1.2 If the full-time faculty member is not available, then the ~~Vice President for~~ Chief Academic Affairs Officer, working with the ~~Division~~ Department Chair, shall solicit applications, using prescribed guidelines as to affirmative action and pre-established minimum qualifications.
 - 7.1.3 Upon receiving the applications, the Human Resources Office shall forward these to the ~~Vice President for~~ Chief Academic Affairs Officer and the ~~Division~~ Chairs who shall confer with the ~~Vice President for Academic Affairs~~ appropriate Department Chair to select the person(s) best qualified to instruct the course(s).
 - 7.1.4 An ~~letter of assignment~~ adjunct faculty agreement shall be developed and given to the adjunct faculty member by the ~~Division~~ Department Chair. Conditions relative to the number of class meetings required, dates, and remuneration and pay frequency shall be ~~explained in the letter~~ specified in the agreement. Signed copies shall be retained in the adjunct faculty member's file, located in the Human Resources Office.
 - 7.1.5 ~~Division~~ Department Chairpersons shall be responsible for having the instructor complete the Personnel Data Sheet (PDS), the I-9 Employment Verification form, and the IRS Personal Withholding Certificate (W-4 Form) which shall become part of the adjunct faculty member's file. The Department Chairperson is responsible for ensuring all forms and documents are completed in accordance with applicable rules, regulations, and laws.
 - 7.1.6 The standard rate of pay for adjunct faculty shall be consistent for all adjunct faculty.
 - 7.1.7 This rate shall be based on the assumption that the instructor will meet all sessions of the assigned class during the semester of employment.
 - 7.1.8 Exceptions to the standard rate of pay are:
 - 7.1.8.1 Reduction in salary for class sessions canceled because of instructors absence.
 - 7.1.8.2 Reduction in salary for courses that do not meet enrollment standards.
 - 7.1.8.3 Reduction in salary for not meeting the terms of the ~~letter of assignment~~ adjunct faculty agreement.
 - 7.1.8.4 Increase in salary if extenuating circumstance's warrant (e.g., excessive travel).

- 7.1.9 The ~~Vice President for Chief Academic Affairs Officer~~ shall adjudicate salary rates.
- 7.1.10 ~~Division Department~~ Chairpersons shall (1) collect PDS's for all adjunct faculty, (2) collect IRS Withholding Certificates, (3) collect ~~copies of the letters of assignment original adjunct faculty agreements~~ and insure their completeness, ~~(4) transmit accompanying memoranda of rate of pay for each person,~~ (5) complete adjunct faculty payroll cover sheets, and (6) forward completed forms to the Human Resources Office. These data must be received no later than two weeks following the first day of classes. The ~~Vice President for Chief Academic Affairs Officer~~ will approve and sign all adjunct ~~contracts~~ faculty agreements.
- 7.1.11 The ~~Human Resources Administrator~~ Chief Human Resources Officer shall direct the Payroll Representative to use the information provided to generate the adjunct payroll.
- 7.1.12 ~~When the payroll is received, the Business Offices at each location shall release the final check to each adjunct faculty member only after (1) he/she returns all borrowed materials to the Division Department Chair, and (2) he/she submits all final grade sheets to the appropriate office. The business office will then be notified to release the payroll check.~~

SECTION 8. CANCELLATION

8.1 None.

SECTION 9. REVIEW STATEMENT

9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair Date

President Date

Attachments: None

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: Policy Reviewed January 5, 2007
November 2011 - Policy reviewed and updated to reflect current practices and titles.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for approval of revisions to SCP-2375, *Home Campus Assignment and Campus Requirements for Faculty*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-2375, *Home Campus Assignment and Campus Requirements for Faculty*, to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.

STAFF MEMBER: Sam Litteral

BACKGROUND:

The Finance Unit, working in conjunction with the Director of Human Resources, the Academic Deans and the Academic Affairs Management Council reviewed SCP-2375 and propose minor changes to the policy.

Revisions to SCP-2375, *Home Campus Assignment and Campus Requirements for Faculty*, reflect no substantial changes. Revisions reflect current practices and titles. The policy format was modified by moving policy statements to the appropriate section. The revised policy was reviewed by Executive Council during its November 2011 meeting. Therefore, the staff recommends that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for a 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-2375**

SUBJECT: Home Campus Assignment and Campus Requirements for Faculty

REFERENCE: None

ORIGINATION: July 1, 1985

EFFECTIVE: July 1, 1985

REVIEWED: November 21, 2011

SECTION 1. PURPOSE

1.1 To establish and communicate policy regarding assignments to teaching locations.

SECTION 2. SCOPE AND APPLICABILITY

2.1 All faculty employees.

SECTION 3. DEFINITIONS

3.1 None

SECTION 4. POLICY

4.1 Faculty members will have a home campus designated for purposes of regular office space, mail delivery, the payroll, etc. However, faculty members may be assigned teaching responsibilities at one or more locations where courses are offered. The home campus assignment will be based upon institutional needs for the position.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 None

SECTION 6. GENERAL PROVISIONS

6.1 ~~None~~ A faculty member shall be assigned to one campus as the home campus, where the majority of his/her teaching load takes place.

