

Fairmont State University Board of Governors
Meeting of December 16, 2010
Falcon Center Board Room - 9:00 a.m.

AGENDA

- | | | |
|-------|---|--------------------------|
| I. | Call to Order | |
| | a. Roll Call | |
| | b. Public Comment | |
| | c. Approve Agenda | Action Item |
| II. | Approval of Minutes (10-14-10) | <i>Tab 1 Action Item</i> |
| III. | Chairperson's Report | |
| IV. | President's Report | |
| | a. Emergency Operations Plan | |
| | b. Internal Communications | |
| | c. Branding, Communications, and Marketing | |
| V. | Reports and Presentations | |
| | a. Faculty Senate (<i>Chuck Shields</i>) | |
| | b. Classified Staff (<i>Harriet Bower</i>) | |
| | c. Student Government (<i>Alicia Nieman</i>) | |
| | d. Institutional Advancement (<i>Devanna Corley</i>) | |
| | e. Alumni Association (<i>Emily Swain</i>) | |
| | f. Athletic Association (<i>Shannon Kelley</i>) | |
| VI. | Consent Agenda | Action Item |
| | a. Financial Report September 2010 | <i>Tab 2 FYI</i> |
| | b. Financial Report October 2010 | <i>Tab 3 FYI</i> |
| VII. | Academic Affairs/Admissions (<i>Janet Crescenzi, Chair</i>) | |
| | a. HEPC-FSU Compact | <i>Tab 4 FYI</i> |
| VIII. | Student Life Committee (<i>Skip Tarasuk, Chair</i>) | |
| IX. | Finance Committee (<i>Jim Kettering, Chair</i>) | |
| | a. Approval of Additional Capital Projects for FY 2011 | <i>Tab 5 Action Item</i> |
| | b. Acceptance of Independent Auditor's Report | <i>Tab 6 Action Item</i> |
| X. | Executive Committee (<i>Rocco Muriale, Chair</i>) | |
| XI. | By-laws Committee (<i>Shirley Stanton, Chair</i>) | |
| XII. | Possible Executive Session | |
| XIII. | Adjournment | |

Fairmont State University
BOARD OF GOVERNORS
MINUTES
October 14, 2010

I. Call to Order

A meeting of the Fairmont State University Board of Governors was held on October 14, 2010 beginning at 9:00 a.m. in the Board Room of the Falcon Center. Present at the meeting were Board Members: Janet Crescenzi, Zach Hammett, Matt Jacques, James Kettering, Bob Mild, Rocco Muriale, Shirley Stanton, Skip Tarasuk, Bryan Towns, Ron Tucker and Bob White. Absent member was Mark Pallotta. Also in attendance were: FSU President Thomas L. Krepel, Michael Belmear, Devanna Corley, Bill Finley, Sharon Handelsman, Rick Porto, Maria Rose, David Tamm and Mary Jo Thomas.

Shirley Stanton requested that under item X an additional item be included as Xh., Grant authorized by the American Recovery and Reinvestment Act State Fiscal Stabilization Fund for \$500,000 for the Folklife Center be added to today's agenda and, with that correction, the agenda be approved. Matt Jacques seconded. Motion carried.

II. Approval of Minutes

Jim Kettering amended the minutes on page 3 to read, "Bob Mild moved the BOG's extend President Krepel's end date of employment from June 30, 2011 to June 30, 2012." and with that correction, the minutes be approved. Bryan Towns seconded. Motion carried.

III. Consent Agenda

Janet Crescenzi moved the Consent Agenda items be approved. Bob Mild seconded. Motion carried. The following items were approved:

- a. Financial Report
- b. Capital Project Report

IV. Committee of the Whole

- a. Jim Kettering moved the acceptance of the Bond Audits. Ron Tucker seconded. Motion carried.
- b. Bryan Towns moved the approval of Recommended Budget Changes for Fiscal Year 2011 for the Unrestricted Fund. Matt Jacques seconded. Motion carried.
- c. Ron Tucker moved the approval of Recommended Budget Changes for Fiscal Year 2011 for the Auxiliary and Restricted Funds. Bob White seconded. Motion carried.
- d. Bob Mild moved the approval of one-time Pay Raise for Employees. Skip Tarasuk seconded. Motion carried.
- e. Shirley Stanton moved the approval of the Suspension of Policy 25. Bob Mild seconded. Motion carried.
- f. Jim Kettering moved the approval of Folklife Center-Phase III Design. Zach Hammett seconded. Motion carried.
- g. Janet Crescenzi moved the approval of Policy 54 – Bookstore Policy. Matt Jacques seconded. Motion carried.
- h. Skip Tarasuk moved the approval of the Grant authorized by the American Recovery and Reinvestment Act State Fiscal Stabilization Fund for \$5000,000 for the Folklife Center. Matt Jacques seconded. Motion carried.

V. Executive Session

Shirley Stanton moved to go into executive session Pursuant to §6-9A-4-2b of the West Virginia Code, to discuss personnel matters which if discussed in public might adversely affect the reputation of any person and Pursuant to §6-9A-4-2b(9) of the West Virginia Code, I move this Board go into Executive Session to consider matters involving or affecting the purchase, sale or lease of property, advance construction planning, the investment of public funds or other matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the state or any political subdivision: *Provided*, That information relied on during the course of deliberations on matters involving commercial competition are exempt from disclosure under the open meetings requirements of this article only until the commercial competition has been finalized and completed. *Provided*, however, that information not subject to release pursuant to the West Virginia freedom of information act does not become subject to disclosure as a result of executive session; Ron Tucker seconded. Motion carried.

Shirley Stanton moved to come out of executive session. Bob White seconded. Motion carried

Bryan Towns moved to reconvene in open session. Skip Tarasuk seconded. Motion carried.

Jim Kettering moved to increase Dr. Krepel's pay by 2.3% effective December 1, 2010. Matt Jacques seconded. Motion carried.

Jim Kettering moved the Board's evaluation of President Krepel be switched from June, 2011 to June, 2012 and to extend his contract to June 30, 2013. Bob White seconded. Motion carried.

VI. Adjournment

Janet Crescenzi moved to adjourn. Ron Tucker seconded. Motion carried.



**Fairmont State University
Board of Governors
Financial Report
for the period ending September 30, 2010**

Unrestricted Fund:

In the month of September, budgets were updated to include budget changes for the step increase for the classified staff and for related benefit changes. When this process occurs, automated updates to personnel and benefit related budgets occur and manually estimated budget postings are reversed. The net effect of all transactions created an additional unexpected increase to benefit budgets that is reducing the budget surplus by approximately \$87,000. Research is occurring to determine the reason for these increases in benefit budgets.

The budget surplus changed from \$529,926 to \$443,129.

Actual revenues compared to budget thru the first quarter equal 36% of budget. We will hopefully begin processing chargeback activity for the first quarter of the year for Teaching, Operating Costs, and Support Services soon. Approximately 19.5% of operating expense budget has been expended to date.

Actual surplus of \$4,771,957 has been recognized thru the end of the first quarter. Please remember the majority of tuition and fees are collected in the first quarter to cover expenditures for the first half of the fiscal year.

Auxiliary Fund:

Budget adjustments were made for step increases for classified staff and for related benefit changes. One position in dining services was terminated and one position in athletics added. These position changes have or will be adjusted by operating budget changes to prevent new budget costs.

Equipment budget was increased to purchase chairs for the press box in the amount of \$7,909. A transfer from the athletic reserve fund was made to pay for this equipment purchase.

38.6% of revenue has been realized thru the end of the first quarter and 26% of operating expense budget spent. Debt service payments for the first half of the year have been made. Activity thru the first quarter reflects a surplus of \$653,347.

Restricted Fund:

The Department of Highways Grant was closed out and a Barnes and Noble scholarship budget established.

Please find attached reports.

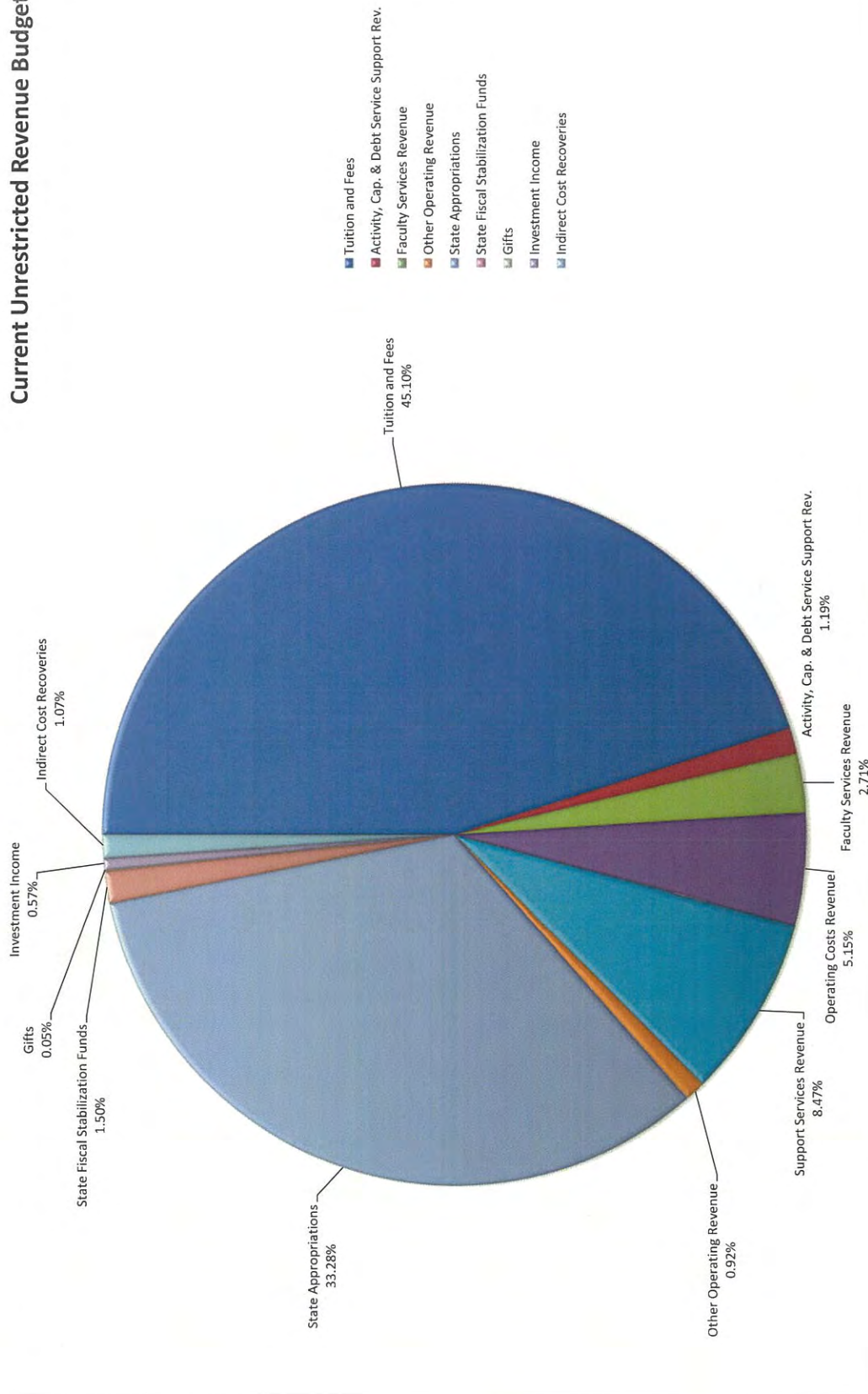
Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of September 30, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	20,958,349	21,158,349	10,427,362	49.28
	Activity, Cap. & Debt Service Support Rev.	559,169	559,169	192,417	34.41
	Faculty Services Revenue	1,268,259	1,272,439	0	0.00
	Private Grants and Contracts	0	0	0	
	Auxiliary Enterprise Revenue	0	0	0	
	Operating Costs Revenue	2,432,922	2,415,170	0	0.00
	Support Services Revenue	3,942,875	3,972,015	0	0.00
	Other Operating Revenue	414,308	429,308	108,546	25.28
	Total:	29,575,881	29,806,450	10,728,325	35.99
OPERATING EXPENSE					
	Salaries	22,934,077	22,935,169	3,936,824	17.17
	Benefits	5,819,430	5,963,294	1,003,428	16.83
	Student financial aid-scholarships	1,748,476	1,948,476	832,175	42.71
	Utilities	1,749,920	1,749,920	285,618	16.32
	Supplies and Other Services	7,011,909	6,943,103	1,725,556	24.85
	Equipment Expense	1,063,891	1,065,791	197,693	18.55
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	178,427	178,427	44,607	25.00
	Assessment for Faculty Services	1,502,589	1,502,589	0	0.00
	Assessment for Support Services	422,524	432,411	0	0.00
	Assess for Activity, Cap. & Debt Ser Costs	2,888,351	2,888,351	905,218	31.34
	Assessment for Operating Costs	209,276	205,234	0	0.00
	Total:	45,528,870	45,812,765	8,931,119	19.49
OPERATING INCOME / (LOSS)		(15,952,989)	(16,006,315)	1,797,206	-11.23
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,611,661	15,611,661	3,122,332	20.00
	State Fiscal Stabilization Funds	701,797	701,797	0	0.00
	Gifts	25,000	25,000	6,250	25.00
	Investment Income	266,166	266,166	6,733	2.53
	Loss/Gain in Disposal of Fixed Assets	0	0	0	
	Reappropriated State Funding	0	0	0	
	Total:	16,604,624	16,604,624	3,135,315	18.88
TRANSFERS & OTHER					
	Capital Expenditures	(449,158)	(449,158)	(230,603)	51.34
	Transfers for Fin Aid Match	(124,877)	(124,877)	0	0.00
	Indirect Cost Recoveries	450,218	503,854	93,965	18.65
	Transfers for Capital Projects	0	0	0	
	Transfers for Scholarships	0	(85,000)	(42,500)	50.00
	Transfers - Other	0	0	18,574	
	One-time use of reserve	0	0	0	
	Total:	(123,817)	(155,181)	(160,564)	103.47
BUDGET BALANCE		527,818	443,129	4,771,957	
* Add: ACTUAL UNRESTRICTED NET ASSETS - Beginning of Year		9,022,650	9,022,650		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		9,550,468	9,465,779		

