

December 12, 2013

# Board of Governors



**AGENDA**  
**FSU BOARD OF GOVERNORS' MEETING**  
**DECEMBER 12, 2013, 9:00 A.M.**  
**LOCATION: BOARD ROOM, 3<sup>RD</sup> FLOOR FALCON CENTER**  
**1201 LOCUST AVENUE, FAIRMONT, WV**



- I. CALL TO ORDER**
  - A. Roll Call
  - B. Public Comment
  - C. Approve Agenda ..... *Action Item*
- II. APPROVAL OF MINUTES OF OCTOBER 17, 2013.....** *Tab 1 Action Item*
- III. CHAIRMAN’S REPORT**
- IV. PRESIDENT’S REPORT**
- V. REPORTS AND PRESENTATIONS**
  - A. Foundation (Will Armistead)
  - B. Construction Project Updates (Tom Tucker)
- VI. CONSENT AGENDA.....** *Tab 2 Action Item*
  - A. Financial Reports (Months Ending 9/30/13 and 10/31/13)
  - B. Capital Projects Report 2014
- VII. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)**
  - A. Approval to Discontinue Bachelor of Arts in French Degree and Bachelor of Arts in French Education Degree..... *Tab 3 Action Item*
- VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**
- IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)**
- X. ENROLLMENT COMMITTEE (Dixie Yann, Chair)**
- XI. FINANCE COMMITTEE (Mark Pallotta, Chair)**
  - A. Approval of Audit Report dated October 30, 2013..... *Tab 4 Action Item*  
(For the year ended June 30, 2013)
- XII. EXECUTIVE COMMITTEE (Ron Tucker, Chair)**
- XIII. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code §6-9A-4 To Discuss Personnel Issues**
- XIV. ADJOURNMENT**

**NEXT MEETING: FEBRUARY 13, 2014, AT 9:00 A.M.,**  
**LOCATION: BOARD ROOM, 3<sup>RD</sup> FLOOR FALCON CENTER,**  
**1201 LOCUST AVENUE, FAIRMONT, WV**

# Tab 1



FAIRMONT STATE UNIVERSITY  
BOARD OF GOVERNORS  
**MEETING MINUTES**  
**OCTOBER 17, 2013, 9:00 A.M.**  
Gaston Caperton Center, 501 West Main Street  
Clarksburg, WV

**I. CALL TO ORDER**

**A. Roll Call**

Chairman Ron Tucker convened a meeting of the Fairmont State University (FSU) Board of Governors on October 17, 2013, beginning at approximately 9:00 a.m. in the Gaston Caperton Center, 501 West Main Street, Clarksburg, West Virginia.

At the request of Chairman Tucker, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Bryan Foley, Holly Fluharty, Bob Mild, John Myers, Ron Tucker, John Shirrpa, Shirley Stanton, Frank Washenitz, and Dixie Yann. Bryan Towns participated by phone after the roll call and member Mark Pallotta was present after the roll call. Member Chris Courtney was absent. Also in attendance were President Rose and President's Council members Rick Porto, Ann Booth, Van Dempsey, Kaye Widney, and Chris Lavorata, Athletic Director, Tim McNeely, Assistant Vice President of Facilities, Tom Tucker, and Construction Manager, Stephanie Slaubaugh. FSU ACCE Representative, Sherry Mitchell, Will Armistead of the Fairmont State Foundation, Jack Kirby, Associate Provost, Tim Oxley, Associate Dean of the School of Business, Sharon Boni, Dean of Nursing, also attended.

**B. Public Comment**

Frank Washenitz reported that Butch Tennant (Marion County Commissioner) had signed up for public comment.

Chairman Tucker recognized Mr. Tennant and welcomed him. Mr. Tennant then presented two checks from the Airport Authority totaling \$4,000 for the Athletic Fund for football and basketball

**C. Approval of Agenda**

Bob Mild made a motion to approve the agenda. Bryan Foley seconded. The motion passed.

**II. APPROVAL OF MINUTES OF JUNE 20, 2013**

Bryan Foley made a motion to approve the minutes of June 20, 2013, and John Schrippa seconded. The motion passed.

**III. CHAIRMAN'S REPORT**

- A. Chairman Tucker thanked Nancy McClure and the staff at the Caperton Center for hosting today's meeting. He stated that having the meeting there helps solidify the Fairmont State University connection with Harrison County.
- B. The Chairman also thanked those who attended the BOG Retreat a few weeks ago. Several important topics were discussed and it was nice to spend time with all the BOG members.
- C. Chairman Tucker stated that he thought Homecoming was a great success. The weather was great. He also stated that this was the first time that we did an Alumni Roundtable with the alumni award winners. The winners provided lots of insight to our students. There will be a follow-up event in the spring.
- E. Chairman Tucker said there would be a Fan Fest tonight for the basketball team and also reminded everyone of the exhibition basketball game between Fairmont State University and West Virginia University on November the 4th at 7:30 p.m. at West Virginia University. The game will be telecast on Root Sports and the Alumni Association is arranging for Marion County Transit Buses to transport FSU fans to the game.
- F. The next Board Of Governors' meeting will be back on campus in the Falcon Center Board Room on December the 12<sup>th</sup> at 9:00 a.m.

**IV. PRESIDENT'S REPORT**

- A. President Rose stated that the Nursing Accreditation Team was on campus to evaluate the RN to BSN Program. She said that the accreditors indicated that all requirements were met and there were no concerns. The final report will not be sent to us until sometime in March. President Rose congratulated Dr. Sharon Boni, Dean of the School of Nursing, and all the Nursing faculty and staff for the report.
- B. She also reported that visits went well from the National Architecture Board and the Higher Learning Commission who were here to evaluate the Masters in Architecture program.