6.2 A faculty member shall not be reimbursed for travel between his/her home campus and place of residence.

6.3 A faculty member may be required to teach on one or more campus locations.

6.4 A faculty member with a multi campus teaching assignment will be reimbursed for travel in his/her personal car when the state vehicle is unavailable. Reimbursement will be in compliance with travel regulations.

- 6.5 A faculty member with a multi campus teaching assignment may deduct the travel time between campuses each week from his/her weekly office hours for up to a maximum of three hours per week.
- 6.6 Consideration shall be given to traveling faculty when committee assignments are being made.
- 6.7 ~~Requirements and Conditions Related to Travel~~ - A faculty member may be required to travel between campuses when a full-time load does not exist on one campus and multi-location responsibilities are necessary.
- 6.8 Whenever possible, a faculty member shall be made aware of the probability of multi-location responsibilities prior to the beginning of the contract year. However, when lack of enrollment for a particular term is the cause for the multi campus assignment, prior notice will not be possible.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

7.1 Policy Statement

- 7.1.1 ~~A faculty member shall be assigned to one campus as the home campus where the majority of his/her teaching load takes place.~~ The Vice President for Chief Academic Affairs Officer in consultation with the Division Department Chairs will make this all faculty home campus determinations in accordance with this policy and the academic needs of the institution.
- 7.1.2 ~~A faculty member shall not be reimbursed for travel between his/her home campus and place of residence.~~
- 7.1.3 ~~A faculty member may be required to teach on one or more campus locations.~~
- 7.1.4 ~~A faculty member with a multi campus teaching assignment will be reimbursed for travel in his/her personal car when the state vehicle is unavailable.~~
- 7.1.5 ~~A faculty member with a multi campus teaching assignment may deduct the travel time between campuses each week from his/her weekly office hours for a maximum of three hours per week.~~
- 7.1.6 ~~Consideration shall be given to traveling faculty when committee assignments are being made.~~
- 7.2 ~~Requirements and Conditions Related to Travel~~ - ~~A faculty member may be required to travel between campuses when a full-time load does not exist on one campus and multi-location responsibilities are necessary.~~
- 7.3 ~~Whenever possible, a faculty member shall be made aware of the probability of multi-location responsibilities prior to the beginning of the contract year.~~

SECTION 8. CANCELLATION

- 8.1 None

SECTION 9. REVIEW STATEMENT

- 9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the

President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments: None

Distribution: Board of Governors (12 members)
 www.southernwv.edu

Revision Notes: December 8, 2005 — Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in the language of this policy.

November 2011 - Policy reviewed for currency with minor changes made.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for approval of revisions to SCP-3100, *Full-time Faculty Responsibilities for Academic Advising of Students*

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-3100, *Full-time Faculty Responsibilities for Academic Advising of Students*, to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.

STAFF MEMBER: Pamela Alderman

BACKGROUND:

Academic Affairs has been charged with the review of several academic policies for the 2011-2012 academic year. The Academic Affairs Management Council reviewed SCP-3100 and proposed minor changes to the policy.

Revisions to SCP-3100, *Full-time Faculty Responsibilities for Academic Advising of Students*, reflect no substantial changes in procedure or documentation requirements. Revisions reflect changes in management responsibility and the policy was formatted into the new policy template. The revised policy was reviewed by Executive Council. Therefore, the staff recommends that the Board of Governors advance this policy to Southern's constituents and the Chancellor for Community and Technical College Education for a 30-day public comment period.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
SCP-3100**

SUBJECT: Full-time Faculty Responsibilities for Academic Advising of Students

REFERENCE: None

ORIGINATION: April 15, 1985

EFFECTIVE: April 18, 1985

REVIEWED: September 12, 2011

SECTION 1. PURPOSE

1.1 To communicate full-time faculty responsibility for student academic advising.

SECTION 2. SCOPE AND APPLICABILITY

2.1 All full-time faculty members.

SECTION 3. DEFINITIONS

3.1 ~~None.~~ Academic advising includes but is not limited to the following: educational plan development and revision, career counseling, student schedule construction and adjustment, and assistance with placement testing.