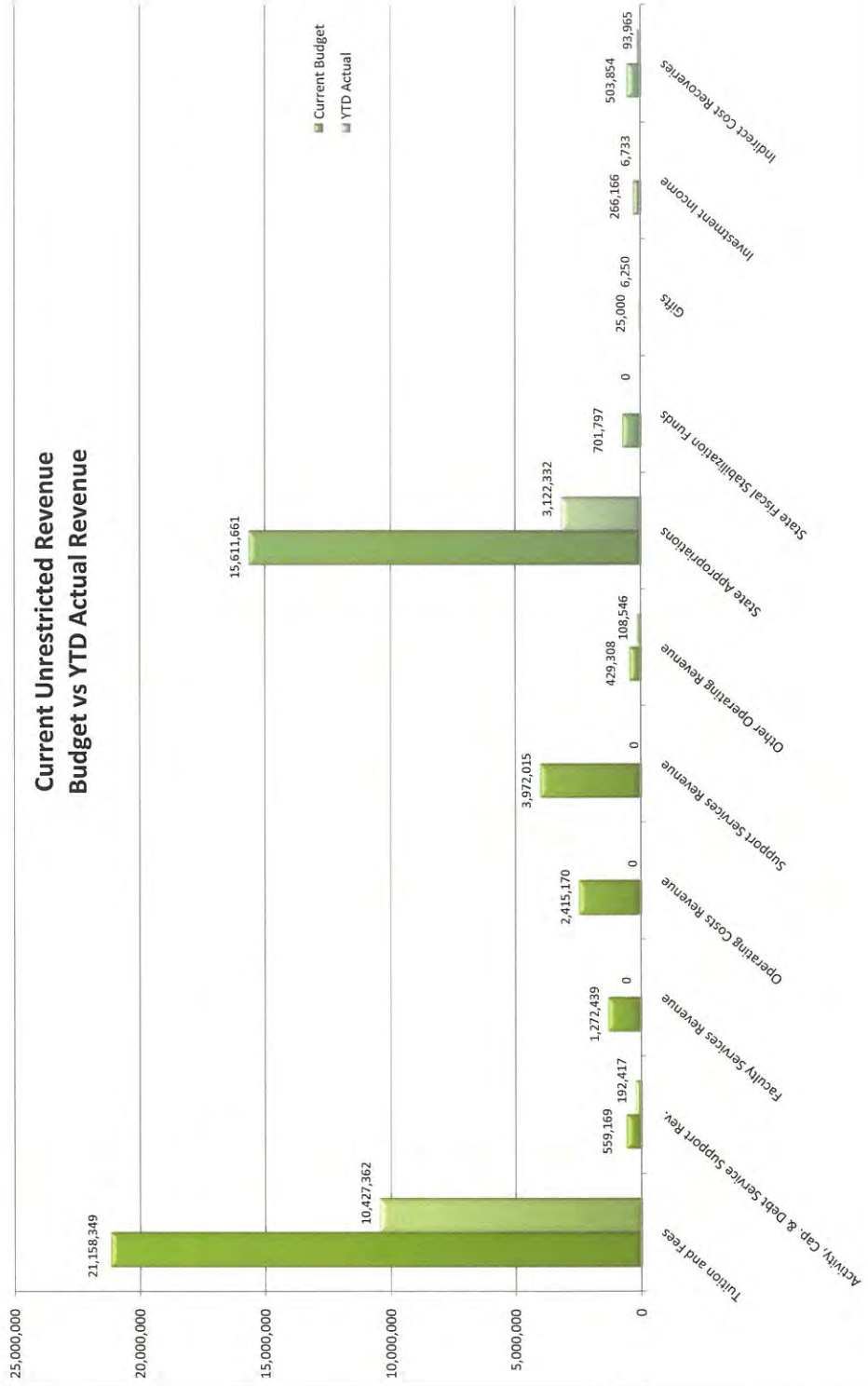
* Actual Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$3,105,397
 Beginning Net Assets balance is unaudited as Audit continues through October 2010, however, no additional changes are foreseen.

Unrestricted Net Asset Balance is 19.69% of the current budget total operating expense.

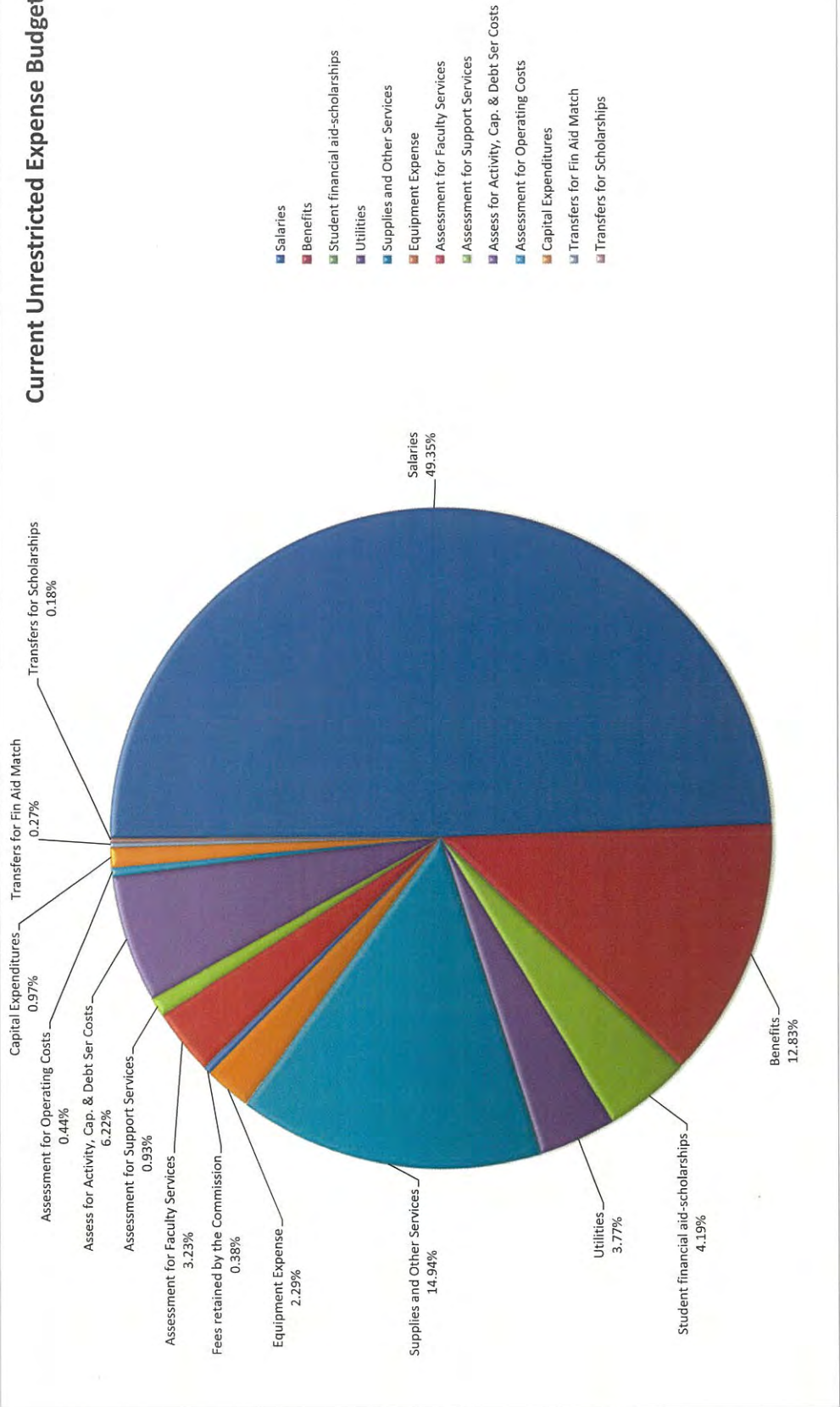
Current Unrestricted Revenue Budget

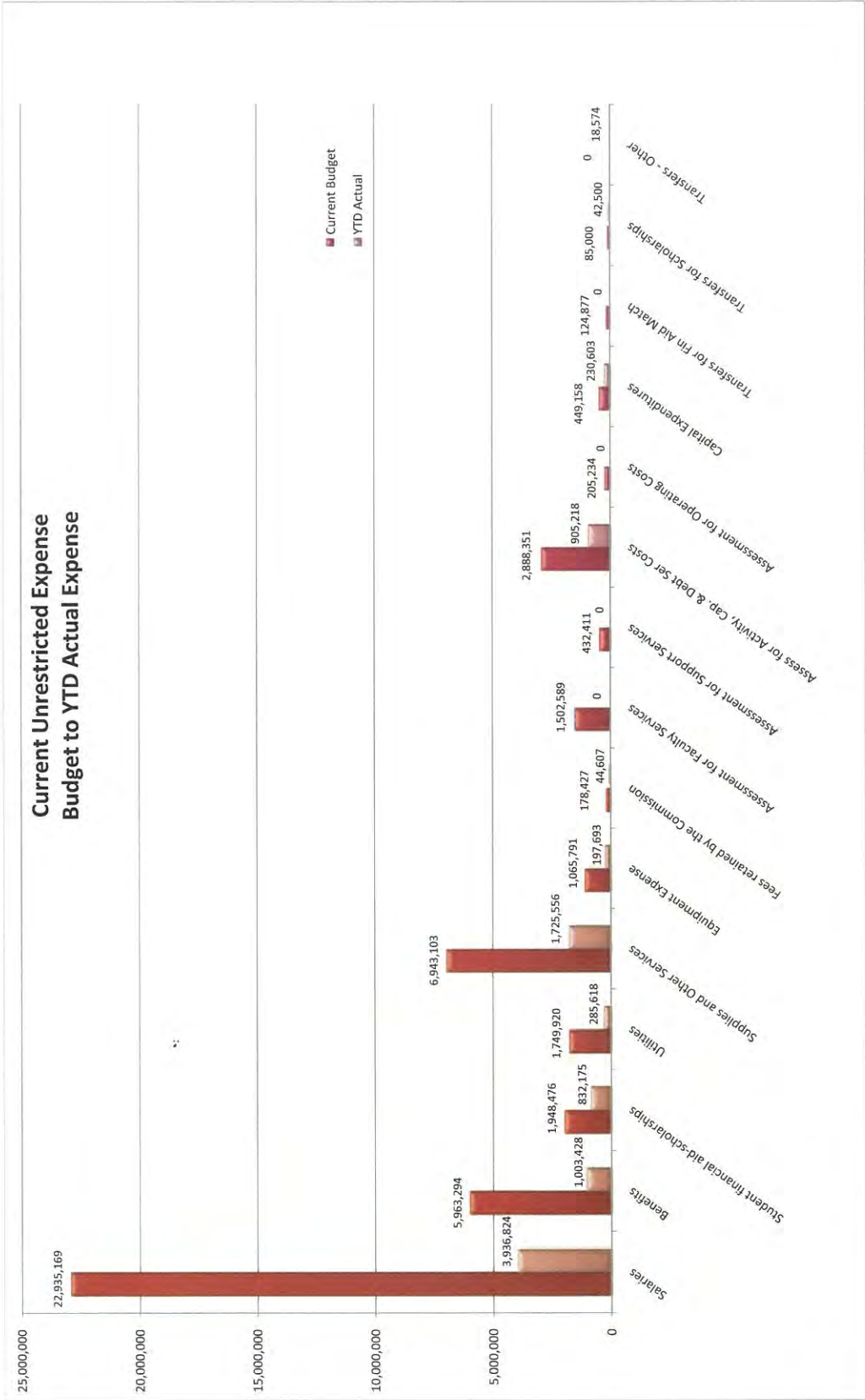


Current Unrestricted Revenue Budget vs YTD Actual Revenue



Current Unrestricted Expense Budget





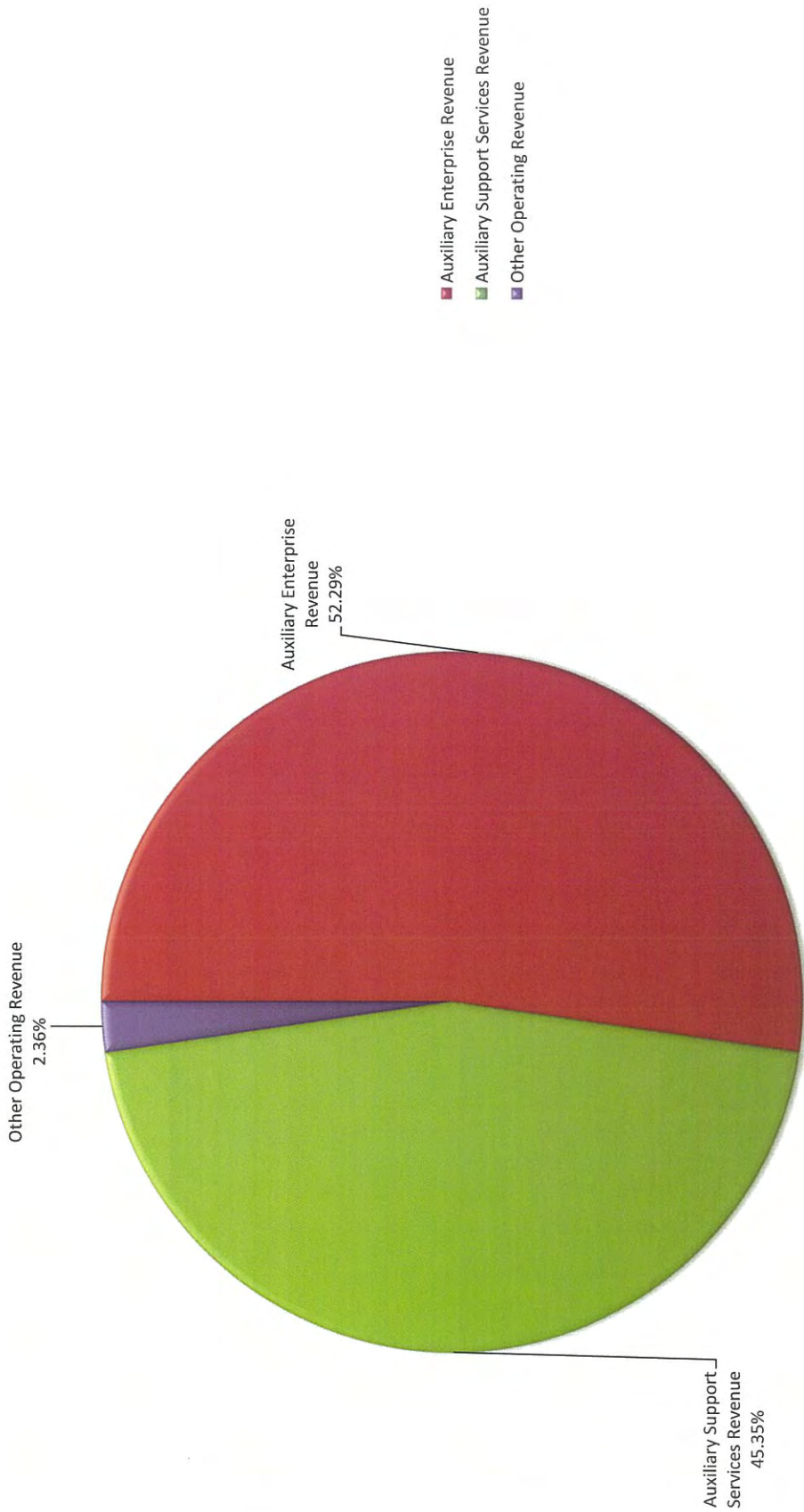
Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of September 30, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	5,500,976	5,491,477	2,331,826	42.46
	Auxiliary Support Services Revenue	4,762,696	4,762,696	1,660,205	34.86
	Other Operating Revenue	245,304	247,438	61,276	24.76
	Total:	10,508,976	10,501,611	4,053,306	38.60
OPERATING EXPENSE	Salaries	2,070,834	2,101,439	507,034	24.13
	Benefits	538,167	528,612	101,270	19.16
	Student financial aid-scholarships	486,160	486,160	174,384	35.87
	Utilities	912,265	912,265	113,213	12.41
	Supplies and Other Services	2,136,549	2,209,794	671,388	30.38
	Equipment Expense	97,446	104,855	81,856	78.07
	Loan cancellations and write-offs	1131	1,131	0	0.00
	Total:	6,242,552	6,344,255	1,649,144	25.99
OPERATING INCOME / (LOSS)		4,266,424	4,157,355	2,404,162	57.83
NONOPERATING REVENUE (EXPENSE)	Interest on capital asset related debt	(100,473)	(100,473)	0	0.00
	Total:	(100,473)	(100,473)	0	0.00
TRANSFERS & OTHER	Capital Expenditures	(162,260)	(157,259)	127	-0.08
	Transfers for Debt Service	(3,603,621)	(3,603,621)	(1,801,351)	49.99
	Transfers for Fin Aid Match	(3,425)	(3,425)	0	0.00
	Transfer to Plant Reserves	(396,646)	(385,487)	0	0.00
	Transfers for Scholarships	0	85,000	42,500	50.00
	Transfers - Other	0	7,909	7,909	100.00
	Total:	(4,165,951)	(4,056,883)	(1,750,815)	43.16
BUDGET BALANCE		0	0	653,347	
* Add: ACTUAL NET ASSETS - Beginning of Year		<u>6,514,461</u>	<u>6,514,461</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>6,514,461</u>	<u>6,514,461</u>		