- C. President Rose also said that work has begun on the Campus Master Plan and that a submission of Re-Authorization to the Higher Education Policy Commission (HEPC) as required by Policy 52 has been done. She stated that target goals have been identified for the upcoming Institutional Compact which is also required by the HEPC.
- D. President Rose reported that proceedings have begun for the hiring of the architect for the Retton Arena and she and others have been working with the architect for the Housing Master Plan. She also said that construction is complete in Wallman Hall and that all moves into the Turley Center are complete. Also, renovations are continuing on Hardway Hall, Starbucks in the Library, the roof on Jaynes Hall, the natatorium area, the girls' basketball locker room, the theatre room in the Feaster Center, and the green house in Hunt Haught Hall.
- E. President Rose stated that all units of campus are working hard to find areas in their operation to cut their budgets and to identify efficiencies for cost savings.

**V. REPORTS AND PRESENTATIONS**

**A. Foundation (Will Armistead)**

Mr. Will Armistead, President of the Fairmont State Foundation, gave a detailed report. He stated that the Foundation's current assets are \$19,564,000, which is an increase of \$450,000 since his last report to the Board of Governors on August 15, 2013. Also at the last meeting he mentioned a \$330,000 bequest which he now says came from the Mary K. and John P. Kaiser Family Trust. A final distribution will be received soon which will make the total contribution exceed \$400,000. Also, a final distribution was recently received from an IRA from an individual who was born in Marion County and lived in South Carolina. The contribution totaled \$253,000.

Mr. Armistead also reported that the Foundation was awarded \$20,000 in State tax credits as an initial allotment. He does anticipate receiving additional credits by Spring 2014. Donations to the Neighborhood Investment Program are dedicated to scholarships for Fairmont State University's most needy students, based on the poverty level.

Mr. Armistead said that the independent auditors returned a clean report with no issues identified. The audit team made a presentation to the Foundation's Finance Committee at its August 29<sup>th</sup> meeting.

Mr. Armistead reported that the Foundation has received funds to support the scholarship endowment and for impact scholarships, to athletics, for the architecture program, an additional contribution from the Todd May endowment, and a \$6,000 grant from Dominion. Also, he stated that Amantha Cole is developing a solicitation for the One Room Schoolhouse which will be ready soon.

B. Construction Project Updates (Tom Tucker)

Mr. Tom Tucker, Assistant Vice-President for Facilities, introduced Stephanie Slaubaugh, Construction Manager, to give an update on the various projects that are currently underway on campus. Weekly updates are available online at: <http://www.fairmontstate.edu/adminfiscalaffairs/physical-plant/construction-projects>.

**VI. CONSENT AGENDA**

Mark Pallotta moved to accept the following Consent Agenda:

- A. Financial Report (ending 7/31/13 and 8/31/13)
- B. Capital Projects 2014

Bryan Foley seconded. The motion passed.

**VII. ACADEMIC AFFAIRS/ADMISSIONS COMMITTEE (John Myers, Chair)**

- A. Approval of MBA Program Review

John Myers made a motion to approve the MBA Program Review.

John Schrippa seconded. The motion passed.

- B. Approval of Campus Compact Goals

John Myers made a motion to approve the Campus Compact Goals.

Mark Pallotta seconded. The motion passed.

**VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)**

- A. Mr. Frank Washenitz, Chair of the Athletic Affairs Committee, called on Tim McNeely, Athletic Director, for an update.

Mr. McNeely informed all that the upcoming home football game will be a "Pink-out" for breast cancer awareness and the last home football game will be "Band Day" and "Senior Day".

He also stated that revenues have already tripled compared to last years' season tickets and gate tickets.

Mr. McNeely reminded everyone that there will be a fan fest for basketball this evening (October 17, 2013) at 5:00 p.m. (at the Feaster Center Parking Lot), men's and women's tennis and golf are coming to an end, the Volleyball team has done well, and the search for a (women's) soccer coach is well underway.

He also reported that the Federal EADA Report has been submitted and that a routine financial internal audit will be performed soon.

Other upcoming events Mr. McNeely included in his update were the November 4, 2013, men's basketball game at West Virginia University and the November 23, 2013, donor event for the double header basketball game to showcase the locker rooms, theatre room, and to launch the Feaster Center Renovation Project.

**IX. BOG OPERATING PROCEDURES COMMITTEE (Ron Tucker, Chair)**

Chairman Tucker stated there were no items to bring forth by the BOG Operating Procedures Committee.

**X. ENROLLMENT COMMITTEE (Dixie Yann, Chair)**

Dixie Yann, Chair of the Enrollment Committee, reported that the Committee had not met, but Kaye Widney, Vice President for Student Services, had provided a written summary report and presented the following information via a handout:

---

***Fall 2013 Term Enrollment:***

- As of 10-13-2013, 3,958 undergraduates and 274 graduate FSU students are actively enrolled in Fall 2013 classes (headcount includes 732 first time freshmen, 272 transfer students)
- This is a decrease from 2012 of 154 undergraduate students (-3.75%); decline is due to retention and not a drop in entering freshmen

***Registration for Spring Term 2014:***

- Registration for seniors and students with priority status will begin on 10-21-2013; freshmen access will open on 11-7-2013

***Retention Activities:***

- Welcome Weekend program was reconfigured for fall 2013; among other changes, families were invited to participate in Fall Convocation
- Held first Fall Family Weekend since 2011 with 228 family members checked in; established the new Falcon Family Association
- Contacted 791 FSU students at 4-week mark who had D/F /NC grades; coordinated with Deans to begin a retention-based social media campaign encouraging students to check for mid-term grades and to take action if necessary to improve academic standing
- Working with Tutoring Services to heavily promote the availability of tutoring for students



- Supported Career Exploration event held in collaboration with Career Development and Academic Advising Centers; efforts made to move undeclared students into majors as quickly as possible; similar support will occur on “Major Declaration Day” to be held on 12/05/2013
- Collaborating with Campus Security and Counseling Services to develop a process which allows faculty, staff, family members, etc. to notify Retention Office when there are concerns about students , e.g., excessive absences from class, changes in behavior; appropriate follow-up will take place
- Developing a “recruit back” communication plan for those students who did not return and have not enrolled elsewhere