SECTION 4. POLICY

4.1 All full-time faculty members shall participate in the academic advising program.

SECTION 5. BACKGROUND OR EXCLUSIONS

5.1 Newly hired full-time faculty should be exempt from advising responsibilities during ~~the their first semester~~ academic term of employment. The ~~Division Department Chairperson/Dean of Allied Health~~ or designee will determine the timetable and method by which the new faculty members are acclimated to the academic advising process.

SECTION 6. GENERAL PROVISIONS

6.1 None.

SECTION 7. RESPONSIBILITIES AND PROCEDURES

7.1 The advising system shall be the responsibility of the ~~Vice President for Academic Affairs~~ Deans for Career and Technical Programs and University Transfer Programs or designees.

- 7.2 Faculty members shall be assigned advising duties by the ~~Division Chairperson/Dean of Allied Health~~ Department Chairperson or designee.
- 7.3 An adequate number of full-time faculty shall be available for academic advising of students during scheduled office hours throughout ~~the semester~~ each academic term and during regular registration periods prior to the beginning of ~~the semester~~ each academic term. The ~~Division~~ Department ~~Chairperson/Dean of Allied Health~~ or designee will assign full-time faculty to ~~schedule time~~ duties during general registration for academic advisement of students.
- 7.4 The ~~Division~~ Department ~~Chairperson/Dean of Allied Health~~ or designee has the responsibility to see that faculty members within the division comply with this policy.

SECTION 8. CANCELLATION

- 8.1 None.

SECTION 9. REVIEW STATEMENT

- 9.1 This policy shall be reviewed on a regular basis with a time frame for review to be determined by the President or the President’s designee. Upon such review, the President or President’s designee may recommend to the Board that the policy be amended or repealed.

SECTION 10. SIGNATURES

Board of Governors Chair Date

President Date

Attachments: None

Distribution: Board of Governors (12 members)
www.southernwv.edu

Revision Notes: September 2011 — Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect changes in management responsibilities. The policy was formatted into the new policy template.

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE
BOARD OF GOVERNORS
MEETING OF DECEMBER 13, 2011**

ITEM: Request for approval of the cancellation of SCP-3551,
Meeting Scheduled Classes

RECOMMENDED RESOLUTION: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors grant approval for the distribution of SCP-3551, *Meeting Scheduled Classes*, to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period with the recommendation for rescission of the existing policy and conversion to unit procedures.

STAFF MEMBER: Pamela L. Alderman

BACKGROUND:

Academic Affairs has been charged with the review of several academic policies for the 2011-2012 academic year. SCP-3551, *Meeting Scheduled Classes*, has been reviewed by the Academic Affairs Management Council and the group determined that the policy is, in fact, a procedure.

As a result of this review, the Academic Affairs Management Council proposes the policy be rescinded and reconstructed as a procedure in the Academic Affairs Procedures Manual. This request was reviewed by Executive Council. Based on the deliberations of these groups, the staff recommends this policy for advancement to Southern's constituencies and the Chancellor for Community and Technical College Education for a 30-day public comment period.



**S O U T H E R N W E S T V I R G I N I A
C O M M U N I T Y A N D T E C H N I C A L C O L L E G E
B O A R D O F G O V E R N O R S**

Number:	SCP-3551
Origination:	January 1, 1985
Effective:	January 1985
Reviewed:	January 5, 2007

SUBJECT: Meeting Scheduled Classes

REFERENCE: SCP-1435, *Inclement Weather and Emergency Situation Policy*

1. PURPOSE

To establish institutional policy on meeting scheduled classes.

2. SCOPE AND APPLICABILITY

This policy applies to all classes scheduled through Southern West Virginia Community and Technical College.

3. DEFINITIONS

None.

4. POLICY

Faculty, lab managers, and adjunct faculty must meet all scheduled classes. Unless approved by the supervisor, no permanent change in class location, meeting time, or meeting duration is authorized. The Division Chair or Site Coordinator (if applicable) must be notified of instances where classes will be meeting at times or locations other than those assigned.

5. BACKGROUND OR EXCLUSIONS

This policy does not refer to situations requiring closing of an entire campus; please refer to SCP-1435, *Inclement Weather and Emergency Situation Policy*, for this situation.

6. GENERAL PROVISIONS

Lack of students is never to be considered a reason for canceling class. Those few students attending may have come a great distance under poor conditions to attend the class session and they deserve the education they seek. The instructor must make every effort to conduct a meaningful academic session regardless of the number of students attending.

7. RESPONSIBILITIES AND PROCEDURES

A. Responsibilities for Class Cancellation/Early Dismissal

1. The first-line responsibility for canceling classes lies with the Division Chairperson/Site Coordinator. If the Division Chairperson/Site Coordinator is not available after being contacted via the secretary,

the Vice President for Academic Affairs will be contacted. Division Chairperson/Site Coordinator will notify the appropriate individuals of any class cancellations.