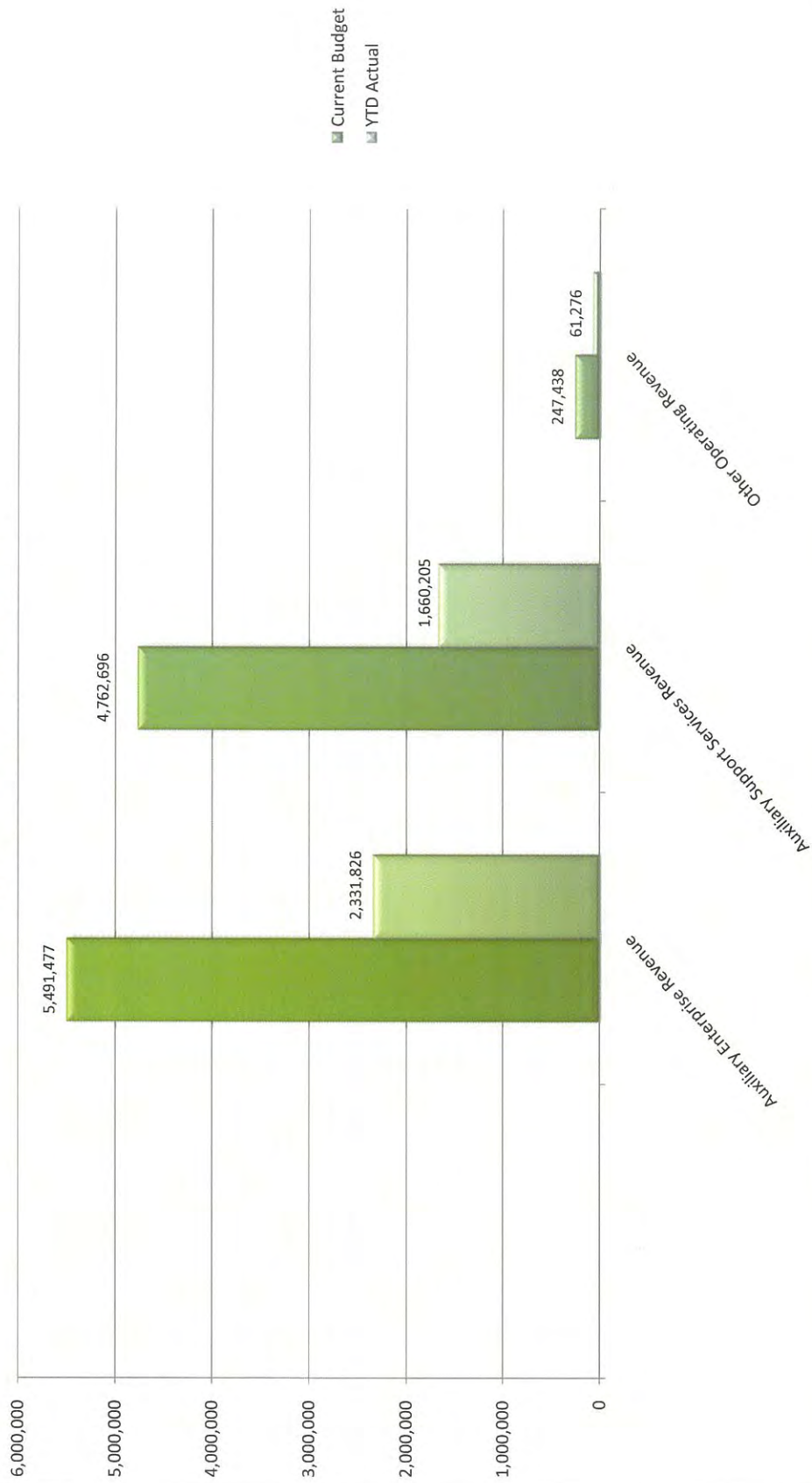
* Actual Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$375,293.
Beginning Net Assets balance is unaudited as Audit continues through October 2010, however, no additional changes are foreseen.

Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

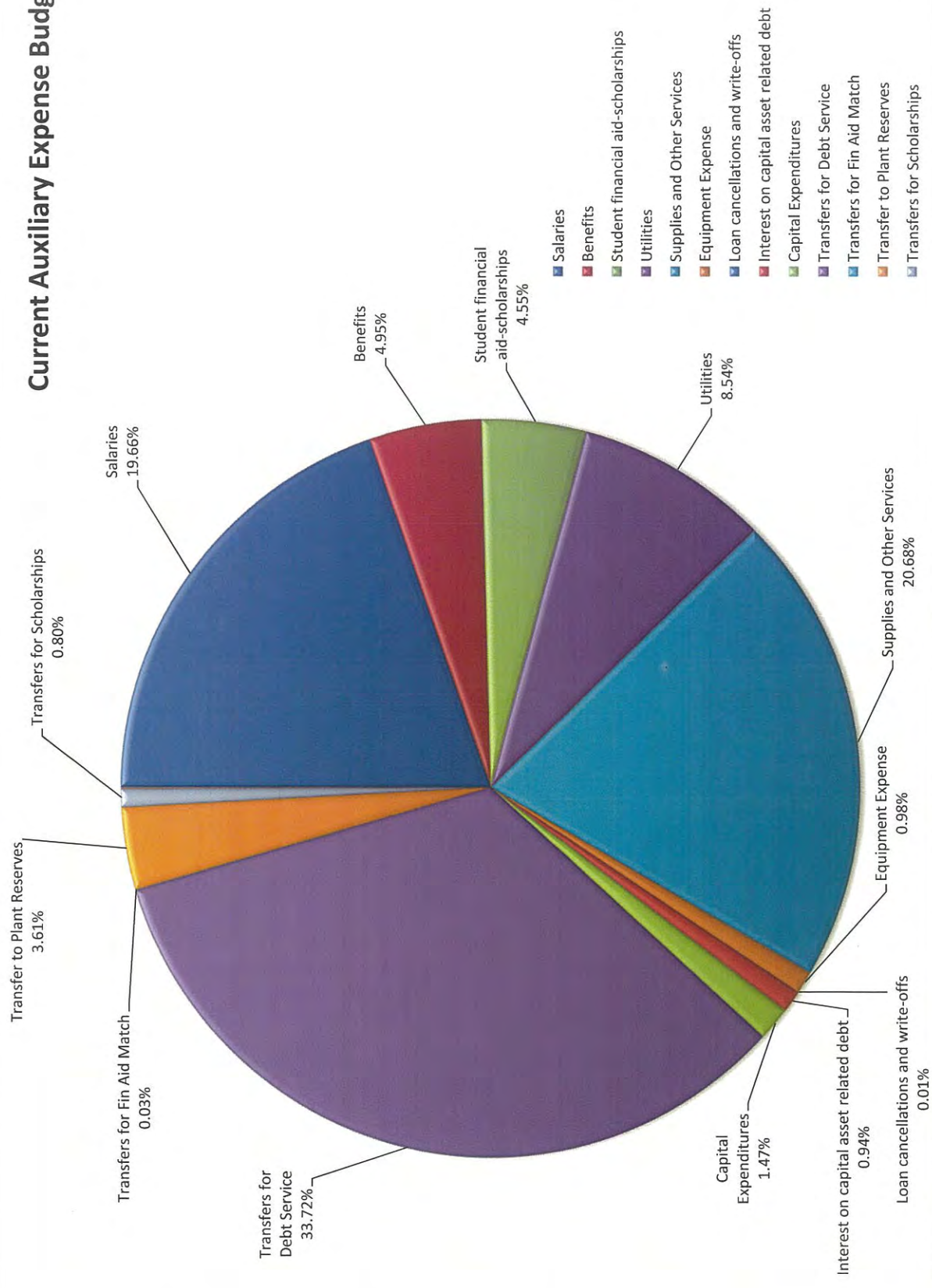
Current Auxiliary Revenue Budget



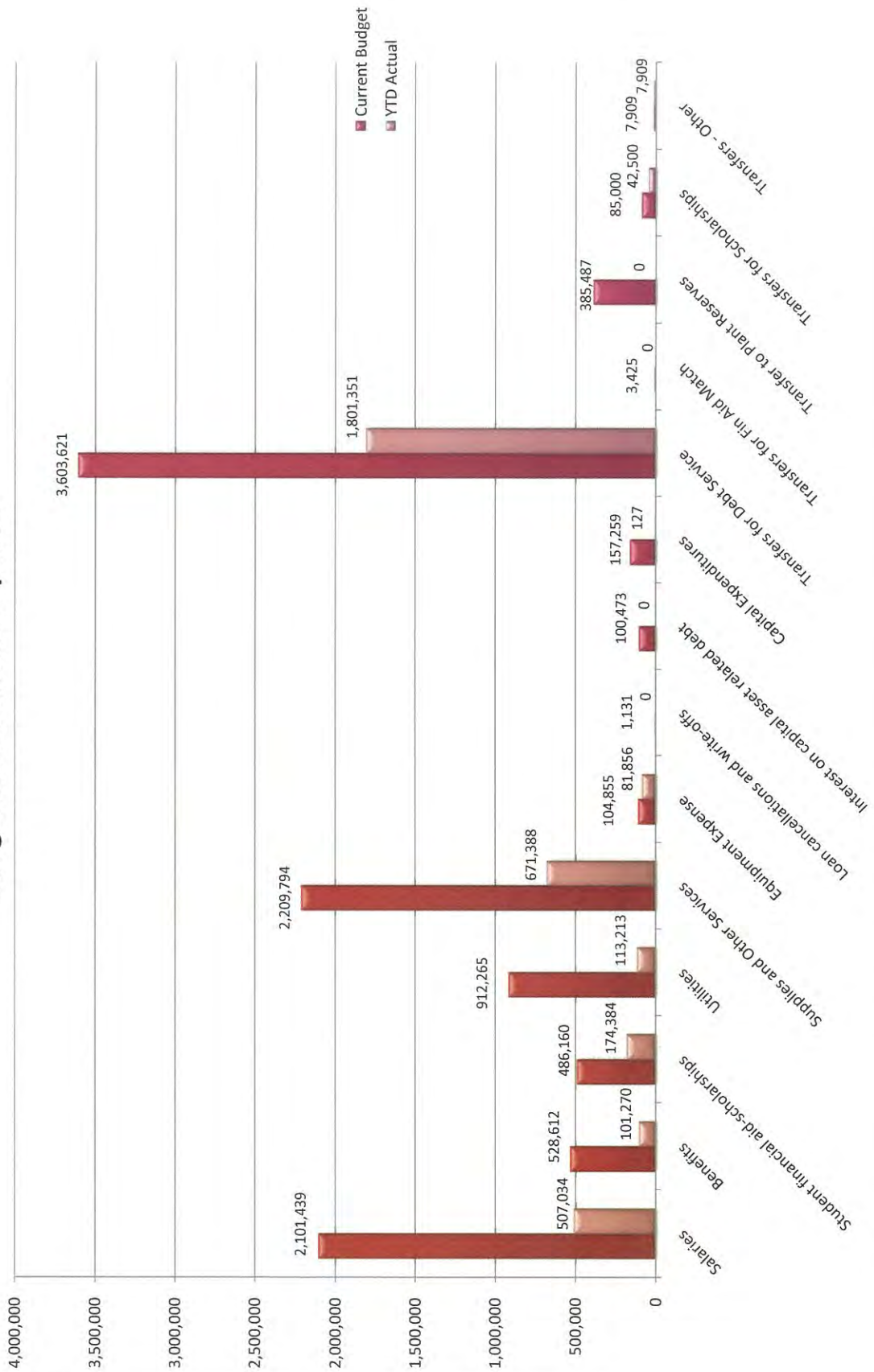
Current Auxiliary Revenue Budget to YTD Actual Revenue



Current Auxiliary Expense Budget



Current Auxiliary Expense Budget to YTD Actual Expense



**Board of Governors
Financial Report
Fairmont State University
Restricted Fund
For the period as of September 30, 2010**

New Grant Budgets

Barnes & Nobel Book Scholarship	6,500.00
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Existing Grant Budget

Department of Highways Grant Close Out	(36,355.62)
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Net Change	0.00
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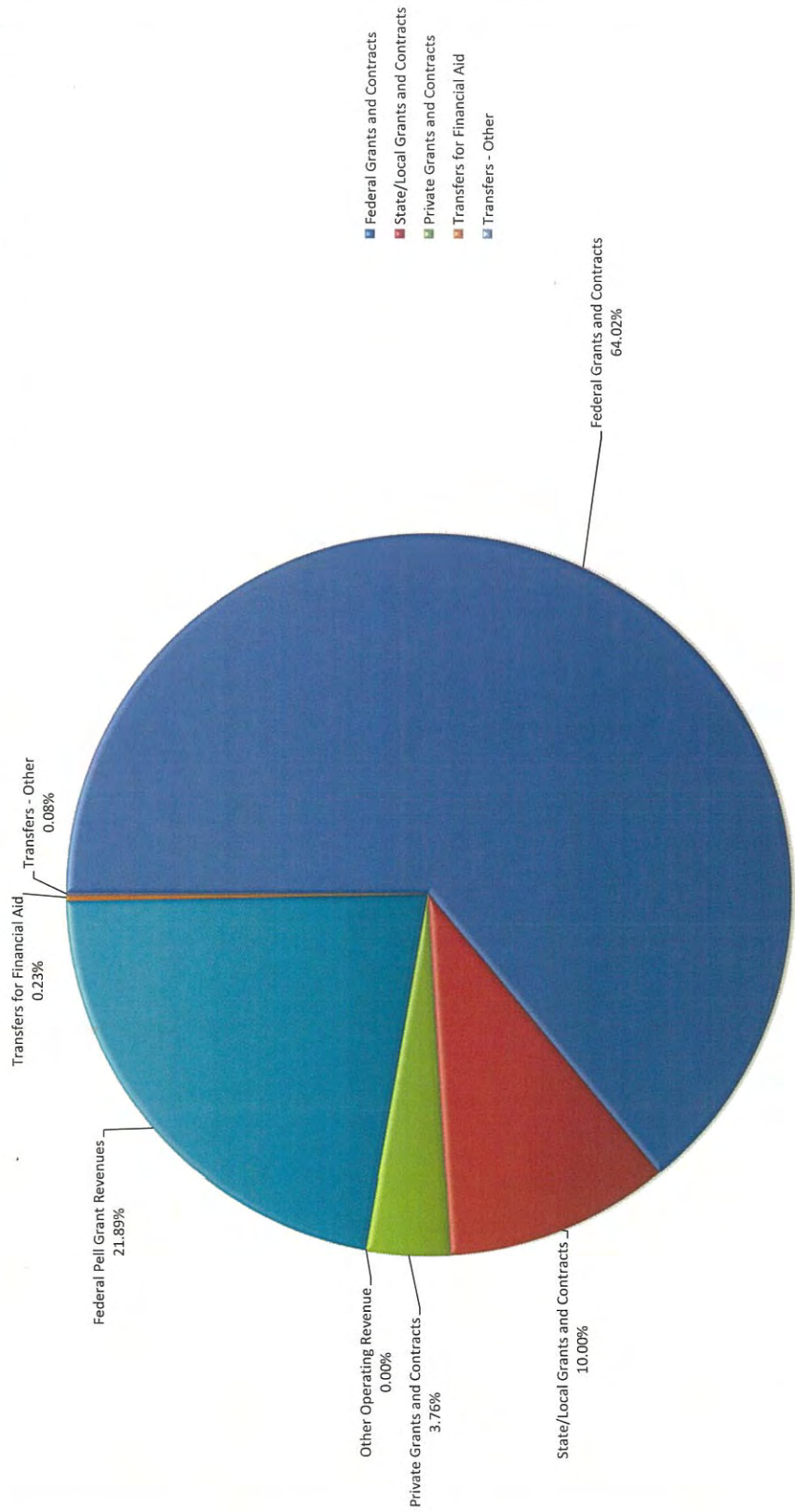
The budget balance of \$(213,052.63) is covered by the restricted fund cash balance of \$246,086.68 on June 30, 2010.