***Fall Campus Visitation Day:***

- Event will be held on 11-02-2013
- 215 students and 346 guests have registered as of 10-15-2013
- Event is being promoted through online and social media outlets; also sending emails and invitations to inquiries, applicants and names purchases

***Admissions/Recruitment Activities for 2014-15 Entering Class:***

- 87 personalized on-campus visits with Admissions Counselors
- 40 high school visits in WV, PA, OH, VA, MD, NC, NY
- Participated in 93 College Fairs in WV, PA, OH, MD, NC and 2 Transfer Fairs in MD
- Invited local junior and senior students to information session and campus tour with opportunity to participate in Family Weekend activities; 3 students participated
- Purchased over 10,000 students names from our target market and have sent emails and printed materials
- Sent 864 high school counselors packets containing scholarship and application information
- On-going telecounseling activities in late afternoon/evening to speak with prospects and applicants
- Worked with Marketing and Communications to develop an enhanced print and email communication plan for all inquiries

**XI. FINANCE COMMITTEE (Mark Pallotta, Chair)**

**A. Approval of Correction to the Housing Master Plan**

Mark Pallotta made a motion to approve the correction to the Housing Master Plan. Bob Mild seconded. The motion passed.

**B. 2014 Capital Project Submission**

Mark Pallotta made a motion to accept the 2014 Capital Project Submission. John Myers seconded. The motion passed.

C. Approval of Architect for Feaster Center Renovations

John Schrippa made a motion to accept Thrasher Engineering as the Architect for the Feaster Center Renovations.

Mark Pallotta seconded. The motion passed.

**XII. EXECUTIVE COMMITTEE (Ron Tucker, Chair)**

Chairman Tucker stated there were no items to bring forth by the Executive Committee. There was discussion to hold the next Committee meeting November 22, 2013, at 9:00 a.m. Chairman indicated that a location would be determined and everyone would be notified.

**XIII. POSSIBLE EXECUTIVE SESSION**

Dixie Yann made a motion to go into Executive Session "Under the Authority of West Virginia Code §6-9A-4" to discuss property issues. Bob Mild seconded. The motion passed.

Dixie Yann made a motion to reconvene in open session. Mark Pallotta seconded. The motion passed.

There was no action on any item discussed in Executive Session.

**XIV. ADJOURNMENT**

John Myers made a motion to adjourn the meeting. Dixie Yann seconded. The motion passed.

---

Ron Tucker

FSU Board of Governors' Chairman

---

Dixie Yann

FSU Board of Governors' Secretary

# Tab 2

**Fairmont State University  
Board of Governors  
Financial Report  
for the period ending September 30, 2013**

**Unrestricted Fund:**

The budget deficit planned for 2014 at the end of September decreased by \$34,650 from \$-1,131,815 to \$1,097,165 primarily due to salary and benefit reductions occurring in September.

Tuition and Fee revenue through the end of September is at 45.94% and we received 35.20% of budgeted revenue through the end of September. Non-operating revenue is at 15.36% of budget. Operating expenses through September is at 18.93% of budget. The actual surplus condition at the end of September is \$3,860,031.

**Auxiliary Fund:**

The Auxiliary Budget Transfer to Reserve increased by \$42,558 to \$1,736,858 due to savings in position budgets and related benefits.

Auxiliary Enterprise revenue achieved 42.49% of budget and we received 38.97% of the overall operating revenue plan. Operating expenses through the end of September is at 21.81% of budget. The actual surplus condition through the end of September is \$1,566,294.

**Restricted Fund:**

New grants were awarded to the University as follows:

- NASA Faculty Research \$6,000
- NASA Scholarship \$11,000
- NASA Education Resource Center \$278,566

Existing Grant Budget Changes:

- TEP County Partnerships Taylor County \$2,500
- TEP County Partnership Harrison County \$10,000
- TEP County Partnership Marion County \$10,000

The Restricted Fund revenue achieved 40.33% of budget and the operating expense achieved 40.15% of budget. The actual surplus at the end of September is at \$376,148.

Please find the attached financial reports for the period ending September 30, 2013.

Fairmont State University  
Actual vs Budget Statement of Revenues and Expenses  
Current Unrestricted  
As of September 30, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>	Tuition and Fees	24,189,764	24,189,764	11,112,569	45.94
	Student Activity Support Revenue	566,488	566,488	176,829	31.21
	Faculty Services Revenue	1,272,439	1,272,439	9,930	0.78
	State/Local Grants and Contracts	0	25,000	(12,830)	(51.32)
	Operating Costs Revenue	2,215,137	2,212,618	(12,849)	(0.58)
	Support Services Revenue	3,541,804	3,516,437	0	0.00
	Other Operating Revenues	402,311	377,303	45,974	12.18
	<b>Total:</b>	<b>32,187,942</b>	<b>32,160,048</b>	<b>11,319,622</b>	<b>35.20</b>
<b>OPERATING EXPENSE</b>	Salaries	24,883,501	24,958,252	4,153,719	16.64
	Benefits	6,389,571	6,355,936	1,053,432	16.57
	Student financial aid-scholarships	2,186,184	2,194,684	1,003,293	45.71
	Utilities	1,747,900	1,747,900	226,754	12.97
	Supplies and Other Services	8,068,528	7,199,712	1,880,459	26.12
	Equipment Expense	1,270,888	1,249,760	163,769	13.10
	Fees retained by the Commission	185,560	185,560	46,880	25.26
	Assessment for Faculty Services	1,302,589	1,302,589	0	0.00
	Assessment for Support Services	283,799	282,901	0	0.00
	Assessment for Student Activity Costs	391,314	391,314	176,829	45.19
	Assessment for Operating Costs	135,289	127,104	0	0.00
	<b>Total:</b>	<b>46,845,123</b>	<b>45,995,711</b>	<b>8,705,136</b>	<b>18.93</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>(14,657,180)</b>	<b>(13,835,663)</b>	<b>2,614,487</b>	<b>(18.90)</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>	State Appropriations	16,281,666	16,281,666	3,256,333	20.00
	Gifts	20,000	24,406	2,806	11.50
	Investment Income	266,166	266,166	3,792	1.42
	Assessment for E&G Capital & Debt Service Costs	(2,558,111)	(2,558,111)	(1,111,020)	43.43
	<b>Total:</b>	<b>14,009,721</b>	<b>14,014,127</b>	<b>2,151,911</b>	<b>15.36</b>
<b>TRANSFERS &amp; OTHER</b>	Capital Expenditures	(146,671)	(179,671)	0	0.00
	Transfers for Debt Service	(64,802)	(64,968)	(32,456)	49.96
	Transfers for Financial Aid Match	(82,807)	(82,807)	(40,357)	48.74
	Indirect Cost Recoveries	12,000	48,810	10,686	21.89
	Transfers for Capital Projects	0	(854,239)	(854,239)	100.00
	Transfers for Scholarships	(113,104)	(113,104)	0	0.00
	Transfers - Other	(37,758)	10,000	10,000	
	<b>Total:</b>	<b>(433,142)</b>	<b>(1,275,629)</b>	<b>(906,367)</b>	<b>71.05</b>
<b>BUDGET BALANCE</b>		<b>(1,080,601)</b>	<b>(1,097,165)</b>	<b>3,860,031</b>	
* <b>Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year</b>		<b>13,868,486</b>	<b>13,868,486</b>		
<b>Less: USE OF RESERVE</b>		<b>0</b>	<b>0</b>		
<b>Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year</b>		<b><u>12,787,885</u></b>	<b><u>12,771,321</u></b>		

\* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2013 in the amount of \$7,781,862

Unrestricted Net Asset Balance is 30.15% of the current budget total operating expense.

Auxiliary  
Actual vs Budget Statement of Revenues and Expenses  
Board of Governors  
As of September 30, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>	Auxiliary Enterprise Revenue	6,665,676	6,643,367	2,822,990	42.49
	Athletic Sponsorships	13,100	13,100	0	0.00
	Auxiliary Fees & Debt Service Support Revenue	5,325,355	5,325,355	1,905,593	35.78
	Other Operating Revenues	314,438	314,438	63,098	20.07
	<b>Total:</b>	<b>12,318,569</b>	<b>12,296,261</b>	<b>4,791,681</b>	<b>38.97</b>
<b>OPERATING EXPENSE</b>	Salaries	2,509,686	2,465,449	557,266	22.60
	Benefits	619,191	597,580	109,514	18.33
	Student financial aid-scholarships	593,042	593,042	186,233	31.40
	Utilities	817,805	817,805	86,707	10.60
	Supplies and Other Services	2,672,633	2,662,225	610,859	22.95
	Equipment Expense	75,693	77,293	23,081	29.86
	Loan cancellations and write-offs	1,154	1,154	0	0.00
	<b>Total:</b>	<b>7,289,204</b>	<b>7,214,548</b>	<b>1,573,660</b>	<b>21.81</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>5,029,365</b>	<b>5,081,713</b>	<b>3,218,021</b>	<b>63.33</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>	Interest on capital asset related debt	(141,279)	(141,279)	(63,838)	45.19
	<b>Total:</b>	<b>(141,279)</b>	<b>(141,279)</b>	<b>(63,838)</b>	<b>45.19</b>
<b>TRANSFERS &amp; OTHER</b>	Capital Expenditures	(153,206)	(153,206)	(7,495)	4.89
	Transfers for Debt Service	(3,160,050)	(3,160,050)	(1,578,682)	49.96
	Transfers for Financial Aid Match	(3,425)	(3,425)	(1,713)	50.00
	Transfers for Scholarships	113,104	113,104	0	0.00
	<b>Total:</b>	<b>(3,203,576)</b>	<b>(3,203,576)</b>	<b>(1,587,889)</b>	<b>49.57</b>
<b>BUDGET BALANCE - Projected Transfer to Reserves</b>		<b>1,684,510</b>	<b>1,736,858</b>	<b>1,566,294</b>	
<b>* Add: PROJECTED NET ASSETS - Beginning of Year</b>		<b><u>8,583,066</u></b>	<b><u>8,583,066</u></b>		
<b>Equals: PROJECTED NET ASSETS - End of Year</b>		<b><u>10,267,576</u></b>	<b><u>10,319,924</u></b>		

\* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2013 in the amount of \$923,219

\* 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.

**FAIRMONT STATE UNIVERSITY**  
**Actual vs Budget Statement of Revenues and Expenses**  
**Current Restricted**  
**As of September 30, 2013**

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>	Federal Grants and Contracts	25,289,453	25,424,891	9,931,870	39.06
	State/Local Grants and Contracts	6,400,887	6,538,602	2,937,995	44.93
	Private Grants and Contracts	2,189,310	2,243,037	926,381	41.30
	Other Operating Revenue	(2,315)	0	0	
	<b>Total:</b>	<b>33,877,335</b>	<b>34,206,530</b>	<b>13,796,246</b>	<b>40.33</b>
<b>OPERATING EXPENSE</b>	Salaries	470,440	586,114	100,367	17.12
	Benefits	82,616	75,723	14,851	19.61
	Student financial aid - scholarships	41,969,614	41,980,614	17,315,019	41.25
	Utilities	0	0	0	0.00
	Supplies and Other Services	961,725	947,009	91,843	9.70
	Equipment Expense	95,091	145,364	39,426	27.12
	<b>Total:</b>	<b>43,579,485</b>	<b>43,734,824</b>	<b>17,561,506</b>	<b>40.15</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>(9,702,150)</b>	<b>(9,528,294)</b>	<b>(3,765,260)</b>	<b>39.52</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>	Federal Pell Grant Revenues	9,500,000	9,500,000	4,110,025	43.26
	Gifts	(2,307)	0	0	
	Investment Income	0	0	(0)	
	<b>Total:</b>	<b>9,497,693</b>	<b>9,500,000</b>	<b>4,110,024</b>	<b>43.26</b>
<b>TRANSFERS &amp; OTHER</b>	Capital Expenditures	0	(30,000)	0	0.00
	Transfers for Fin Aid Match	82,714	82,714	42,070	50.86
	Indirect Cost Recoveries	(18,679)	(50,296)	(10,686)	21.25
	Transfers - Other	0	0	0	
	<b>Total:</b>	<b>64,035</b>	<b>2,418</b>	<b>31,383</b>	<b>1297.97</b>
<b>BUDGET BALANCE</b>		<b>(140,422)</b>	<b>(25,876)</b>	<b>376,148</b>	
* <b>Add: RESTRICTED NET ASSETS - Beginning of Year</b>		<b>188,140</b>	<b>188,140</b>		
** <b>Equals: PROJECTED RESTRICTED NET ASSETS - End of Year</b>		<b><u>47,718</u></b>	<b><u>162,264</u></b>		