2. Under no circumstances are individual instructors authorized to cancel any class session. If instances arise which require cancellation of a class session, the options of substitute instruction or make-up sessions should be explored if time allows. If an instructor is not going to meet the class, for any reason, it is the responsibility of the instructor to:
 - a. Obtain the permission of the Division Chairperson/Campus Coordinator/ or the permission of the Vice President for Academic Affairs if unable to contact the appropriate individual via the secretary.
 - b. If permission to cancel the class is granted, the supervisor or designee will make a good faith effort to notify each student in advance of the class session that class will not be held.
 - c. Complete a faculty absence form and send it to the appropriate Division Chairperson.
3. Early dismissal or shortening of class sessions for other than emergency reasons should be an extremely rare occurrence. The respective Division Chairperson/Campus Coordinator should be contacted as soon as possible should such an emergency occur.
4. It is the responsibility of the Chairperson/Site Coordinator to:
 - a. Review the request and grant or deny permission.
 - b. If granted, assure that the division secretary or designee contacts each student.
 - c. Notify the Vice President for Academic Affairs in writing, that a class will not be held.
 - d. Assure that someone meets the class at the proper time to communicate the cancellation to those students not reached earlier.
5. All employees who plan to attend meetings, conferences, and/or workshops requiring changes in their normal teaching schedule must receive approval in advance from their supervisor.

8. CANCELLATION

None.

9. REVIEW STATEMENT

This policy shall be reviewed on a three-year cycle by the President or the President's designee. Upon such review, the President or President's designee may recommend to the Board that the policy be amended or repealed. SCP-3551 is scheduled for review during the 2009-2010 academic year.

10. SIGNATURES

Board of Governors Chair **Date**

President **Date**

Attachments:

- Distribution:** Board of Governors (12 members)
Office of the President
Office of the Executive Vice President
Office of the Vice President for Academic Affairs
Office of the Vice President for Finance
Office of the Vice President for Economic, Workforce and Community Development
Office of the Vice President for Student Services
Office of the Chief Technology Officer
Office of the Human Resources Administrator
Office of the Academic Division Chairpersons (6 members)
Faculty Senate Chair
Classified Staff Council Chair
Libraries (Harless and Williamson Campus)
Office of the Campus Directors/Managers (Boone, Logan, Williamson, Wyoming)
www.southern.wvnet.edu

Revision Notes: January 2007 — Revisions reflect no substantial changes in procedure or documentation requirements. Revisions provide clarity and reflect current practice.

**Southern West Virginia Community and Technical College
Board of Governors
Meeting of December 13, 2011**

Item: Post-audit Review Follow-up Report for the Associate in Applied Science, Health Care Professional Program

Recommended Resolution: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors receive and approve the post-audit review follow-up report for the Associate in Applied Science, Health Care Professional program as requested by the West Virginia Council for Community and Technical College Education.

Staff Member: Alyce Patterson-Diaz

Background:

During the 2009-2010 academic year a post-audit review of the Health Care Professional program was conducted by the Department of Allied Health in accordance with the provisions of Series 37 of the Council for Community and Technical College Education rules, *Increased Flexibility for Community and Technical Colleges*. At its April 10, 2010 meeting, the Board of Governors approved continuation of the Associate in Applied Science, Health Care Professional program with corrective action and submitted the post-audit review report to the Council for Community and Technical College Education for review and approval.

At its January 28, 2011 meeting, the West Virginia Council for Community and Technical College Education approved the post-audit report for the Health Care Professional, Associate in Applied Science, and concurred with the Board of Governors' recommendation to continue the program. The Council requested a follow-up report addressing 1) the purpose for the program and an explanation of the low graduation rate with respect to enrollment, 2) a more detailed description of assessment including how results are used for program improvements, and 3) relationship of the program to Allied Health and Business advisory committees and how the program is being served. The follow-up report is due to the Chancellor for Community and Technical Education by February 1, 2012.

A post-audit follow-up report was completed during the Fall 2011 semester by the Department of Allied Health and Nursing. The concerns of the post-audit review have been addressed and the program meets the standards set for program continuance by the West Virginia Council for Community and Technical College Education. A comprehensive program review will be conducted during the 2012-2013 academic year.

Post-Audit Review Follow-up Report

**For Occupational Programs Implemented
Under the Provisions of Series 37**

**West Virginia Council for
Community and Technical College Education**

Southern West Virginia Community and Technical College

**Associate in Applied Science
Health Care Professional**

POST AUDIT REVIEW – FOLLOW-UP REPORT
2011-2012
Southern West Virginia Community and Technical College
Programs Without Specialized Accreditation

Program: **Associate in Applied Science-Health Care Professional**

Purpose for the Program

The Health Care Professional Program at Southern West Virginia Community and Technical College (Southern) was designed to allow individuals a choice from either the Allied Health or Management track. Those seeking the Allied Health track may work in hospitals, clinics, home health agencies, and physician offices. Individuals seeking the Management track may work as Health Care Professionals in the areas of hospital administration, office manager, and other support positions.