There was no net change in overall budget

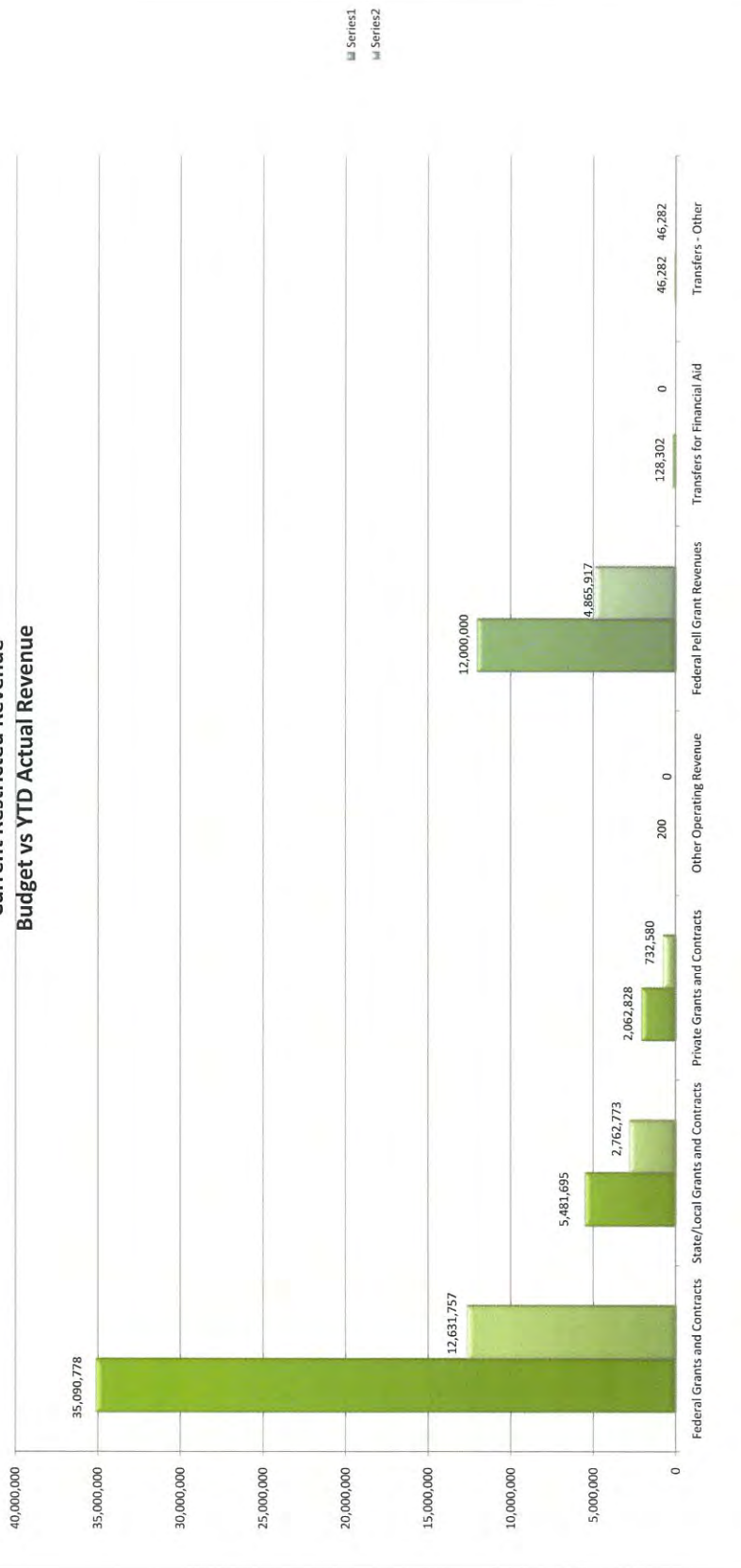
FAIRMONT STATE UNIVERSITY
Actual vs Budget Statement of Revenues and Expenses
Current Restricted
As of September 30, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	35,155,676	35,090,778	12,631,757	36.00
	State/Local Grants and Contracts	5,421,053	5,481,695	2,762,773	50.40
	Private Grants and Contracts	2,100,110	2,062,828	732,580	35.51
	Other Operating Revenue	200	200	0	0.00
	Total:	42,677,039	42,635,500	16,127,111	37.83
OPERATING EXPENSE	Salaries	1,424,306	1,443,792	256,905	17.79
	Benefits	230,290	232,011	45,363	19.55
	Student financial aid-scholarships	44,102,306	44,108,806	19,714,097	44.69
	Utilities	21,607	21,607	0	0.00
	Supplies and Other Services	5,379,841	5,384,175	685,251	12.73
	Equipment Expense	3,308,144	3,313,433	663,152	20.01
	Total:	54,466,495	54,503,824	21,364,768	39.20
OPERATING INCOME / (LOSS)		(11,789,456)	(11,868,324)	(5,237,658)	44.13
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	12,000,000	12,000,000	4,865,917	40.55
	Total:	12,000,000	12,000,000	4,865,917	40.55
TRANSFERS & OTHER	Capital Expenditures	(15,459)	(15,459)	0	0.00
	Transfers for Fin Aid Match	128,302	128,302	0	0.00
	Indirect Cost Recoveries	(509,400)	(503,854)	(93,965)	18.65
	Transfers - Other	0	46,282	46,282	
	Total:	(396,557)	(344,728)	(47,682)	13.83
BUDGET BALANCE		(186,012)	(213,053)	(419,423)	
* Add: PROJECTED RESTRICTED NET ASSETS - Beginning of Year		219,123	246,087		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>33,111</u>	<u>33,034</u>		

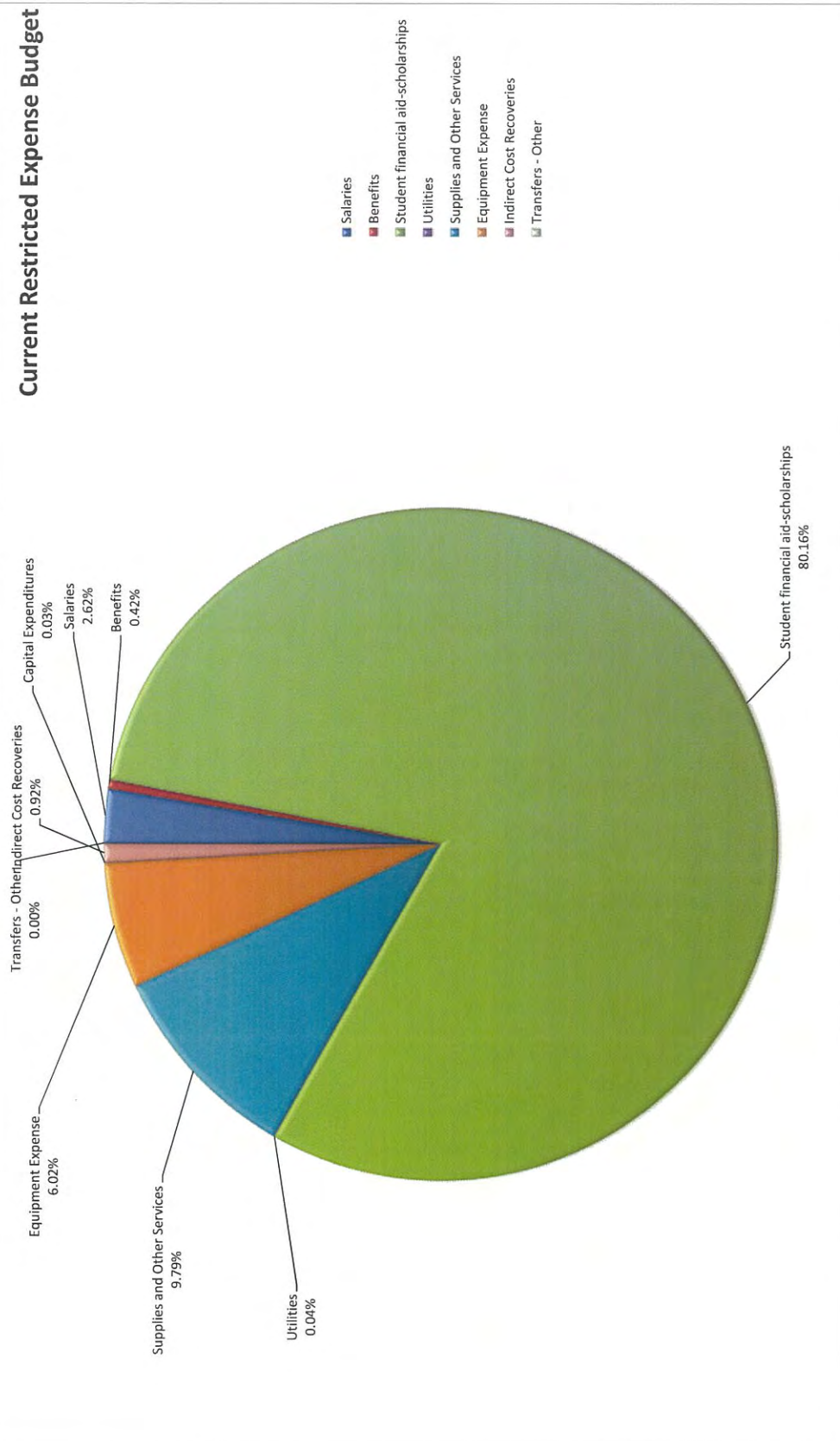
Current Restricted Revenue Budget

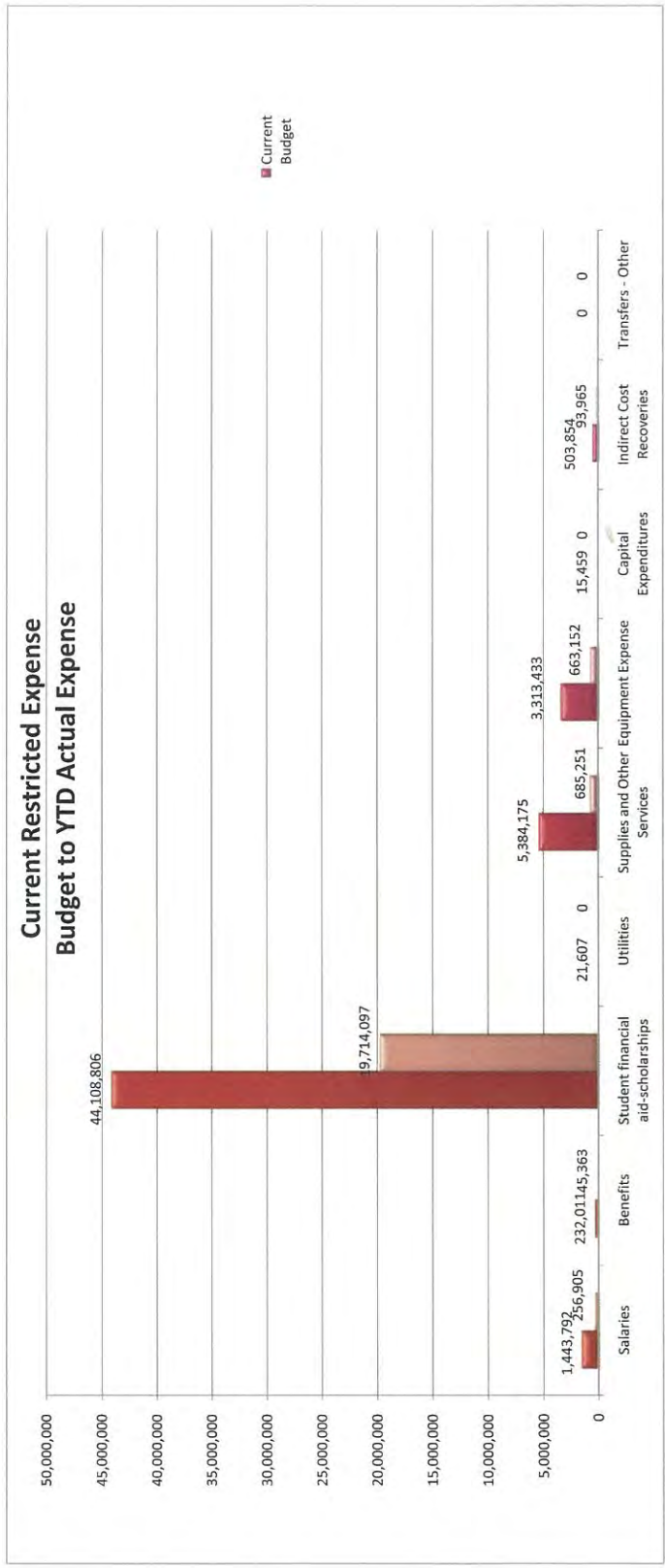


**Current Restricted Revenue
Budget vs YTD Actual Revenue**



Current Restricted Expense Budget





**Fairmont State University
Board of Governors
Financial Report
for the period ending October 31, 2010**

Unrestricted Fund:

Budget adjustments for enrollment growth, one-time pay raises, and one million dollars to fund one-time strategic initiatives were made. These adjustments leave the 2011 budget balance at zero with a use of reserves of \$289,119. Your approval of the budget modifications allowed for up to \$363,349 of net asset reserves. Please be reminded that budgets are adjusted regularly due to administrative decisions and employee life events which impact the budget balance each month. This is the reason for showing the approved budget and current budget in the attached reports.

Auxiliary Fund:

The adjustments for enrollment growth and one-time pay raises allowed for a budget increase to the planned transfer to reserves by \$134,884. There will be an additional increase to the Falcon Center budget in November to the dining services revenue plan. This adjustment will also allow for an increase to the transfer to reserves within the Falcon Center budget plan.

Restricted Fund:

Budget adjustments for pay raises in the grant funds were made to labor accounts and were offset by adjustments to the operating accounts. Three new grants were added to the system and two grants returned funds to the grantor. Student financial aid budgets were adjusted downward by \$3,600,300 to reflect anticipated outcomes for the year. Prior year budget plans were not met and a recent analysis indicated this adjustment was necessary.

Please find attached reports.