**Fairmont State University  
Board of Governors  
Financial Report  
for the period ending October 30, 2013**

**Unrestricted Fund:**

The budget deficit planned for 2014 at the end of October increased by \$60,888 from \$-1,097,165 to \$-1,158,053 primarily due to a reduction to institutional activity fee revenue supporting Student Activities and Student Government. Enrollment decline contributed to this revenue reduction.

Tuition and Fee revenue through the end of October is at 45.86% and we received 35.29% of budgeted revenue through the end of October. Non-operating revenue is at 40.64% of budget. Operating expenses through October is at 26.15% of budget. The actual surplus condition at the end of October is \$4,091,126.

**Auxiliary Fund:**

The Auxiliary Budget Transfer to Reserve decreased by \$76,864 to \$1,659,994 due to PEIA Benefit cost increase through employment changes.

Auxiliary Enterprise revenue achieved 42.50% of budget and we received 40.20% of the overall operating revenue plan. Operating expenses through the end of October is at 30.62% of budget. The actual surplus condition through the end of October is \$1,039,335.

**Restricted Fund:**

New grants were awarded to the University as follows:

- Middle East Forum / OSIX \$4,517

Existing Grant Budget Changes:

- TEP County Partnerships Preston County \$5,000
- Title III (Year 2) \$398,171
- Educational Resource Center 2009 Close out \$-42,006
- On-line Teaching Grant Close out \$-7,377

The Restricted Fund revenue achieved 41.31% of budget and the operating expense achieved 41.55% of budget. The actual surplus at the end of October is at \$198,512.

Please find the attached financial reports for the period ending October 31, 2013.



Fairmont State University  
 Actual vs Budget Statement of Revenues and Expenses  
 Current Unrestricted  
 As of October 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>					
	Tuition and Fees	24,189,764	24,189,764	11,093,624	45.86
	Student Activity Support Revenue	566,488	566,488	185,030	32.66
	Faculty Services Revenue	1,272,439	1,272,439	9,930	0.78
	State/Local Grants and Contracts	0	25,000	(12,830)	(51.32)
	Operating Costs Revenue	2,215,137	2,222,247	(12,849)	(0.58)
	Support Services Revenue	3,541,804	3,473,513	0	0.00
	Other Operating Revenues	402,311	323,251	54,072	16.73
	<b>Total:</b>	<b>32,187,942</b>	<b>32,072,702</b>	<b>11,316,976</b>	<b>35.29</b>
<b>OPERATING EXPENSE</b>					
	Salaries	24,883,501	24,877,906	6,125,862	24.62
	Benefits	6,389,571	6,370,940	1,530,851	24.03
	Student financial aid-scholarships	2,186,184	2,194,684	1,007,662	45.91
	Utilities	1,747,900	1,747,900	376,094	21.52
	Supplies and Other Services	8,068,528	7,235,532	2,501,102	34.57
	Equipment Expense	1,270,888	1,249,760	245,230	19.62
	Fees retained by the Commission	185,560	185,560	46,880	25.26
	Assessment for Faculty Services	1,302,589	1,302,589	0	0.00
	Assessment for Support Services	283,799	282,901	0	0.00
	Assessment for Student Activity Costs	391,314	391,314	185,030	47.28
	Assessment for Operating Costs	135,289	127,104	0	0.00
	<b>Total:</b>	<b>46,845,123</b>	<b>45,966,190</b>	<b>12,018,710</b>	<b>26.15</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>(14,657,180)</b>	<b>(13,893,488)</b>	<b>(701,734)</b>	<b>5.05</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>					
	State Appropriations	16,281,666	16,281,666	6,838,300	42.00
	Gifts	20,000	24,406	5,264	21.57
	Investment Income	266,166	266,166	5,702	2.14
	Assessment for E&G Capital & Debt Service Costs	(2,558,111)	(2,558,111)	(1,153,484)	45.09
	<b>Total:</b>	<b>14,009,721</b>	<b>14,014,127</b>	<b>5,695,782</b>	<b>40.64</b>
<b>TRANSFERS &amp; OTHER</b>					
	Capital Expenditures	(146,671)	(179,671)	0	0.00
	Transfers for Debt Service	(64,802)	(64,968)	(32,456)	49.96
	Transfers for Financial Aid Match	(82,807)	(82,807)	(40,357)	48.74
	Indirect Cost Recoveries	12,000	45,747	14,130	30.89
	Transfers for Capital Projects	0	(854,239)	(854,239)	100.00
	Transfers for Scholarships	(113,104)	(113,104)	0	0.00
	Transfers - Other	(37,758)	10,000	10,000	
	<b>Total:</b>	<b>(433,142)</b>	<b>(1,278,692)</b>	<b>(902,922)</b>	<b>70.61</b>
<b>BUDGET BALANCE</b>		<b>(1,080,601)</b>	<b>(1,158,053)</b>	<b>4,091,126</b>	
* <b>Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year</b>		<b>13,868,486</b>	<b>13,868,486</b>		
<b>Less: USE OF RESERVE</b>		<b>0</b>	<b>0</b>		
<b>Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year</b>		<b><u>12,787,885</u></b>	<b><u>12,710,433</u></b>		

\* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2013 in the amount of \$7,781,862  
 Unrestricted Net Asset Balance is 30.17% of the current budget total operating expense.