Background Information

The AAS Health Care Professional Program began in August 2007. Thirty-eight students were enrolled during that semester. Enrollment has steadily increased in the program since that time with a total of 461 students enrolled during the fall 2011 academic semester. Enrollment numbers by semester are as follows:

Academic Year	Fall Enrollment	Spring Enrollment	Summer Enrollment	Total Enrollment
2007-2008	83	95	15	193
2008-2009	158	143	35	336
2009-2010	283	246	44	573
2010-2011	403	322	60	785
2011-2012	461			

Low Graduation Rate Explanation

It has taken a few semesters to familiarize the students, faculty, and staff with this program and the benefits of the degree. With the dramatic increase in the number of students enrolled it is believed there will be a significant increase in the number of graduates beginning spring 2012.

Prior to the spring 2012 semester the Department Chair for Allied Health and Nursing and faculty will evaluate academic records of students who are enrolled in the program. Students with more than fifty credit hours will be sent a letter regarding the degree requirements for graduation. In the letter students will be given a date and time to come in and meet with an academic advisor. This meeting will take place during general registration week. Students will be advised of the classes needed for graduation. At that time they will also fill out the Application for Graduation. The Application for Graduation will then be sent to the Interim Registrar.

Assessment, Data Collection, and Analysis

Southern is dedicated to providing students with the knowledge, skills, and attitudes necessary for the achievement of student goals. An assessment program has been developed that involves college-wide measures, program/degree measures and individual classroom measures. The primary purpose of assessment activities at Southern is to enhance student learning. Southern's administration, faculty, and staff are committed to student success and programmatic excellence.

To determine the effectiveness of both the general education and programmatic curriculums, students participate in a variety of assessment activities throughout the year. Assessments are done on a course, programmatic and institutional level. Course level assessments are outlined in the assessment matrices and exams are instituted in the classroom to assess student learning and knowledge of the subject being taught. Programmatic assessments are done through program review. Institutional assessments include examination of student work through rubrics and performance measures.

The Workkeys Exam was used during the 2009 and 2010 academic years for assessment of the students enrolled in the Health Care Professional program. It was the opinion of Southern's Assessment Committee that the Measures of Academic Proficiency and Progress (MAPP) Exam measured general education outcomes more closely and the decision was made to test all students using the MAPP Exam. The MAPP exam measures the following:

- Proficiency in critical thinking, reading, writing and mathematics in the context of humanities, social sciences and natural sciences; and
- Academic skills developed, versus subject knowledge taught, in general education courses.

Beginning in 2011 all students took the MAPP Exam after completion of 45 hours of college level work and completion of at least one college level math class and one college level English class.

Data from the MAPP Exam is used by department and faculty to improve the program and courses, thus leading to an optimum education. Data from the 2011 MAPP exam is currently being reviewed. Complete assessment reports from 2007 to 2011 may be accessed at the following link:

<http://www.southernwv.edu/administration/assessment>.

Surveys were developed and implemented in June 2011 for the Health Care Professional program (Attachment 1). There were no graduates in May 2010 and only one graduate in December of 2010. A survey was mailed to the one graduate six months after graduation; however, no response was received via US mail. The survey was then completed with the graduate via telephone in September 2011. The graduate

is currently employed in the health care industry. The employer survey has been sent with no response as of this date. There were two graduates in April 2011 and surveys were mailed six months later, October 24, 2011. Survey responses have not been received as of the above date; however, telephone surveys will be completed for compiling of data. When graduate and employer surveys are received, data will be reviewed, and if necessary, changes will be incorporated into the curriculum.

In order to comply with Series 11: Degree Designation, General Education Requirements, New Program Approval, and Discontinuance of Existing Programs, the Health Care Professional program will be reduced from sixty-three (63) credit hours to sixty (60) credit hours beginning fall 2012. Please see copies of the current and proposed curriculum in Attachment 2.

Advisory Committee Relationships

One of the most common characteristics associated with *quality programs* is partnerships. Local advisory committees are designed to increase the participation of the public in local career and technical education programs and provide greater cooperation between career and technical education and the private sector in:

- Making career and technical education more responsive to business and industry;
- Promoting quality career and technical education; and
- Preparing individuals for employment and entrepreneurship

Advisory committees strengthen collaboration between those responsible for career and technical education programs and the communities they serve.