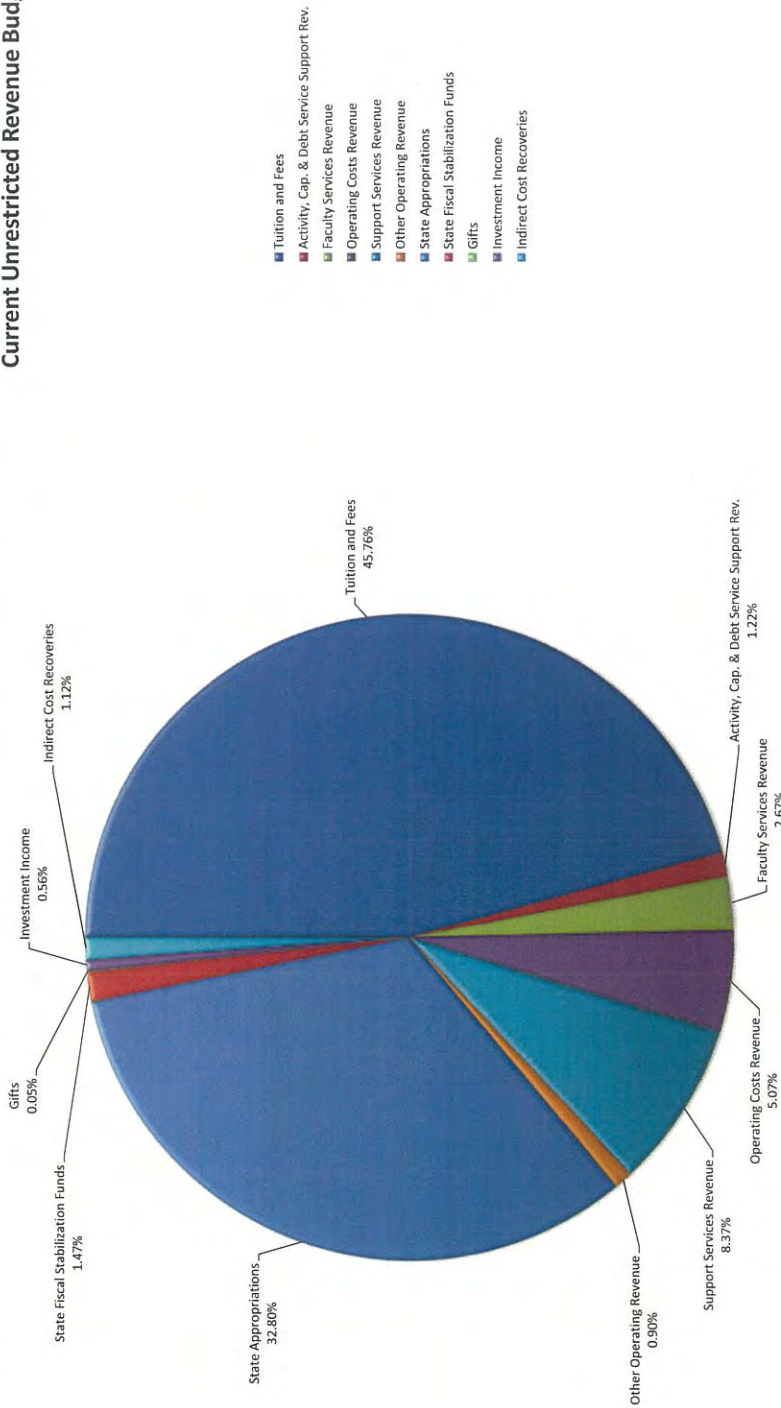
Fairmont State University
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of October 31, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	20,958,349	21,776,849	10,432,658	47.91
	Activity, Cap. & Debt Service Support Rev.	559,169	580,069	289,635	49.93
	Faculty Services Revenue	1,268,259	1,272,439	549,775	43.21
	Private Grants and Contracts	0	0	0	
	Auxiliary Enterprise Revenue	0	0	0	
	Operating Costs Revenue	2,432,922	2,411,391	0	0.00
	Support Services Revenue	3,942,875	3,983,969	0	0.00
	Other Operating Revenue	414,308	429,308	135,766	31.62
	Total:	29,575,881	30,454,025	11,407,835	37.46
OPERATING EXPENSE					
	Salaries	22,934,077	23,231,918	5,784,691	24.90
	Benefits	5,819,430	5,937,369	1,438,484	24.23
	Student financial aid-scholarships	1,748,476	1,948,476	655,619	33.65
	Utilities	1,749,920	1,749,920	413,355	23.62
	Supplies and Other Services	7,011,909	7,947,732	2,279,004	28.67
	Equipment Expense	1,063,891	1,065,791	240,362	22.55
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	178,427	178,427	89,214	50.00
	Assessment for Faculty Services	1,502,589	1,502,589	674,027	44.86
	Assessment for Support Services	422,524	435,615	0	0.00
	Assess for Activity, Cap. & Debt Ser Costs	2,888,351	3,018,351	1,487,263	49.27
	Assessment for Operating Costs	209,276	205,234	0	0.00
	Total:	45,528,870	47,221,421	13,062,019	27.66
OPERATING INCOME / (LOSS)		(15,952,989)	(16,767,396)	(1,654,184)	9.87
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,611,661	15,611,661	6,556,897	42.00
	State Fiscal Stabilization Funds	701,797	700,888	0	0.00
	Gifts	25,000	25,000	6,250	25.00
	Investment Income	266,166	266,166	6,795	2.55
	Loss/Gain in Disposal of Fixed Assets	0	0	0	
	Reappropriated State Funding	0	0	0	
	Total:	16,604,624	16,603,715	6,569,942	39.57
TRANSFERS & OTHER					
	Capital Expenditures	(449,158)	(449,158)	(253,062)	56.34
	Transfers for Fin Aid Match	(124,877)	(124,877)	(14,137)	11.32
	Indirect Cost Recoveries	450,218	533,597	166,432	31.19
	Transfers for Capital Projects	0	0	0	
	Transfers for Scholarships	0	(85,000)	(42,500)	50.00
	Transfers - Other	0	0	18,574	
	One-time use of reserve	0	289,119	0	0.00
	Total:	(123,817)	163,681	(124,693)	-76.18
BUDGET BALANCE		527,818	(0)	4,791,064	
* Add: ACTUAL UNRESTRICTED NET ASSETS - Beginning of Year		9,022,650	9,022,650		
Less: USE OF RESERVE		0	289,119		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		9,550,468	8,733,531		

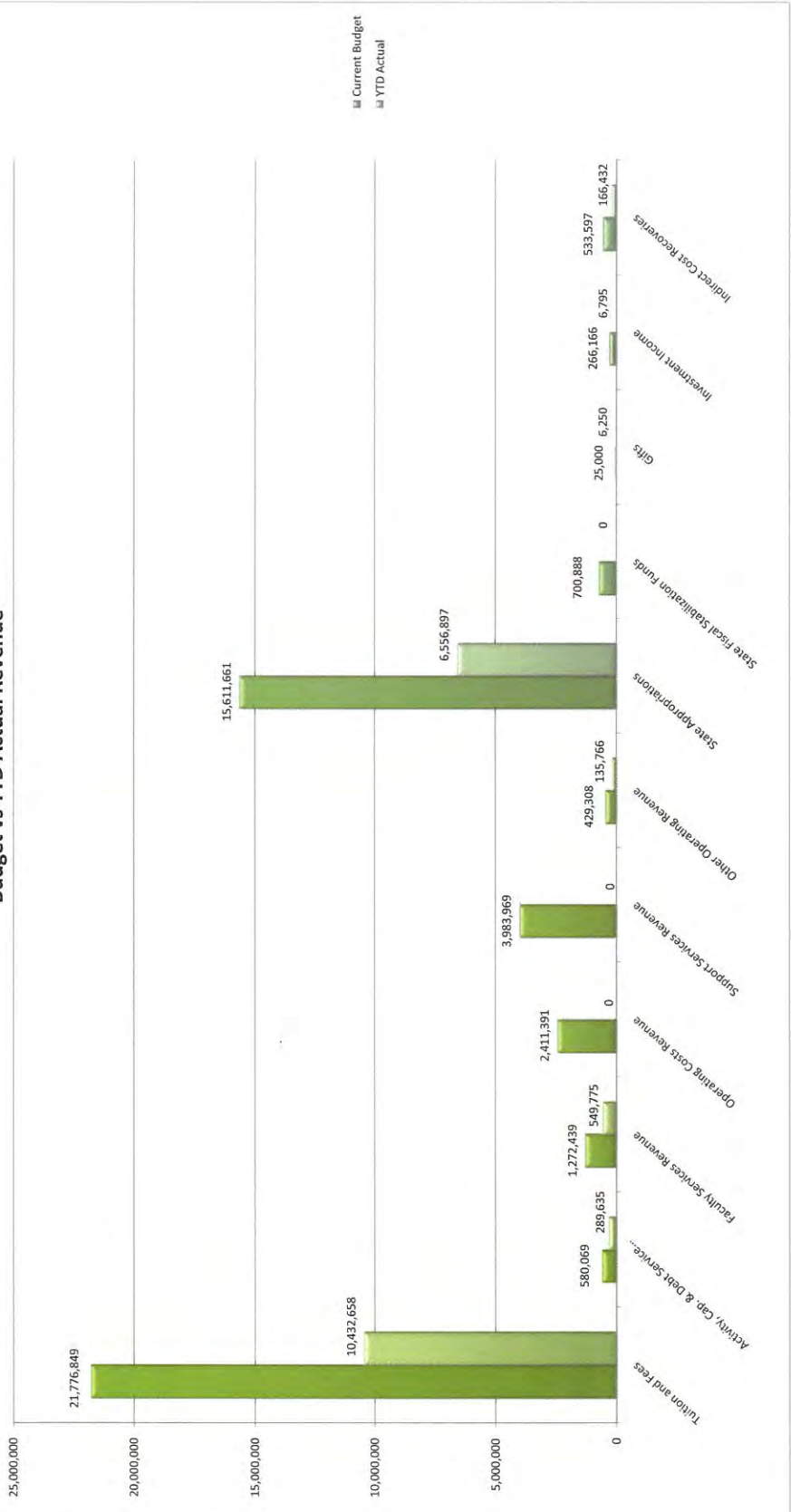
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Unrestricted Net Asset Balance is 19.11% of the current budget total operating expense.

