

February 18, 2016

Board of Governors



AGENDA

FSU BOARD OF GOVERNORS' MEETING
FEBRUARY 18, 2016, 9:00 A.M.
LOCATION: BOARD ROOM, 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 DECEMBER 17, 2015.....*Tab 1 Action Item*

III. CHAIRMAN'S REPORT

IV. PRESIDENT'S REPORT

V. REPORTS AND PRESENTATIONS

- A. Constituent Reports (Dr. Joseph Kremer, Assistant Professor of Finance)
- B. Foundation (RJ Gimbl)
- C. Construction Project Updates (Tom Tucker and Stephanie Slaubaugh)

VI. CONSENT AGENDA

- A. Financial Report for Period Ending November 30, 2015.....*Tab 2 Action Item*

VII. ACADEMIC AFFAIRS COMMITTEE (John Myers, Chair)

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

IX. BY-LAWS COMMITTEE (Ron Tucker, Chair)

X. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Dixie Yann, Chair)

XI. FINANCE COMMITTEE (Mark Pallotta and John Schirripa, Co-Chairs)

- A. Approval of Independent Auditor's Report by Suttle & Stalnaker of Fairmont State University's Financial Statements for the Year Ending June 30, 2015.....*Tab 3 Action Item*
- B. Approval of Jaynes Hall Pedestrian Bridge Project.....*Tab 4 Action Item*
- C. Approval of University Terrace Semi-Suites and Meal Plans.....*Tab 5 Action Item*
- D. Approval of University Terrace Change Order #4*Tab 6 Action Item*

XII. STUDENT HOUSING COMMITTEE (Aaron Hawkins, Chair)

XIII. EXECUTIVE COMMITTEE (Mark Pallotta, Chair)

XIV. POSSIBLE EXECUTIVE SESSION - Under the Authority of West Virginia Code §6-9A-4 to Discuss Property Issues

XV. ADJOURNMENT

NEXT MEETING DATE: APRIL 14, 2016, 9:00 A.M.,
LOCATION: BOARD ROOM, FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

Tab 1



FAIRMONT STATE UNIVERSITY
BOARD OF GOVERNORS
MEETING MINUTES
DECEMBER 17, 2015
BOARD ROOM, 3RD FLOOR FALCON CENTER
1201 LOCUST AVENUE, FAIRMONT, WV

I. CALL TO ORDER

A. Roll Call

Chairman Mark Pallotta convened a meeting of the Fairmont State University (FSU) Board of Governors on December 17, 2015, beginning at approximately 9:00 a.m. in the Board Room, 3rd Floor Falcon Center, 1201 Locust Avenue, Fairmont, West Virginia.

At the request of Chairman Pallotta, Judy Biafore conducted a roll call of the Board of Governors. Present for the meeting were board members Holly Fluharty, Aaron Hawkins, Kelly Humphreys, John Myers, Mark Pallotta, Budd Sapp, John Schirripa, Bryan Towns, and Dixie Yann. Frank Washenitz participated by conference call. Chris Courtney and Ron Tucker were absent.

Others present were President Rose and President's Council members Christina Lavorata, Ann Mazza, Tim Oxley, Kaye Widney, John Lympany, and Debbie Stiles. Tom Tucker, Assistant Vice President for Facilities, Stephanie Slaubaugh, Construction Manager, Robert Mild, Interim Dean for the School of Fine Arts, and RJ Gimbl, President of the Fairmont State Foundation, also attended.

B. Public Comment

John Myers reported that Robin I. Gomez signed up for public comment.

Mr. Gomez said that he is the new city manager for the City of Fairmont and that he came to today's meeting to introduce himself and become acquainted and show support for Fairmont State University.

Chairman Pallotta then presented Mr. Gomez with a welcome gift from the FSU Board of Governors and Fairmont State University.

C. Approval of Agenda

Bryan Towns made a motion to approve the agenda. Aaron Hawkins seconded. The motion passed.