The academic career and technical programs at Southern are tailored to meet the workforce needs of the community. The Division of Career and Technical Programs, where the Department of Allied Health and Nursing and the Department of Business are housed, has a joint advisory committee of all departments annually in the spring semester.

Advisory committee members and the faculty from both departments meet to discuss the program, outcomes, and needs. The dialogue between members of the advisory committee and the faculty within both departments is excellent. There is a shared responsibility for the program from all individuals involved. Additionally, the department chairs meet regularly to discuss the program.

Attachment 1

**Southern West Virginia Community and Technical College
Health Care Professional
Graduate Survey**

1. Are you employed? _____
2. What is your job title? _____
3. Where are you employed? _____
4. Employer's Address: _____
5. Employer's Telephone Number: _____
6. May we mail/telephone your employer an employer survey? _____

Please mark your response in the appropriate column.

5=Strongly Agree 4= Generally Agree 3=Neutral (acceptable) 2=Generally Disagree
1=Strongly Disagree

I. KNOWLEDGE BASE

	The program:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Taught me the professional knowledge base required to function effectively on the job.					
B	Taught me the general knowledge base required to function effectively on the job.					
C	Taught me to interpret pertinent information for my place of employment.					
D	Trained me to make sound judgments.					

II. PROFICIENCY

	The program:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Helped me become proficient in job skills.					
B	Taught me to perform accurately and efficiently.					
C	Taught me to perform procedures and modalities required for my job.					

III. BEHAVIORAL SKILLS

	The program:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Helped me develop effective oral communication skills.					
B	Helped me develop effective written communication skills					
C	Encouraged me to conduct myself in an ethical and professional manner.					
D	Taught me how to manage my time effectively.					
E	Taught me to respect the beliefs and values of all persons, regardless of cultural background, religion, age or lifestyle.					

IV. OVERALL RATING OF THE GRADUATE:

		Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	OVERALL RATING: Please rate and comment on the OVERALL quality of your education received.					

**Southern West Virginia Community and Technical College
Health Care Professional
Employer Survey**

Please mark your response in the appropriate column as related to your employee who recently graduated from Southern.

5=Strongly Agree 4= Generally Agree 3=Neutral (acceptable) 2=Generally Disagree
1=Strongly Disagree

I. KNOWLEDGE BASE

	The Graduate Employee:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Has a solid professional knowledge base.					
B	Has a solid general knowledge base.					
C	Makes sound judgments.					

II. SKILLS PROFICIENCY

	The Graduate Employee:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Is proficient in skills required on the job.					
B	Can efficiently perform overall.					
C	Competently performs procedures and modalities required for the job					

III. BEHAVIORAL SKILLS

	The Graduate Employee:	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
A	Has effective oral communication skills					
B	Has effective written communication skills.					

C	Behaves in an ethical and professional manner.					
D	Functions effectively as a member of the place of employment.					
E	Accepts supervision and works effectively with supervisory personnel.					
F	Is self-directed and responsible for his/her own actions.					
G	Arrives to work prepared and on time.					
H	Contributes to a positive environment in the department.					
I	Displays respect for beliefs and values of all persons regardless of cultural background, religion, age or lifestyle.					

IV. OVERALL RATING OF THE GRADUATE EMPLOYEE:

	Strongly agree 5	Generally agree 4	Neutral 3	Generally disagree 2	Strongly disagree 1
OVERALL RATING: Please rate and comment on the OVERALL quality of this program's graduate.					

Attachment 2

**Health Care Professional
Associate in Applied Science
63 Credit Hours**

Current

Purpose

This program prepares individuals to work in a variety of healthcare settings. Individuals may choose from either the Allied Health or Management Track. Those seeking the Allied Health track may work in hospitals, clinics, home health agencies, and physician's offices. Individuals seeking the management track may work as Healthcare Professionals in the areas of hospital administration, office manager, and other support positions. Completion of this program does not guarantee selection into an Allied Health Associate Degree Program. The full Health Care Professional Program is available at all campus locations.

Dept/No.	Title	Credit Hours
Support Courses		
BS 124	Human Anatomy & Physiology I	4
BS 125	Human Anatomy & Physiology II	4
CS 102	Computer Literacy	3
EN 101	English Composition I	3
EN 102	English Composition II	3
Math Elective	Choose 3 hours from: MT 121, MT 123, MT 128, or MT 130	3
OR 110	Introduction to College	1
PY 201	Introduction to Psychology	3
PY 218	Life Span Developmental Psychology	3
SO 200	Introduction to Sociology	3
SP 103	Speech Fundamentals	3
Major Courses		
AH 100	Patient Care Technology	3
AH 108	Medical Terminology	2
AH 200	Healthcare Ethics and the Law	1
AH 220	Trends in Healthcare	3
	*Restricted Electives	21

*Choose twenty-one hours of restricted electives from one of the following tracks:

Allied Health Track: AH 102, AH 103, AH 104, AH 105, AH 112, AH 114, AH 115, AH 122, AH 130, AH 135, AH 145, AH 160, AH 165, AH 210, AH 222, AH 250, AH 275, EM 100, or EM 103.