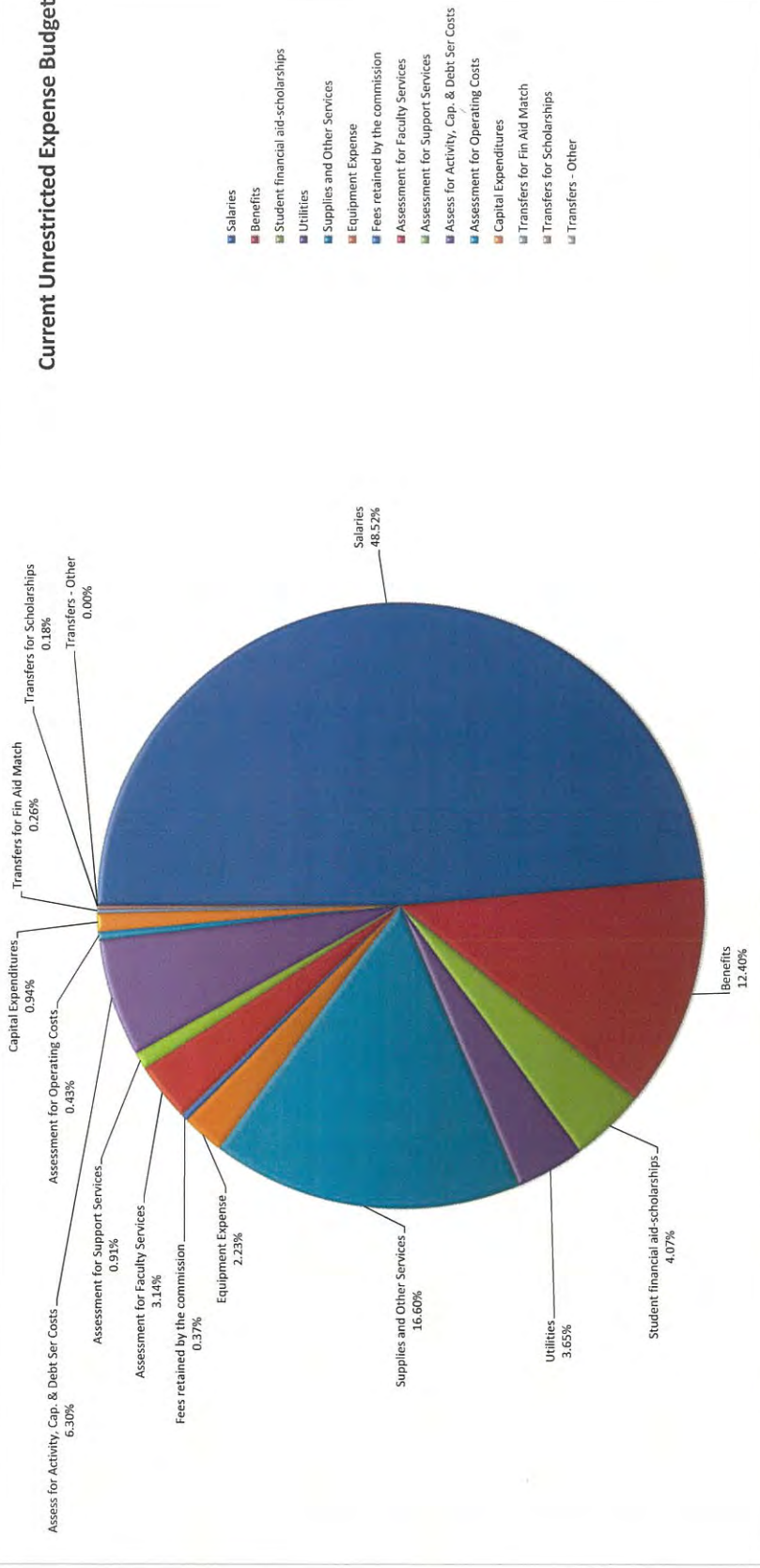
Current Unrestricted Revenue Budget

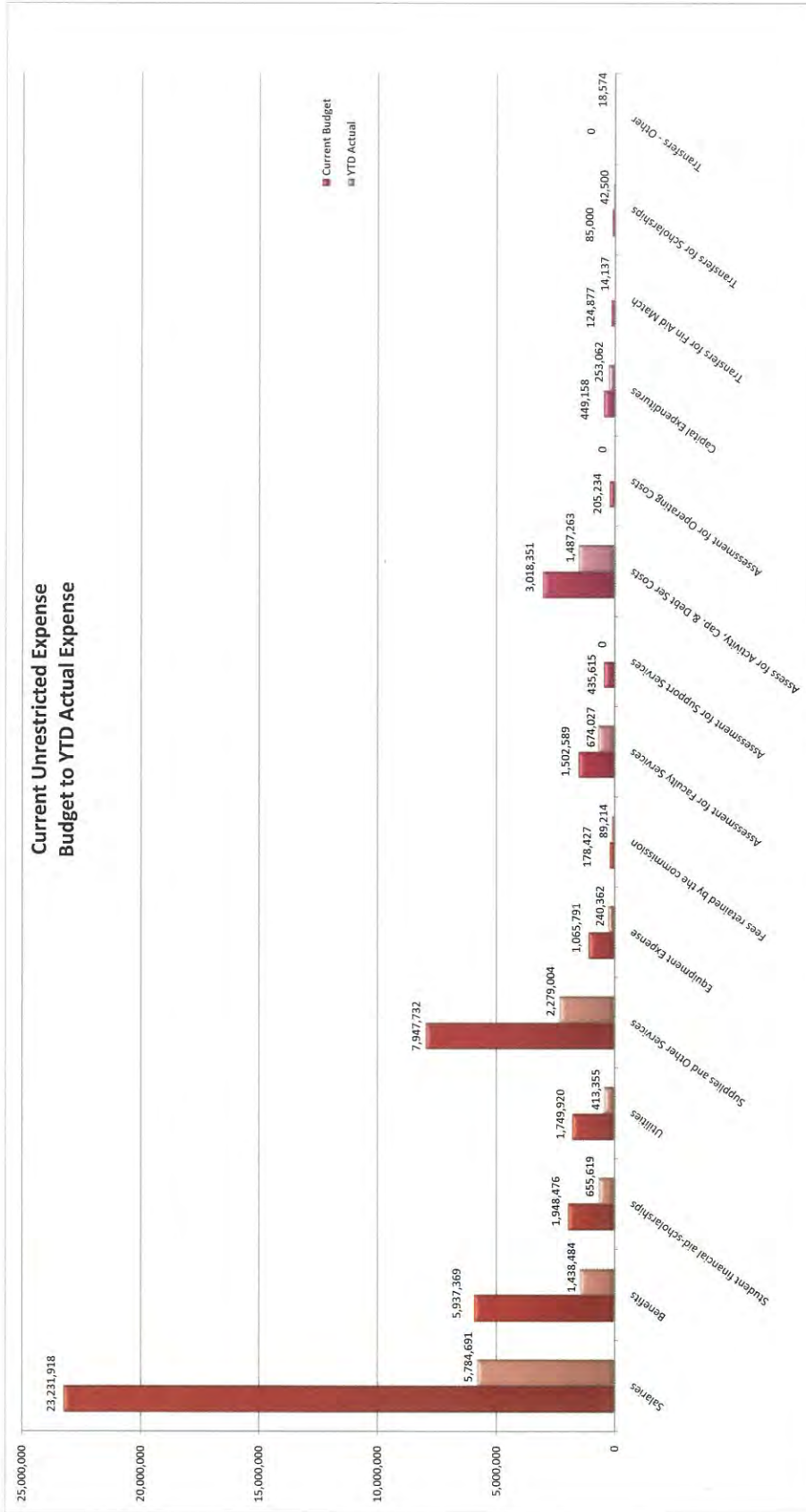


**Current Unrestricted Revenue
Budget vs YTD Actual Revenue**



Current Unrestricted Expense Budget





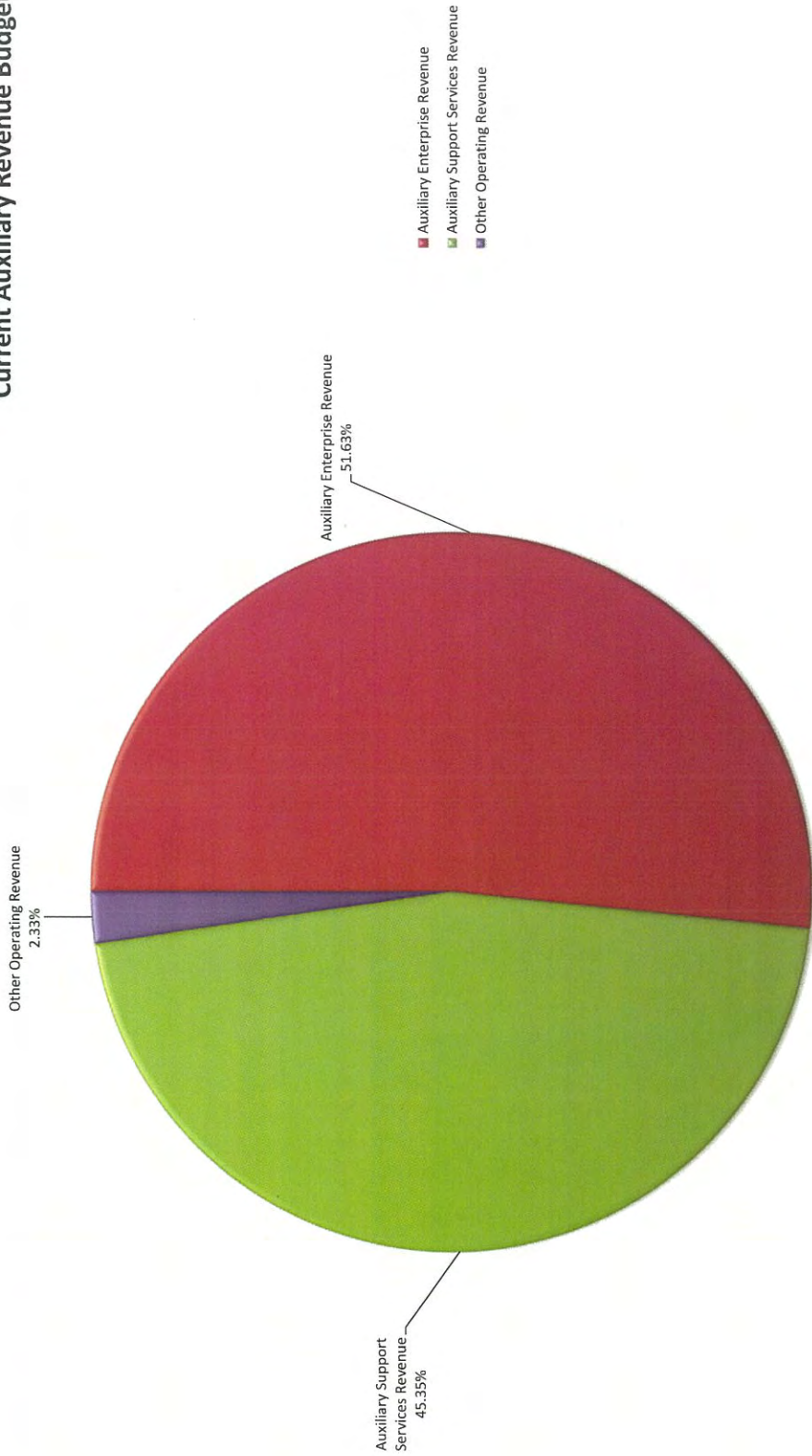
Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of October 31, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	5,500,976	5,491,477	2,414,410	43.97
	Auxiliary Support Services Revenue	4,762,696	4,898,096	2,497,930	51.00
	Other Operating Revenue	245,304	247,438	90,555	36.60
	Total:	10,508,976	10,637,011	5,002,896	47.03
OPERATING EXPENSE	Salaries	2,070,834	2,111,809	694,986	32.91
	Benefits	538,167	526,043	133,936	25.46
	Student financial aid-scholarships	486,160	486,160	174,167	35.83
	Utilities	912,265	912,265	192,060	21.05
	Supplies and Other Services	2,136,549	2,202,509	861,807	39.13
	Equipment Expense	97,446	104,855	134,250	128.03
	Loan cancellations and write-offs	1,131	1,131	0	0.00
	Total:	6,242,552	6,344,771	2,191,206	34.54
OPERATING INCOME / (LOSS)		4,266,424	4,292,239	2,811,690	65.51
NONOPERATING REVENUE (EXPENSE)	Interest on capital asset related debt	(100,473)	(100,473)	(50,236)	50.00
	Total:	(100,473)	(100,473)	(50,236)	50.00
TRANSFERS & OTHER	Capital Expenditures	(162,260)	(157,259)	0	0.00
	Transfers for Debt Service	(3,603,621)	(3,603,621)	(1,801,351)	49.99
	Transfers for Fin Aid Match	(3,425)	(3,425)	0	0.00
	Transfer to Plant Reserves	(396,646)	(520,371)	0	0.00
	Transfers for Scholarships	0	85,000	42,500	50.00
	Transfers - Other	0	7,909	7,909	100.00
	Total:	(4,165,951)	(4,191,767)	(1,750,942)	41.77
BUDGET BALANCE		0	0	1,010,511	
* Add: ACTUAL NET ASSETS - Beginning of Year		<u>6,514,461</u>	<u>6,514,461</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>6,514,461</u>	<u>6,514,461</u>		

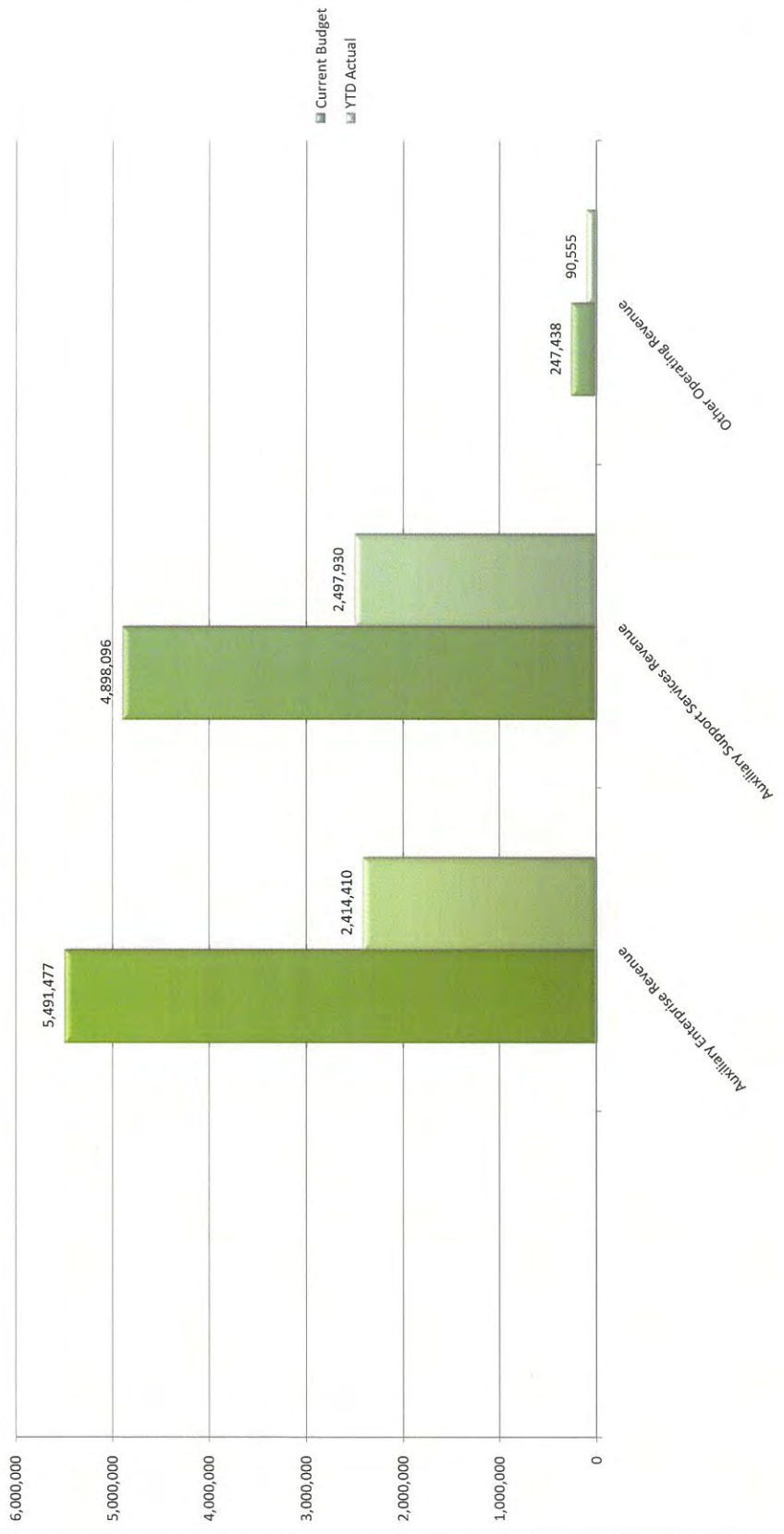
* Actual Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$375,293. Beginning Net Assets balance is unaudited as Audit continues through October 2010, however, no additional changes are foreseen.

Auxiliary Net Assets are required to support future repair and replacement costs. Planning activities are in progress to document a 20 year plan to support each auxiliary enterprise capital repair/replacement need.