Auxiliary  
Actual vs Budget Statement of Revenues and Expenses  
Board of Governors  
As of October 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>	Auxiliary Enterprise Revenue	6,665,676	6,652,367	2,827,369	42.50
	Athletic Sponsorships	13,100	13,100	28,125	214.69
	Auxiliary Fees & Debt Service Support Revenue	5,325,355	5,325,355	2,001,290	37.58
	Other Operating Revenues	314,438	314,438	90,034	28.63
	<b>Total:</b>	<b>12,318,569</b>	<b>12,305,261</b>	<b>4,946,819</b>	<b>40.20</b>
<b>OPERATING EXPENSE</b>	Salaries	2,509,686	2,477,212	759,003	30.64
	Benefits	619,191	662,681	151,837	22.91
	Student financial aid-scholarships	593,042	593,042	194,349	32.77
	Utilities	817,805	817,805	167,838	20.52
	Supplies and Other Services	2,672,633	2,671,225	929,321	34.79
	Equipment Expense	75,693	77,293	33,201	42.95
	Loan cancellations and write-offs	1,154	1,154	0	0.00
	<b>Total:</b>	<b>7,289,204</b>	<b>7,300,412</b>	<b>2,235,549</b>	<b>30.62</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>5,029,365</b>	<b>5,004,849</b>	<b>2,711,269</b>	<b>54.17</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>	Interest on capital asset related debt	(141,279)	(141,279)	(67,239)	47.59
	<b>Total:</b>	<b>(141,279)</b>	<b>(141,279)</b>	<b>(67,239)</b>	<b>47.59</b>
<b>TRANSFERS &amp; OTHER</b>	Capital Expenditures	(153,206)	(153,206)	(24,301)	15.86
	Transfers for Debt Service	(3,160,050)	(3,160,050)	(1,579,682)	49.99
	Transfers for Financial Aid Match	(3,425)	(3,425)	(1,713)	50.00
	Transfers for Scholarships	113,104	113,104	0	0.00
	<b>Total:</b>	<b>(3,203,576)</b>	<b>(3,203,576)</b>	<b>(1,605,696)</b>	<b>50.12</b>
<b>BUDGET BALANCE - Projected Transfer to Reserves</b>		<b>1,684,510</b>	<b>1,659,994</b>	<b>1,038,335</b>	
<b>Add: PROJECTED NET ASSETS - Beginning of Year</b>		<b>8,583,066</b>	<b>8,583,066</b>		
<b>Equals: PROJECTED NET ASSETS - End of Year</b>		<b>10,267,576</b>	<b>10,243,060</b>		

\* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2013 in the amount of \$923,219

\* 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.

FAIRMONT STATE UNIVERSITY  
 Actual vs Budget Statement of Revenues and Expenses  
 Current Restricted  
 As of October 31, 2013

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
<b>OPERATING REVENUE</b>	Federal Grants and Contracts	25,289,453	25,781,056	10,252,107	39.77
	State/Local Grants and Contracts	6,400,887	6,531,225	2,995,149	45.86
	Private Grants and Contracts	2,189,310	2,252,555	1,031,250	45.78
	Other Operating Revenue	(2,315)	0	0	
	<b>Total:</b>	<b>33,877,335</b>	<b>34,564,835</b>	<b>14,278,507</b>	<b>41.31</b>
<b>OPERATING EXPENSE</b>	Salaries	470,440	731,459	152,957	20.91
	Benefits	82,616	113,076	20,632	18.25
	Student financial aid - scholarships	41,969,614	41,980,614	17,794,833	42.39
	Utilities	0	0	0	0.00
	Supplies and Other Services	961,725	967,990	133,287	13.77
	Equipment Expense	95,091	274,939	125,074	45.49
	<b>Total:</b>	<b>43,579,485</b>	<b>44,068,078</b>	<b>18,226,784</b>	<b>41.36</b>
<b>OPERATING INCOME / (LOSS)</b>		<b>(9,702,150)</b>	<b>(9,503,243)</b>	<b>(3,948,277)</b>	<b>41.55</b>
<b>NONOPERATING REVENUE (EXPENSE)</b>	Federal Pell Grant Revenues	9,500,000	9,500,000	4,148,847	43.67
	Gifts	(2,307)	0	0	
	Investment Income	0	0	3	
	<b>Total:</b>	<b>9,497,693</b>	<b>9,500,000</b>	<b>4,148,850</b>	<b>43.67</b>
<b>TRANSFERS &amp; OTHER</b>	Capital Expenditures	0	(60,000)	(30,000)	0.00
	Transfers for Fin Aid Match	82,714	82,714	42,070	50.86
	Indirect Cost Recoveries	(18,679)	(45,747)	(14,131)	30.89
	Transfers - Other	0	0	0	
	<b>Total:</b>	<b>64,035</b>	<b>(23,033)</b>	<b>(2,061)</b>	<b>8.95</b>
<b>BUDGET BALANCE</b>		<b>(140,422)</b>	<b>(26,276)</b>	<b>198,512</b>	
* <b>Add: RESTRICTED NET ASSETS - Beginning of Year</b>		<b>188,140</b>	<b>188,140</b>		
** <b>Equals: PROJECTED RESTRICTED NET ASSETS - End of Year</b>		<b><u>47,718</u></b>	<b><u>161,864</u></b>		