Management Track: AC 111, AC 250, BU 101, BU 205, BU 230, EC 241, EC 242, MG 260, MG 261, MG 262, MG 263, MG 268, MG 272, and MG 273.

**Health Care Professional
Associate in Applied Science
60 Credit Hours**

**Proposed
Fall 2012**

Purpose

This program prepares individuals to work in a variety of healthcare settings. Individuals may choose from either the Allied Health or Management Track. Those seeking the Allied Health track may work in hospitals, clinics, home health agencies, and physician's offices. Individuals seeking the management track may work as Healthcare Professionals in the areas of hospital administration, office manager, and other support positions. Completion of this program does not guarantee selection into an Allied Health Associate Degree Program. The full Health Care Professional Program is available at all campus locations.

Dept/No.	Title	Credit Hours
Support Courses		
BS 124	Human Anatomy & Physiology I	4
BS 125	Human Anatomy & Physiology II	4
CS 102	Computer Literacy	3
EN 101	English Composition I	3
EN 102	English Composition II	3
Math Elective	Choose 3 hours from: MT 121, MT 123, MT 128, or MT 130	3
OR 110	Introduction to College	1
PY 201	Introduction to Psychology	3
PY 218	Life Span Developmental Psychology	3
SO 200	Introduction to Sociology	3
SP 103	Speech Fundamentals	3
Major Courses		
AH 100	Patient Care Technology	3
AH 108	Medical Terminology	2
AH 200	Healthcare Ethics and the Law	1
AH 220	Trends in Healthcare	3
	*Restricted Electives	18

*Choose eighteen hours of restricted electives from one of the following tracks:

Allied Health Track: AH 102, AH 103, AH 104, AH 105, AH 112, AH 114, AH 115, AH 122, AH 130, AH 135, AH 145, AH 160, AH 165, AH 210, AH 222, AH 250, AH 275, AH 280, AH 285, EM 100, or EM 103.

Management Track: AC 111, AC 250, BU 101, BU 205, BU 230, EC 241, EC 242, MG 260, MG 261, MG 262, MG 263, MG 268, MG 272, and MG 273.

**Southern West Virginia Community and Technical College
Board of Governors
Meeting of December 13, 2011**

Item: Post-audit Review Follow-up Report for the Associate in Applied Science, Survey Technology Program

Recommended Resolution: *RESOLVED*, That the Southern West Virginia Community and Technical College Board of Governors receive and approve the post-audit review follow-up report for the Associate in Applied Science, Survey Technology program as requested by the West Virginia Council for Community and Technical College Education.

Staff Member: Carol Howerton

Background:

During the 2009-2010 academic year a post-audit review of the Survey Technology program was conducted by the Department of Technology and Engineering in accordance with the provisions of Series 37 of the Council for Community and Technical College Education rules, *Increased Flexibility for Community and Technical Colleges*. At its April 10, 2010 meeting, the Board of Governors approved continuation of the Associate in Applied Science, Survey Technology program with corrective action and submitted the post-audit review report to the Council for Community and Technical College Education for review and approval.

At its January 28, 2011 meeting, the West Virginia Council for Community and Technical College Education approved the post-audit report for Survey Technology, Associate in Applied Science, and concurred with the Board of Governors' recommendation to continue the program. The Council requested a follow-up report addressing the processes and procedures being developed to ensure appropriate math skills prior to program admission. The follow-up report is due to the Chancellor for Community and Technical Education by February 1, 2012.

A post-audit follow-up report was completed during the Fall 2011 semester after the new cohort of students was admitted. The program has addressed the concerns of the post-audit review and meets the standards set for program continuance by the West Virginia Council for Community and Technical College Education. Southern West Virginia Community and Technical College has committed to offering the Survey Technology program for the current cohort of students through May 2013. A comprehensive program review will be conducted during the 2012-2013 academic year prior to the admission of the next cohort of students.