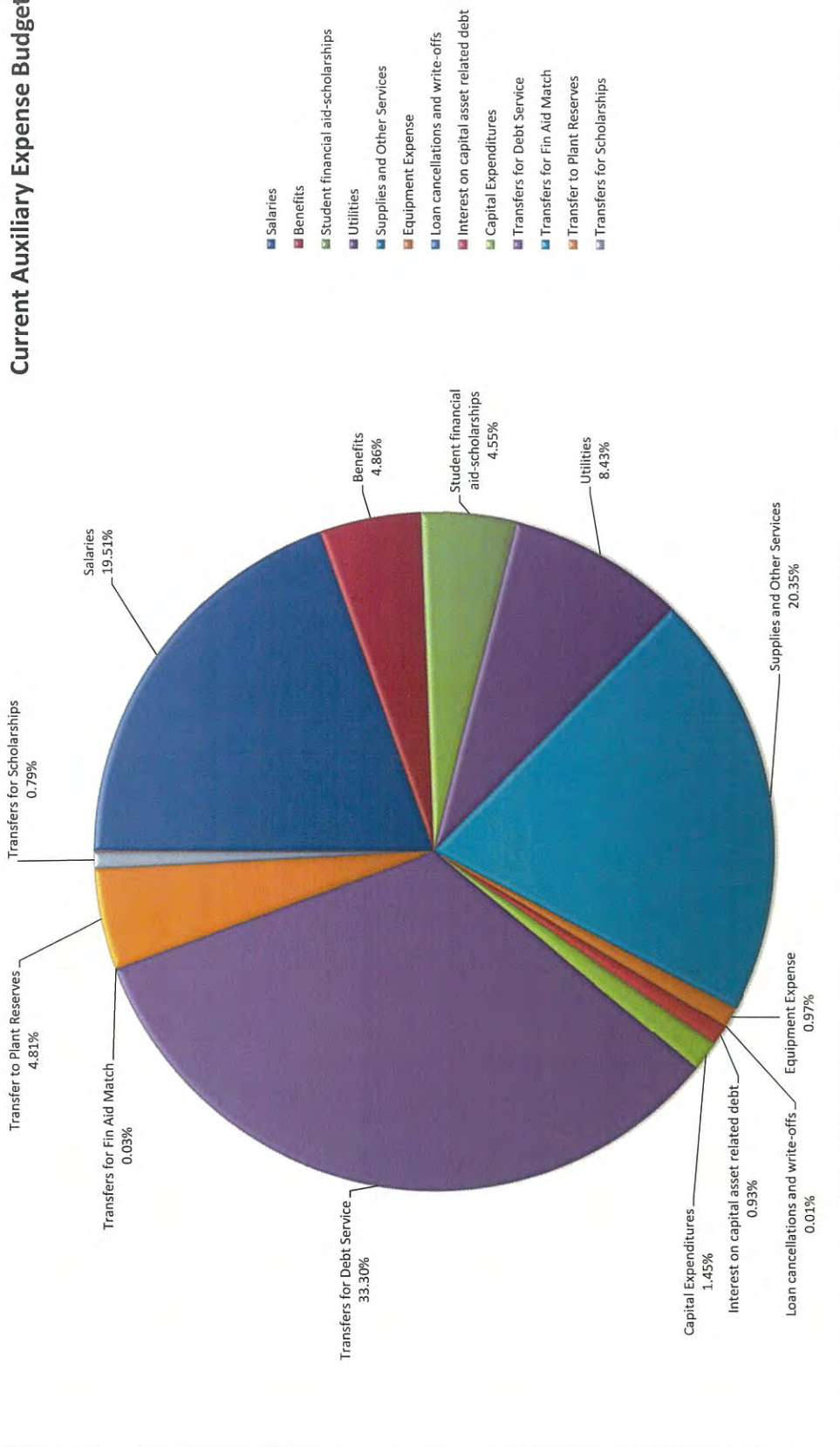
Current Auxiliary Revenue Budget



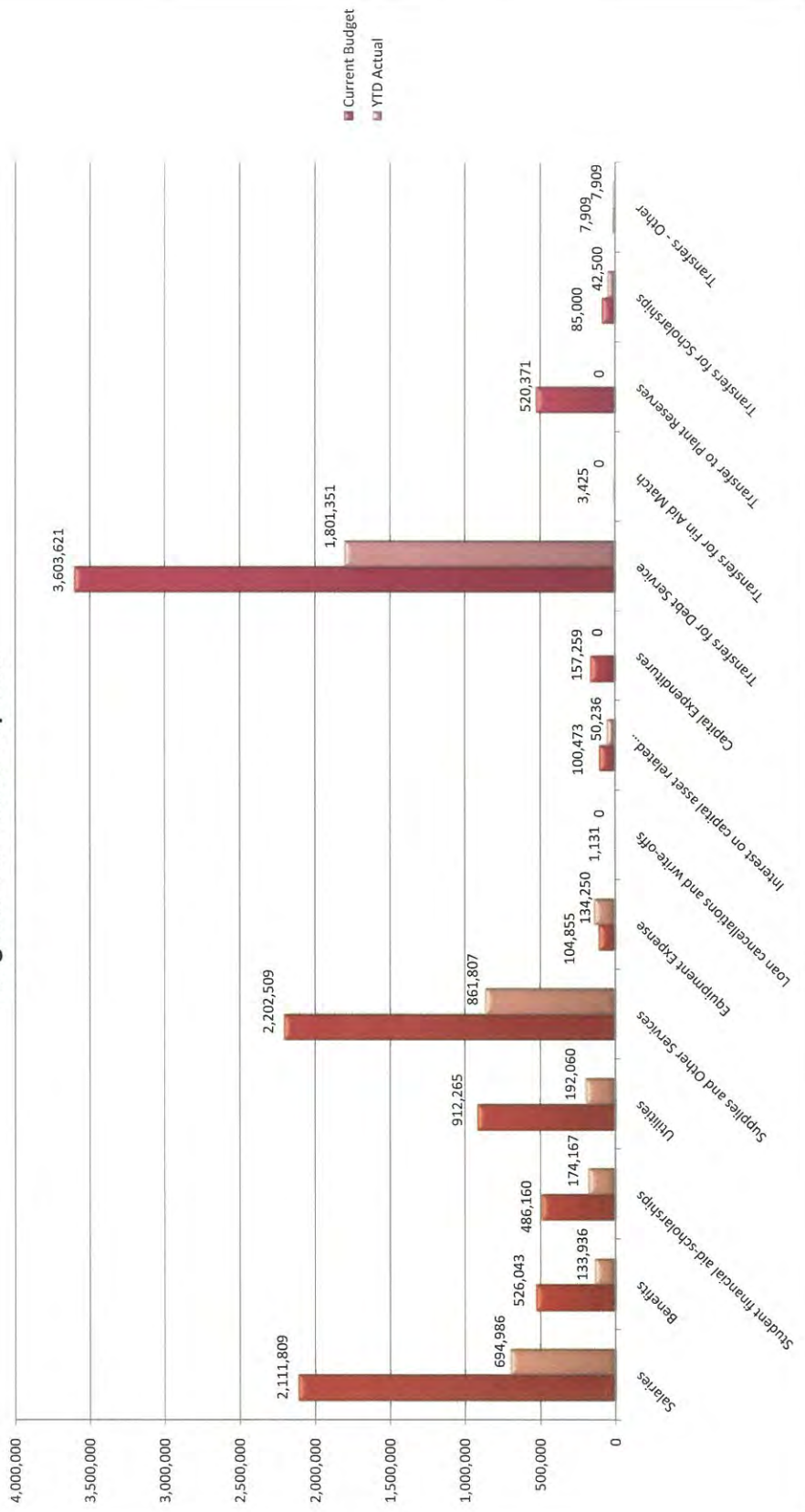
Current Auxiliary Revenue Budget to YTD Actual Revenue



Current Auxiliary Expense Budget



Current Auxiliary Expense Budget to YTD Actual Expense



Fairmont State University
Board of Governors
Financial Report
Restricted Fund
For the period ending October 31, 2010

New Grant Budgets

ERC Year 3	195,102
Appalachian Teaching Project	4,000
TEP Partnership Grant 2011	20,000

Changes in Financial Aid Budgets (Net) **(3,600,300)**

Federal Direct Loans (1,625,000)
Federal ACG (10,000)
PROMISE Scholarship 100,000
Higher Education Grant 175,000
HEAPS Training Grants (30,000)
United Mine Workers 20,000
Americorp 30,000
Foundation Budget (75,000)
Foundation Endowed (35,000)
Private Scholarships (200,000)
Alternative Loans (50,000)
Non-Operating Federal Pell Grant (1,900,000)

Existing Grant Budgets

Return of Unspent Center for Education in Appalachia Grant	(36,448)
TEP Partnership Grant Correction FY2010	(120)

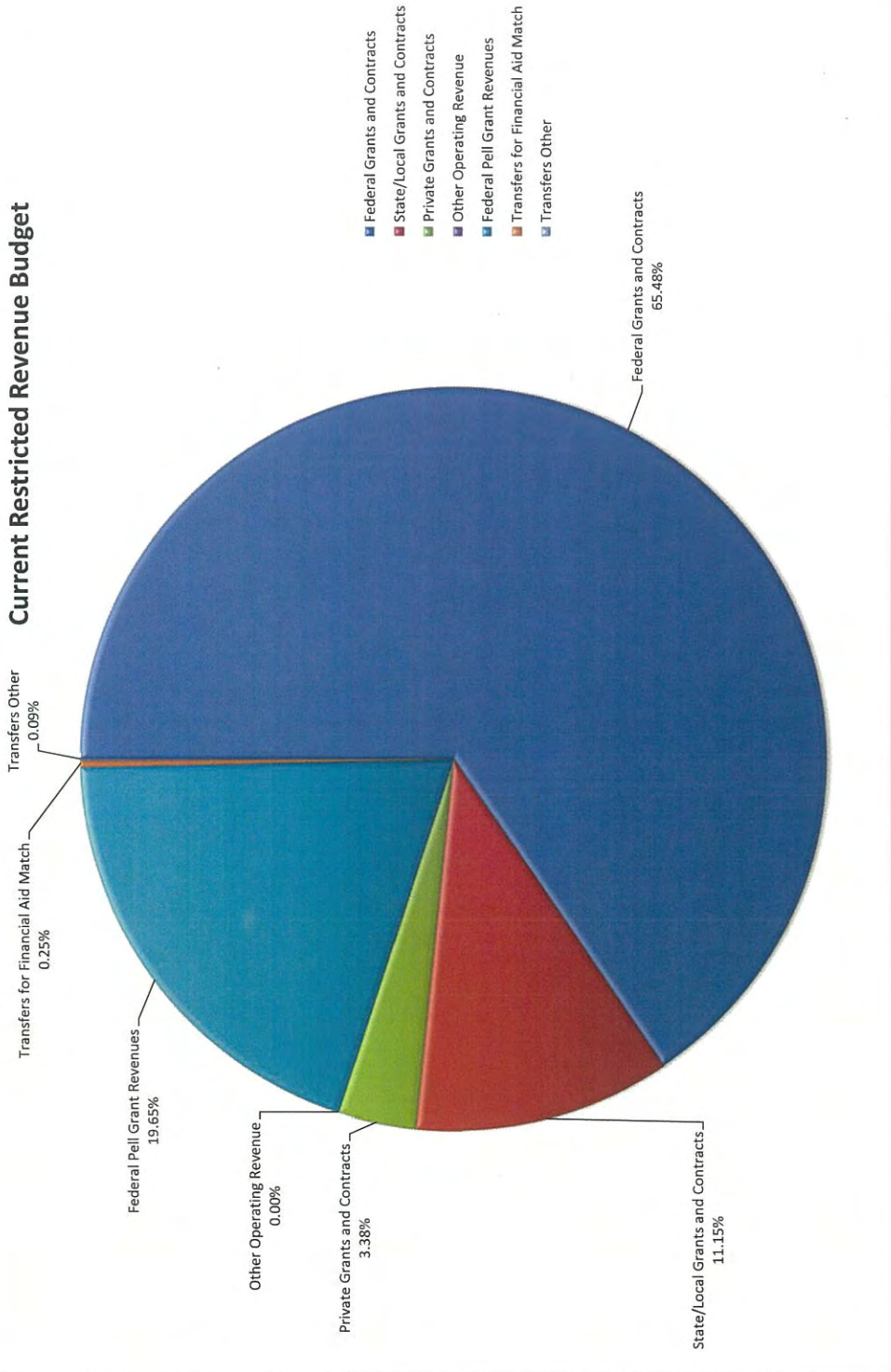
NET CHANGE **(120)**

The budget balance of **(213,173)** is covered by the restricted fund cash balance of 246,087 on June 30, 2010

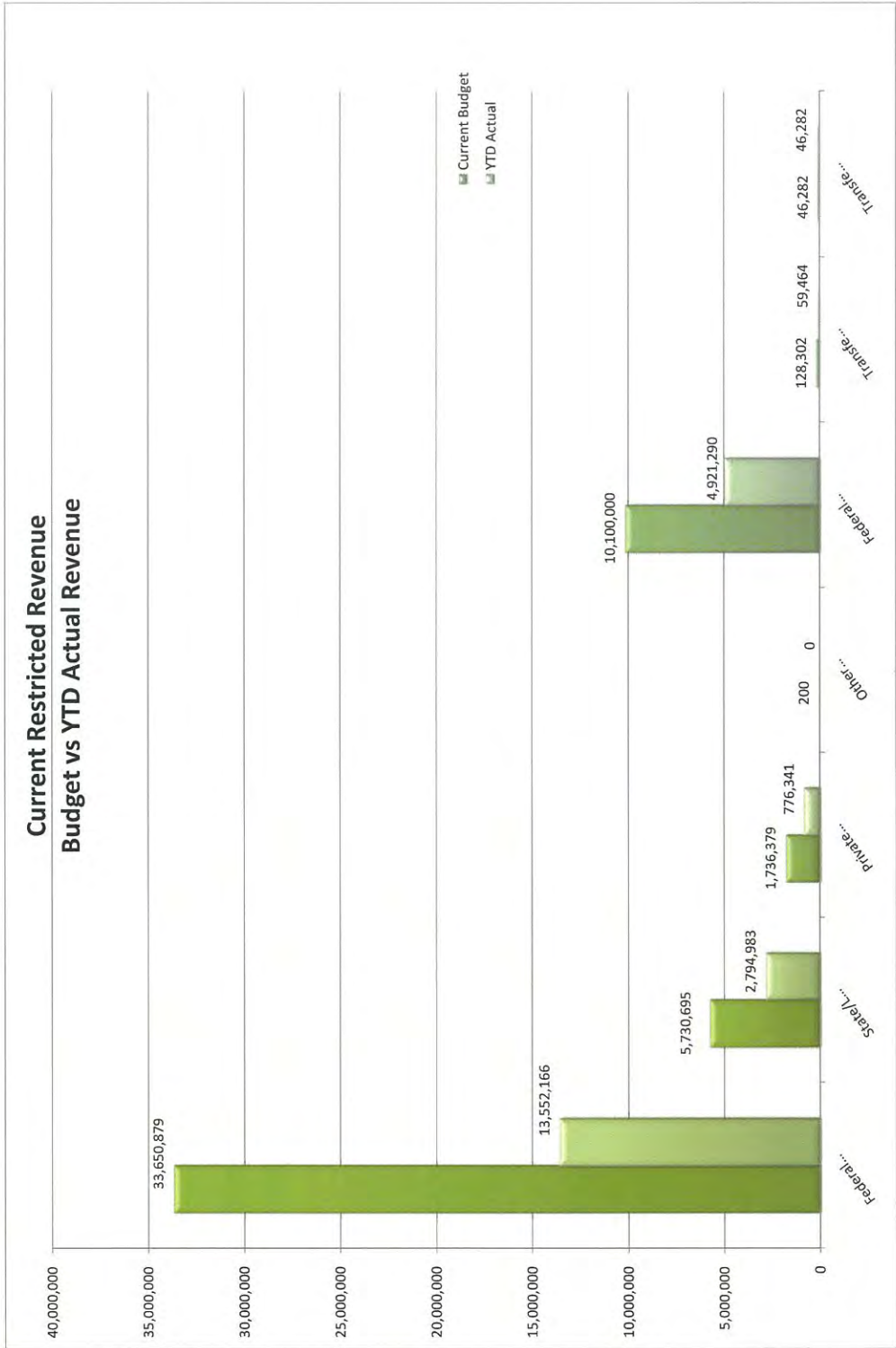
FAIRMONT STATE UNIVERSITY
 Actual vs Budget Statement of Revenues and Expenses
 Current Restricted
 As of October 31, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Federal Grants and Contracts	35,155,676	33,650,879	13,552,166	40.27
	State/Local Grants and Contracts	5,421,053	5,730,695	2,794,983	48.77
	Private Grants and Contracts	2,100,110	1,736,379	776,341	44.71
	Other Operating Revenue	200	200	0	0.00
	Total:	42,677,039	41,118,153	17,123,490	41.64
OPERATING EXPENSE	Salaries	1,424,306	1,550,289	346,606	22.36
	Benefits	230,290	265,995	59,638	22.42
	Student financial aid-scholarships	44,102,306	40,508,806	20,091,602	49.60
	Utilities	21,607	21,607	0	0.00
	Supplies and Other Services	5,379,841	5,261,618	778,606	14.80
	Equipment Expense	3,308,144	3,448,540	664,221	19.26
	Total:	54,466,494	51,056,855	21,940,673	42.97
OPERATING INCOME / (LOSS)		(11,789,455)	(9,938,702)	(4,817,183)	48.47
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	12,000,000	10,100,000	4,921,290	48.73
	Total:	12,000,000	10,100,000	4,921,290	48.73
TRANSFERS & OTHER	Capital Expenditures	(15,459)	(15,459)	0	0.00
	Transfers for Fin Aid Match	128,302	128,302	59,464	46.35
	Indirect Cost Recoveries	(509,400)	(533,597)	(166,432)	31.19
	Transfers - Other	0	46,282	46,282	
	Total:	(396,557)	(374,472)	(60,686)	16.21
BUDGET BALANCE		(186,012)	(213,174)	43,421	
* Add: PROJECTED RESTRICTED NET ASSETS - Beginning of Year		219,123	246,087		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>33,111</u>	<u>32,913</u>		