**CAPITAL PROJECTS**

**FY 2014**

<b>Project</b>	<b>Project Budget</b>	<b>Expenses &amp; Encumbrances</b>	<b>Available Project Budget</b>	<b>Project Completion Date and/or Update Notes</b>
Academic Fund	\$ 100,000.00	\$ -	\$ 100,000.00	Various Projects
Landscaping	\$ 100,000.00	\$ 8,219.75	\$ 91,780.25	Various Landscape Needs for Campus
Physical Plant Small Projects	\$ 197,000.00	\$ 25,739.58	\$ 171,260.42	Various Projects
Aerospace Center - HVAC Upgrades	\$ 72,588.48	\$ 65,325.00	\$ 7,263.48	Contract being awarded
Campus - ADA Restrooms	\$ 50,000.00	\$ -	\$ 50,000.00	Remove doors @ some buildings; add openers to some buildings.
Campus - Facilities Master Plan	\$ 150,000.00	\$ -	\$ 150,000.00	Notified A&E firms that RFP/project has been cancelled at this time.
Caperton Center - Roof Renewal	\$ 400,000.00	\$ 250,890.00	\$ 149,110.00	Notice to Proceed processed. Pre-construction meeting held 11/21/13
Feaster Center - HVAC Upgrade Pool Area	\$ 307,000.00	\$ 223,609.18	\$ 83,390.82	Construction in Progress.
Feaster Center - Natatorium Upgrades	\$ 740,000.00	\$ 740,000.00	\$ -	Construction in Progress.
Hardway Hall Renovations	\$ 5,500,000.00	\$ 5,479,245.27	\$ 20,754.73	Weekly updates are posted on Physical Plant website. Windows are being installed.
Hunt Haught Hall - Window Replacement (FY12)	\$ 120,000.00	\$ 25,000.00	\$ 95,000.00	A&E completing specifications for review.
Hunt Haught Hall - Green House	\$ 149,650.00	\$ 125,500.00	\$ 24,150.00	Construction in Progress.
Hunt Haught Hall - Elevator Upgrades	\$ 100,000.00	\$ 90,855.12	\$ 9,144.88	Completed
Information Technology - AC Unit	\$ 111,700.64	\$ 111,700.34	\$ 0.30	Equipment placed and finalizing installation.
Infrastructure - Merchant Wall (FY11)	\$ 354,213.51	\$ 354,213.51	\$ -	Construction in Progress.
Infrastructure - Campus Lighting Upgrades	\$ 181,607.20	\$ 181,607.20	\$ -	Lighting has been ordered. Plans for install beginning after first of year.
Infrastructure - Paving Projects	\$ 316,881.69	\$ 21,400.00	\$ 295,481.69	Preparing RFB for Open End Contract;
Jaynes Hall - Roof Renewal (FY12)	\$ 350,000.00	\$ 247,860.00	\$ 102,140.00	Construction in Progress.
Locust Avenue	\$ 40,000.00	\$ 40,000.00	\$ -	Lighting has been ordered.

**CAPITAL PROJECTS**

**FY 2014**

<i>Project</i>	<i>Project Budget</i>	<i>Expenses &amp; Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
<b>Musick Library - HVAC</b>	\$ 208,299.36	\$ 194,209.56	\$ 14,089.80	Equipment has been ordered.
<b>School House Museum Repairs</b>	\$ 70,000.00	\$ -	\$ 70,000.00	A&E preparing specifications to bid project.
<b>Turley Center FFE</b>	\$ 1,000,000.00	\$ 955,026.71	\$ 44,973.29	Weekly updates are posted on Physical Plant website. Project is still on schedule.
<b>Turley Center Renovations</b>	\$ 6,351,960.00	\$ 6,424,285.31	\$ (72,325.31)	Weekly updates are posted on Physical Plant website. Project is still on schedule.
<b>Wallman Hall - Foundation Waterproof (FY12)</b>	\$ 25,500.00	\$ 25,500.00	\$ -	Complete
<b>Wallman Hall Renovations</b>	\$ 4,908,599.02	\$ 4,733,614.26	\$ 174,984.76	Completed - except for rekeying building
<b>Wallman Hall Elevator Replacement</b>	\$ -	\$ -	\$ -	Completed

**AUXILIARY CAPITAL PROJECTS**

**FY 2014**

<i>Project</i>	<i>Project Budget</i>	<i>Expenses &amp; Encumbrances</i>	<i>Available Project Budget</i>	<i>Project Completion Date and/or Update Notes</i>
Falcon Center - Fabric Duct Replacement (FY12) Lighting Upgrades	\$ 80,000.00	\$ 66,582.00	\$ 13,418.00	Propose to change this budget to Falcon Center Lighting Upgrades. Lighting has been ordered. Install being planned after first of year.
Falcon Center - Misc Projects	\$ 125,335.03	\$ 8,320.16	\$ 117,014.87	Various Projects for Falcon Center
Falcon Center - Fitness Equipment	\$ 30,815.00	\$ 11,091.41	\$ 19,723.59	Various Projects for Falcon Center
Falcon Center - Flooring Upgrades	\$ 50,000.00	\$ -	\$ 50,000.00	
Falcon Center - Security Cameras	\$ 42,644.58	\$ -	\$ 42,644.58	Research being completed by IT & Campus Police
Starbucks Renovations	\$ 150,000.00	\$ 134,212.50	\$ 15,787.50	Funding Note: \$130,000 - Falcon Ctr \$20,000 Aladdin
Athletics - Women's Basketball Locker Room	\$ 125,000.00	\$ 124,915.58	\$ 84.42	Finalizing project
Feaster Center - Boiler Replacement	\$ 50,000.00	\$ 22,301.19	\$ 27,698.81	Project complete
Feaster Center - Concrete Repair	\$ 100,000.00	\$ -	\$ 100,000.00	Work is progressing - Veritas will be submitting change order for contract.
Press Box - HVAC	\$ 50,000.00	\$ 44,109.75	\$ 5,890.25	Project complete
Feaster Center - Gym Floor & Bleacher Project	\$ 100,000.00	\$ 85,000.00	\$ 15,000.00	A&E has met with committee and will be presenting marketing materials soon.
Feaster Center - Athletics Hall of Fame	\$ 22,726.00	\$ 4,117.88	\$ 18,608.12	Partially complete
Parking Garage - Maintenance Lower Levels	\$ 50,000.00	\$ 49,929.80	\$ 70.20	Contracted with Tremco
Residence Halls - College Park Replacement	\$ 353,000.00	\$ 353,000.00	\$ -	A&E has met with different groups on campus. Update report expected soon.
Residence Halls - Morrow Hall Pump Replacements	\$ 10,000.00	\$ -	\$ 10,000.00	
Residence Halls - Back Flow Preventers	\$ 20,000.00	\$ 7,192.45	\$ 12,807.55	Ordered materials; Mainline Mechanical working on install.