Post-Audit Review Follow-up Report

**For Occupational Programs Implemented
Under the Provisions of
Series 37, *Increased Flexibility for Community and Technical Colleges***

West Virginia Council for
Community and Technical College Education

**Southern West Virginia Community and Technical College
Associate in Applied Science, Survey Technology**

POST-AUDIT FOLLOW-UP REPORT 2011-2012

Southern West Virginia Community and Technical College Programs Without Specialized Accreditation

Program: Associate in Applied Science, Survey Technology

The 2010 post-audit review of the Associate in Applied Science, Survey Technology program resulted in a recommendation for continuation of the program with corrective action. The corrective action included a review of the enrollment figures with the next full program review. The West Virginia Council for Community and Technical College Education concurred with recommendation and requested a follow-up report addressing processes and procedures being developed to ensure appropriate math skills prior to program admission.

Math skills were identified as a problematic area for the program during the initial post-audit review. Successful completion of the program had been limited or delayed due to math deficiencies of the students. The department has evaluated student success and program admission requirements to address this issue in a variety of ways.

A program application for admission was discussed but was not utilized for this semester. The previously identified students began with sufficient math scores to enter the first required math course for the program which would have been listed as the minimum criteria to enter the program. In addition, several students entered the program with prior surveying experience and could perform the math necessary for the surveying course, however, they could not pass the specific math courses required by the program. As a result, the department did not believe an application would be effective until the program was built to sufficient interest levels to warrant a competitive entrance process.

The department chose to enhance the advising system for students wishing to enroll in the program and provide additional math resources to the students within the surveying courses. The program was presented at an informational meeting for student advisors prior to the beginning of registration. Student advisors were also given an advising guide covering program concepts, needs, and course scheduling for the program. All students registered for the program were also interviewed by the department chair and/or instructor with adjustments made to course schedules prior to the start of the semester. Those conducting interviews assisted in verifying that the student had the appropriate math background, test scores, and interest inventory to begin the program.

The instructor is also working with students and providing additional math related activities to reinforce math course concepts during the surveying courses. The instructor and the department chair are also monitoring students and their progress in the required math courses on a regular basis throughout the semester.

At this time, the process appears to be working. All of the students in the program have reported successful grades in their corresponding math courses, and the instructor has reported successful completion of math related concepts by all students. It is the recommendation of the Department of Technology and Engineering that the program continues without further corrective action until the next scheduled comprehensive program review during the 2012-2013 academic year.



**WV Council for Community and Technical College Education
FY 2013 Budget Request**

LEGISLATIVE COMMITTEE RECOMMENDATION	AMOUNT
<p>I. Program Sustainability and College Completion Agenda</p> <p>This funding will be allocated to individual colleges to sustain new program development and to implement innovative programming to increase the number of college graduates. The allocation to each college will be based on the Council’s policy on finance with the factors for determining funding being high-cost programming, college completion and adult student enrollment and graduation.</p>	<p align="center">\$5 million (one-time)</p>
<p>II. Student Financial Aid</p> <p>The request for additional funding for need-based aid will be directed to the Higher Education Adult Part-time Student grant program (HEAPS). HEAPS will assist community and technical colleges in attracting and retaining adult students; a strategic priority in the System Master Plan. Of the state student scholarship and financial aid programs, community and technical college students receive a higher percentage of the HEAPS funding than the West Virginia Higher Education Grant Program or the Promise Scholarship.</p>	<p align="center">\$3 million</p>
<p>III. Capital Bond Projects</p> <p>The request for \$5 million for bond debt payment will allow the council to generate approximately \$75-\$80 million to address the construction of new capital facilities and renovations of aging facilities. Although the current bond projects now under construction provides new facilities and needed renovations, critical facility needs remain. Colleges still suffer from the lack of adequate facilities to deliver technical programs and some campuses are in need of renovations to older buildings and laboratories.</p>	<p align="center">\$5 million</p>
<p>IV. Salary Increases</p> <p>This request will provide approximately a 2.5% salary increase for faculty and staff. West Virginia average faculty salaries lag behind national and Southern Regional Education Board states (SREB) salaries and not all colleges have funded the classified salary schedule. Additional funding is needed to keep pace with movement on the salary schedule.</p>	<p align="center">\$1.8 million</p>



WV Council for Community and Technical College Education

Tenure Status of Full-time Instructional Faculty November 2011

INSTITUTION	Number of Full-Time Instructional Faculty	Number of Tenured/ Tenured Track Faculty	Percent of Tenured/ Tenured Track Faculty
Blue Ridge Community and Technical College	43	3	7.0%
Bridgemont Community and Technical College	38	5	13.2%
Eastern WV Community and Technical College	5	0	0.0%
Kanawha Valley Community and Technical College	54	12	22.2%
Mountwest Community and Technical College	52	15	28.8%
New River Community and Technical College	50	11	22.0%
Pierpont Community and Technical College	63	23	36.5%
Southern WV Community and Technical College	74	26	35.1%
WV Northern Community College	62	24	38.7%
WVU at Parkersburg	91	41	45.1%
System Total	532	160	30.1%