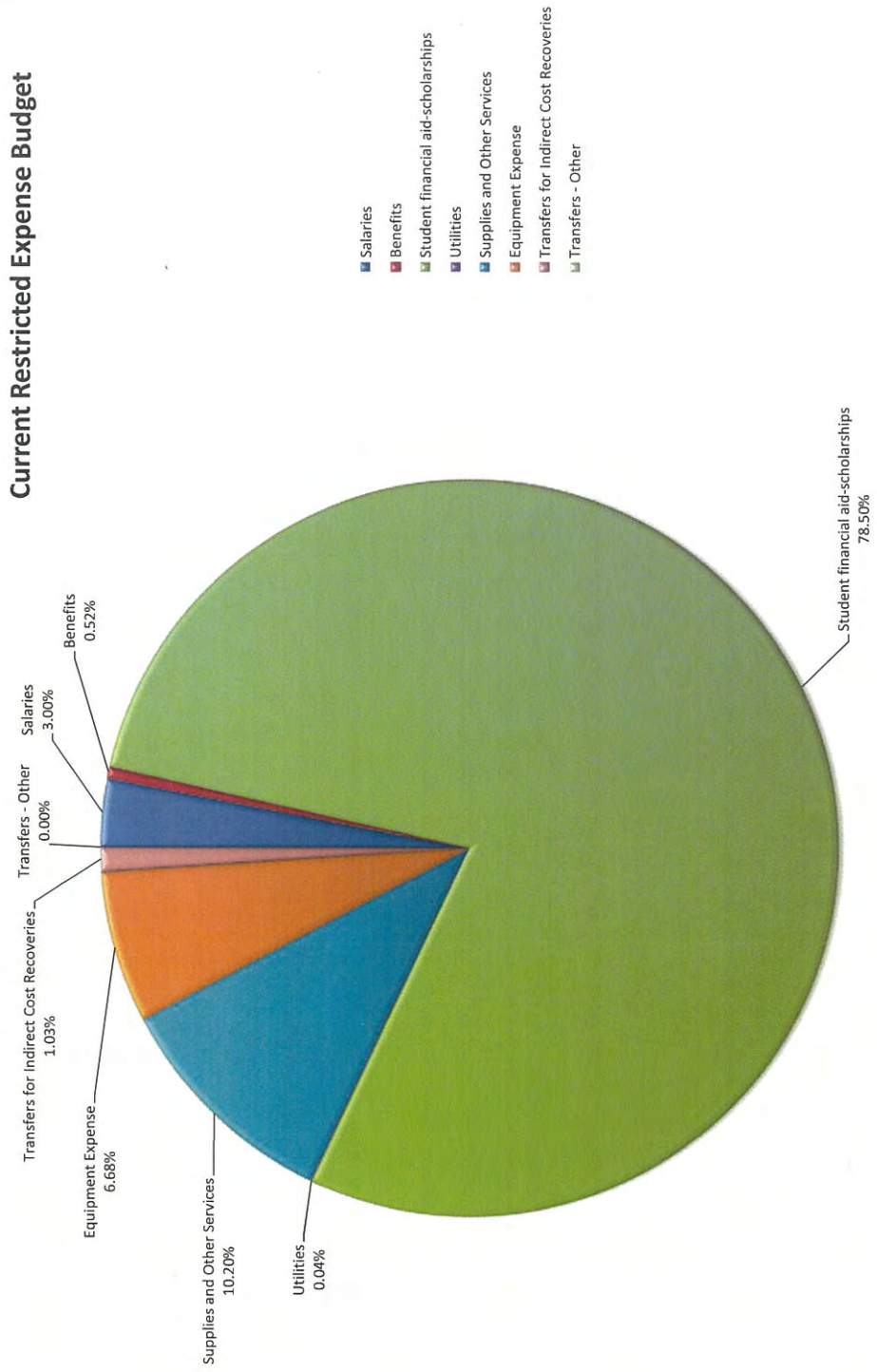
Current Restricted Revenue Budget

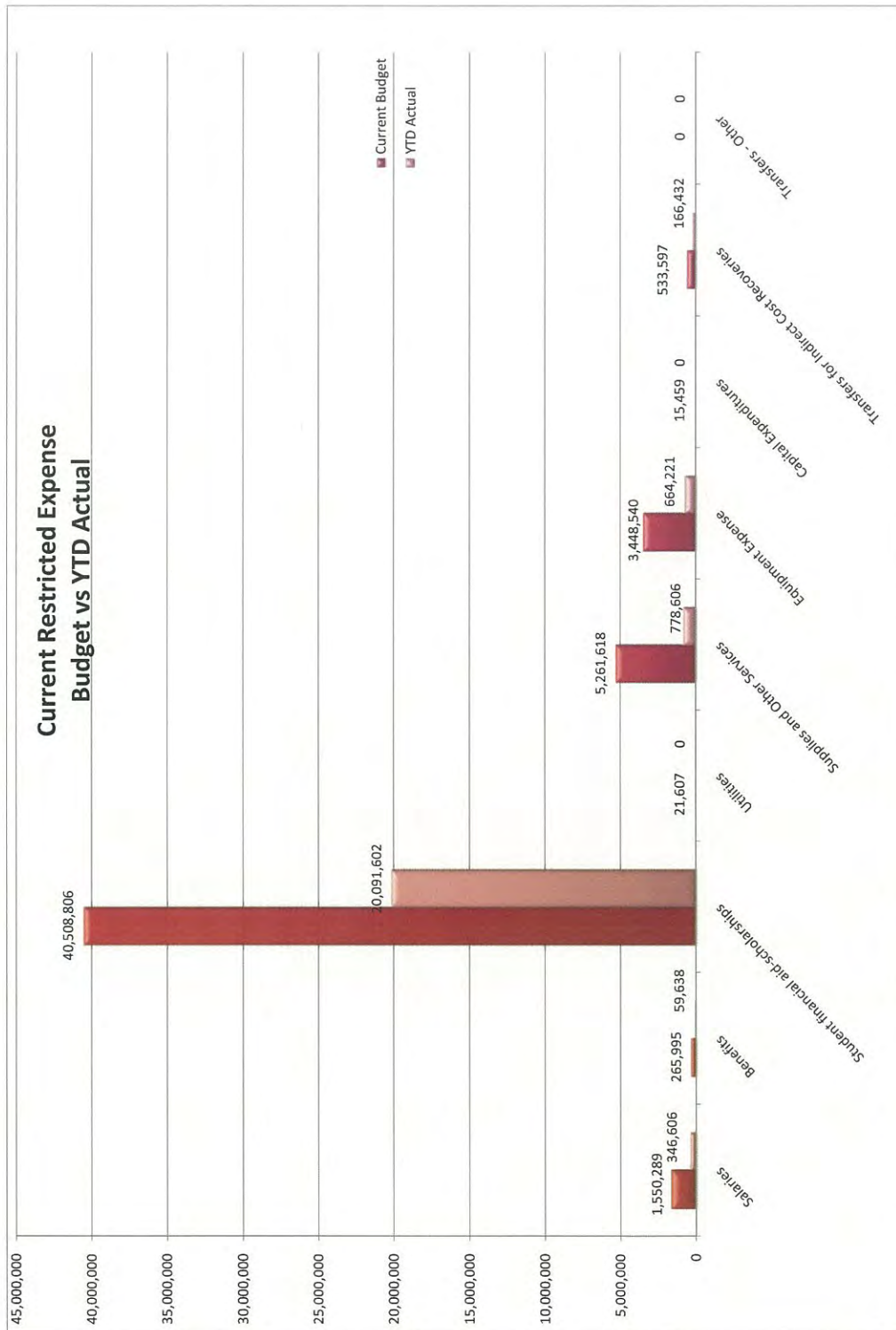


Current Restricted Revenue Budget vs YTD Actual Revenue



Current Restricted Expense Budget





2009-2010 Compact Update Evaluation

The Higher Education Policy Commission team reviewing the 2009-2010 compact update has completed its report for Fairmont State University. This compact update report prepared by the team will be on the agenda as an action item for the January 21, 2011 HEPC meeting. The key elements of the report are summarized below. The Evaluation Team recommended approval of the report.

Progress on compact elements:

- Fairmont State University attained a 2009-10 headcount of 4,574 which is slightly above the goal of 4,554 for the year. This is a 2.4 percent increase from the 2007-08 base year.
- Though slightly below the 2009-10 goal of 3,839, the annualized FTE of 3,830 is a 1.8 percent increase from the base year.
- The university has developed an effective plan for working with students who enter the university under “conditional admission”.
- Fairmont State University met its graduation rate with a graduation rate of 37 percent, exceeding the average rate of its peers.
- Assessment efforts are exemplary at Fairmont State University. Multiple strategies are utilized to garner data on program effectiveness and student learning. The university is to be commended on the strategies employed to assess student learning and to provide data whereby decisions can be made to improve student learning in all program areas.
- The work that the university has done with K-12 schools is to be applauded. This is a result of active involvement in GEAR-UP, the development and nurturing of partnerships with public schools, and related research initiatives.
- Fairmont State University exhibits exemplary work and growth in online course development, faculty development opportunities, and infrastructure development.
- The university has expanded its outreach and services to adults in several ways. Growth in the Regents Bachelor of Arts program, services to veterans, increased online course delivery, additional graduate programs for working adults, and modified course hours have evidenced a commitment to making educational services available to adults.
- The number of Fairmont students that have participated in activities related to civic engagement is impressive. During 2009-10, over 2,500 students participated in one or more service learning civic activities.

Areas requiring institutional attention:

- The student retention rate was 60 percent, slightly below the goal, though the university instituted several new retention strategies this year. *MAP-Works and other retention strategies are being analyzed for effectiveness; additional strategies to support first generation college students are being implemented. The new Student Access and Support Center will consolidate services and should have a huge impact on retention efforts.*
- While total degree production declined slightly from the previous year, the number of master’s degrees awarded increased from 85 to 121 for the year. Bachelor degree awards

declined from 645 to 616. *This is a one year snap shot; degree production for all programs is being studied carefully.*

- Licensure pass rates for education and nursing minimally met the desired institutional pass rate of 80 percent. *Nursing had a redesigned curriculum and the effectiveness of the curriculum is being studied; Education PRAXIS rates for content areas are being addressed as well.*
- The 2008-09 goal for STEM degree graduates was 185; however, only 155 STEM degrees were awarded. *The Fairmont State STEM Center is new and it will take time for trends related to student interest in STEM fields to change; in fact, the College of Science and Technology realized an increase in majors for fall 2010. The outreach efforts with public schools to enhance student interest are being studied and revised.*
- Although institutional financial aid services have been stabilized through the placement of qualified personnel, institutional financial aid administration is still complex because of the administratively linked community college component. Administering financial aid for two institutions with limited staff necessitates only providing basic financial aid services. The institution is encouraged to review staffing levels and institutional support in relation to the complexity of administering financial aid to two institutions. *Once the Senior Vice President for the Student Access and Support Center begins work, the financial aid staffing issues will be studied. The staff of the Student Access and Support Center will be cross-trained to provide additional financial aid counseling.*

Evaluation Team recommendation:

- Approval of the 2010 compact update.

Fairmont State University

Board of Governors

Meeting of December 16, 2010

Item: Approval of Additional Capital Projects for FY 2011

Committee: Finance Committee

Action: Be it resolved that the Board of Governors approves the attached updated E&G Capital Project plan for FY 2011

Staff Member: Rick Porto

Background: Two Government Services Grants through the West Virginia Office of the Governor have been secured. One of the Grants is for the Fire Suppression System/Fire Wall at the National Aerospace Education Center. The second Grant is for Phase III of the Folklife Center. Please find attached the updated E&G Capital Project list.

CAPITAL PROJECTS					
FY 2011					
Project	Project Budget	Expenses & Encumbrances	Available Project Budget	Project Completion Date and/or Update Notes	
Hardway Hall - HVAC Unit	\$ 56,472.00	\$ 56,472.00	\$ -	Project is Complete	Completed
Byrd Center - HVAC Units (2)	\$ 50,000.00	\$ -	\$ 50,000.00	Architect interviews are scheduled for November 15th	In Progress
Byrd Center - Roof Renewal	\$ 400,000.00	\$ -	\$ 400,000.00	Architect interviews are scheduled for November 15th	
Aerospace Fire Suppression - ARRA	\$ 1,100,000.00	\$ -	\$ 1,100,000.00	Architect services for this project have been combined with the roof and HVAC unit replacement. Architect interviews are scheduled for November 15th	
Folklife - Phase III (ARRA)	\$ 524,100.00	\$ -	\$ 524,100.00	Architect, Physical Plant, and Foundation held first design meeting. Architect is working on preliminary design documents.	
Hardway Hall Renovations	\$ 5,500,000.00	\$ -	\$ 5,500,000.00	Project has been advertised. Expressions of Interest are due from architectural firms on November 16th.	
Hunt Haught Hall Glass Front	\$ 238,386.00	\$ 30,000.00	\$ 208,386.00	Architect & Engineers are working on project design.	
Hunt Haught Hall - HVAC Units	\$ 500,000.00	\$ 45,000.00	\$ 455,000.00	Architect & Engineers are working on project design.	
Infrastructure - Hardway Hall	\$ 400,000.00	\$ 362,739.03	\$ 37,260.97	Project is substantially complete. Minor punchlist items remain to be completed.	
Infrastructure - IT Emergency Back-Up	\$ 197,299.00	\$ 16,550.00	\$ 180,749.00	Purchase order has been finalized with design firm.	
Infrastructure - Retaining Walls	\$ 130,000.00	\$ 9,000.00	\$ 121,000.00	5 contractors bid on this project. The architect has recommended awarded the project to low bidder. Contract documents are being prepared.	
Infrastructure - Retaining Wall Merchant Street	\$ 175,000.00	\$ 3,500.00	\$ 171,500.00	1 contractor bid on this project. Bid came in over the project budget. Project design is being reviewed and project will re-bid at later date.	
Turley Center Renovations	\$ 6,000,000.00	\$ -	\$ 6,000,000.00	Project has been advertised. Expressions of Interest are due from architectural firms on November 16th.	
Wallman Hall Renovations	\$ 5,200,000.00	\$ -	\$ 5,200,000.00	Project has been advertised. Expressions of Interest are due from architectural firms on December 14th.	
Infrastructure - Paving Lot #15	\$ 58,560.00	\$ -	\$ 58,560.00		Not Started
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00		
Musick Library Elevator	\$ 2,000,000.00	\$ -	\$ 2,000,000.00		
Turley Center Renovations - FF&E	\$ 550,000.00	\$ -	\$ 550,000.00		
Academic Fund	\$ 100,000.00	\$ -	\$ 100,000.00	On-going - Numerous projects through-out year	On-Going
Landscaping	\$ 100,000.00	\$ 26,278.26	\$ 73,721.74	On-going - Numerous projects through-out year	
Physical Plant - Small Projects	\$ 197,000.00	\$ 53,448.68	\$ 143,551.32	On-going - Numerous projects through-out year	
	\$ 15,886,245.00	\$ 546,515.97	\$ 15,339,729.03		

Fairmont State University

Board of Governors

Meeting of December 16, 2010

Item: Independent Auditor's Report by Deloitte & Touche LLP of the Fairmont State University Financial Statements as of and for the year ended June 30, 2010

Committee: Finance Committee

Action: Be it resolved that the Board of Governors accepts the Independent Auditor's Report.

Staff Member: Rick Porto

Background: On November 16, 2010, Dennis Juran of Deloitte & Touche LLP presented the audit report of the University prepared financial statements to the Finance, Facilities, and Audit Committee.

The report indicated that statements prepared by staff presented fairly, in all material respects, the financial position of Fairmont State University. Fairmont State was provided an unqualified opinion.

The report to the Committee reviewed:

- The effects of the separation of assets on the presentation of the University Financial Statements (no comparative data and transfer of assets and liabilities from Fairmont State to Pierpont).
- The financial condition of the University reflects a 2.9:1 ratio of Current Assets to Current Liabilities. This is very good.
- The Unrestricted Net Assets (before OPEB liability) exceed 20% of operating expenses. This is very good and close to excessive.

- Cash and Cash Equivalents increased by \$2,081,786. This is very good.
- OPEB liability increased by 262% and created an overall decrease in Net Assets of \$666,812 to the fiscal year.
- The 2010 Audit Report includes details of the Separation of Assets and Liabilities Agreement between Fairmont State University and Pierpont Community and Technical College sharing with interested bond holders of both institutions commitment toward bond debt, operating budgets of the bond related auxiliaries, and repair and renovation of all Shared Education and General Facilities.

Notes

Fairmont State University Board of Governors
Meeting of December 16, 2010
Falcon Center Board Room - 9:00 a.m.

AGENDA

- | | | |
|-------|---|---------------------------------|
| I. | Call to Order | |
| | a. Roll Call | |
| | b. Public Comment | |
| | c. Approve Agenda | Action Item |
| II. | Approval of Minutes (10-14-10) | <i>Tab 1</i> Action Item |
| III. | Chairperson's Report | |
| IV. | President's Report | |
| | a. Emergency Operations Plan | |
| | b. Internal Communications | |
| | c. Branding, Communications, and Marketing | |
| V. | Reports and Presentations | |
| | a. Faculty Senate (<i>Chuck Shields</i>) | |
| | b. Classified Staff (<i>Harriet Bower</i>) | |
| | c. Student Government (<i>Alicia Nieman</i>) | |
| | d. Institutional Advancement (<i>Devanna Corley</i>) | |
| | e. Alumni Association (<i>Emily Swain</i>) | |
| | f. Athletic Association (<i>Shannon Kelley</i>) | |
| VI. | Consent Agenda | Action Item |
| | a. Financial Report September 2010 | <i>Tab 2</i> FYI |
| | b. Financial Report October 2010 | <i>Tab 3</i> FYI |
| VII. | Academic Affairs/Admissions (<i>Janet Crescenzi, Chair</i>) | |
| | a. HEPC-FSU Compact | <i>Tab 4</i> FYI |
| VIII. | Student Life Committee (<i>Skip Tarasuk, Chair</i>) | |
| IX. | Finance Committee (<i>Jim Kettering, Chair</i>) | |
| | a. Approval of Additional Capital Projects for FY 2011 | <i>Tab 5</i> Action Item |
| | b. Acceptance of Independent Auditor's Report | <i>Tab 6</i> Action Item |
| X. | Executive Committee (<i>Rocco Muriale, Chair</i>) | |
| XI. | By-laws Committee (<i>Shirley Stanton, Chair</i>) | |
| XII. | Possible Executive Session | |
| XIII. | Adjournment | |