# Tab 3

**Fairmont State University  
Board of Governors  
December 12, 2013**

**Item:** Program Closure in the College of Liberal Arts, Department of Language and Literature

**Committee:** Academic Affairs

**Recommended Resolution:** Resolved, That the Fairmont State University Board of Governors approve the closing of programs in the College of Liberal Arts, Department of Language and Literature that have low and declining enrollments. Programs to be closed are Bachelor of Arts in French and Bachelor of Arts in French Education.

**Staff Member:** Christina Lavorata, Provost and Vice-President for Academic Affairs

**Background:** Members of the Academic Affairs Committee met with Dr. Lavorata to discuss the program closures. Fiscal and human resources that have been devoted to these programs will be used to create more in-demand programs of study in the future.

The French Program was placed on probation in 2009 by the Higher Education Policy Commission due to low enrollments and graduation rates. In August, 2013, the HEPC recommended closure of the program due to continued low productivity.

Current Enrollments:

French Education: One Senior  
BA French: Three Seniors, One Junior  
Minor In French: Two Seniors, One Junior

The junior students will be given the opportunity to complete their degrees. Two years of French will continue to be offered to meet the foreign language requirement for Bachelor of Arts degrees. No new students will be admitted into the program, effective Fall, 2014.



# Tab 4

**Fairmont State University  
Board of Governors  
December 12, 2013**

**Item:** Independent Auditor's Report by Suttle & Stalnaker of the Fairmont State University Financial Statements as of and for the year ended June 30, 2013.

**Committee:** Committee of the Whole

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

**Staff Member:** Rick Porto

**Background:** On December 4, 2013, Chris Deweese of Suttle & Stalnaker 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 Management Discussion and Analysis, the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA), and the Statement of Cash Flows, and the footnotes. All of these items were prepared by staff.
- Items highlighted from the Statement of Net Position included the increase in cash and cash equivalents and capital assets.
  - Total current cash increased by \$3,201,694 to \$33,439,342. Current Unrestricted Fund Cash and cash equivalents increased by \$468,539 to \$17,992,051. Restricted funds cash increased by \$72,161 to \$263,135. Auxiliary cash including reserves increased by \$1,009,249 to \$9,505,924. Auxiliary capital project funds increased by \$1,280,694 to \$1,438,509. BOG Support funds increased by \$389,697 to \$4,239,722.
  - Capital assets increased by \$6,566,359 to \$110,446,614 due primarily to construction projects funded by the East Bonds.
- Items highlighted from the Statement of Revenues, Expenses and Changes in Net Position included the decline in tuition and fee

revenues, the decrease in benefits expense and the increase in capital bond proceeds from the state. Tuition and fees net of scholarship allowance decreased by \$684,897 to \$11,491,330 due primarily to an enrollment decline. Benefits expense decreased by \$2,315,424 to \$6,534,407 due primarily to the decrease in the OPEB liability accrual. Capital Bond proceeds from the State were recognized in the amount of \$8,655,159 for construction projects funded by the East Bonds.

- Auxiliary cash reserve balances increased by \$900,224 to \$8,095,999. These funds are available for future auxiliary capital projects or one-time operation costs.
  - Housing Reserves increased by \$766,096 to \$3,602,954
  - Falcon Center increased by \$336,216 to \$3,359,079
  - Facilities Fee Reserve increased by \$71,969 to \$1,011,239
  - Athletics Reserve decreased by \$274,057 to \$122,727.
- OPEB liability increased by \$157,141 or 43% to \$8,705,081 at June 30, 2013. The cumulative OPEB liability for the Current Unrestricted and Auxiliary Funds at June 30, 2013 were \$7,781,862 and \$923,219, respectively.
- Net Assets increased by \$10,280,548 with all funds combined. The chart below shows all net asset changes:

	FY 2013	FY 2012	Increase/Decrease
Invested in capital assets - net of related debt	<u>\$56,054,034</u>	<u>\$47,693,873</u>	<u>\$8,360,161</u>
Restricted for expendable:			
Loans	156,038	356,985	(200,947)
Scholarships	22,056	20,246	1,810
Capital projects	4,120,413	3,802,416	317,997
Debt service	1,489	24,612	(23,123)
Total restricted	4,299,996	4,204,259	95,737
Unrestricted:			
Designated for auxiliaries	9,021,982	6,985,782	2,036,200
Designated for fund managers	779,578	690,319	89,259
Undesignated	5,317,784	5,618,593	(300,809)
Total Unrestricted	15,119,344	13,294,694	1,824,650
Total net assets	<u>\$75,473,374</u>	<u>\$65,192,826</u>	<u>\$10,280,548</u>

- The Current Unrestricted Fund Net Assets of \$13,879,224 (before OPEB liability) were 30% of the FY 2014 approved operating budget (\$45,966,190). Again, this is very good.
- The 2013 Audit Report continues to include 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.

Note: Since the completion of the Audit we have sent to Moody's their requested information and the Financial Audits for both the University and Pierpont, along with a consolidated report of both institutions Statement of Net Assets and Statement of Changes in Revenue and Expense. This data will be reviewed by Moody's and a report will be issued on the rating status of our bonds.