II. CHAIRMAN'S REPORT (Item III. on the Agenda)

- A. Chairman Pallotta stated that another semester is coming to an end and the holiday season is upon us. He thanked all the Board of Governors' members the President, and the Fairmont State University faculty and staff for making this a successful semester.
- B. He stated that the partnership with Fairmont Regional Medical Center and FSU's Falcon Camps is continuing and expanding. He said last year that Fairmont Regional Medical Center presented a check to FSU in the amount of \$10,000 to be used for Marion County students to attend Falcon Camp. Chairman Pallotta reported that because of the success of these camps, they recently increased their donation to \$20,000 for this summer.
- C. Chairman Pallotta wanted to mention again that BrickStreet (Insurance Company) was on campus and presented the University with a donation for student scholarships. He thanked BrickStreet again and commended them for being a great community partner. He said that they have also helped other institutions throughout the State and was grateful for their support of student scholarships.
- D. Chairman Pallotta invited all BOG members to attend the Marion County Chamber of Commerce Legislative Breakfast on January 8th at 8:30 a.m. in Colebank Hall.
- E. Chairman Pallotta announced that the Board had completed their annual review of Dr. Rose and that she met or exceeded all expectations of the Board. On behalf of the BOG, he also thanked her for her total commitment, dedication, support, and love she provides the University.
- F. Chairman Pallotta ended his report by wishing everyone a great holiday with family and friends and a prosperous 2016.

III. PRESIDENT'S REPORT (Item IV. on the Agenda)

- A. President Rose welcomed those in attendance and wished all to enjoy the Holiday Season with family and friends.
- B. She stated that this fall semester had been busy with lots of sesquicentennial celebrations, the Hardway Hall 100th Birthday Celebration, the re-dedication of the one-room schoolhouse, the Time Capsule Dedication Ceremony, and other Homecoming activities.

- C. President Rose reported that progress has been made in many areas this past year. She said that lots of academic units have reached specialized accreditation and that the School of Business was reaccredited. Also, the Regional ACBSP (The Accreditation Council for Business Schools and Programs) Conference was held here on campus. And the School of Nursing had a reaccreditation visit.
- D. She said that progress had been made on the Higher Learning Commission Self Study and Strategic Planning. Physical Plant has completed a lot of repairs on buildings plans to do more in the upcoming months. Much progress has been made with the new construction. She also said there have been many successes with many of the Athletic teams, Lots of student and faculty successes and awards. There have been collaborative agreements with other institutions and the public schools and there has been increased fund raising.
- E. She said that Chancellor of the (HEPC) Higher Education Policy Commission has announced an initiative to double the number of degrees produced by 2025 to an additional 40,000 degrees. This will be done within the University system in conjunction with the Community College System.

President Rose said that in the past five years, FSU has been able raise the attainment level for WV citizens to some post-secondary degree - from 26.7 to 29.99%. The HEPC is working hard on initiatives such as "15 to Finish" which is having a positive impact on the success rate for all of FSU's current students.

She said that she is looking forward to a challenging 2016 and vowed to work harder to make Fairmont State a stronger institution and ready ourselves for the next 150 years.

IV. APPROVAL OF MINUTES OF OCTOBER 22, 2015 (Item II. on the Agenda)

Budd Sapp made a motion to approve the minutes of October 22, 2015, and Dixie Yann seconded. The motion passed.

V. REPORTS AND PRESENTATIONS

A. Constituent Reports

Priscilla Steed, Administrative Assistant in the College of Liberal Arts, gave the report for Classified Staff which included an overview of her job and the various changes that have occurred in the department since she became an employee twenty-six years ago.

B. Foundation (RJ Gimbl)

RJ Gimbl, President and CEO, of the Fairmont State Foundation extended Holiday Greetings and thanked all for their patience during their period of transition.

He reported that The Annual Fund is approaching \$40,000 for the calendar year. He also said that a mailing was sent out to constituents across the country and that there will be 19,000 broad based email solicitations sent out asking for a general gift for the Foundation.

Mr. Gimbl stated that a major cash gift of \$100,000 was received this quarter and that it is to be used at the President's discretion. He also said that three commitments of \$25,000 were received – two are for The Next 150 Campaign, and the other one is a cash gift for the Larue Math Award (in existence for over 30 years) which now makes it endowed.

He also said that two commitments for \$25,000 were received - one for scholarships and one for The Next 150 Campaign. He said the highlight was the \$1,000,000 commitment from BrickStreet and that The Next 150 Years Campaign will end the year with approximately \$235,000 in gifts and pledges.

He said for 2016, the focus will include instituting the annual fund campaign and creating a culture of giving with Alumni by reintroducing donor recognition groups including Annual Giving, Cumulative Giving, and one for Planned Giving.

Mr. Gimbl also stated that they are working with the senior class to start a Class Gift Campaign for the 2016 class.

He said they will strive to elevate their profile locally and have more collaboration across the State, work with the alumni Association regarding events and initiatives, and continue to build relationships with campus constituents such as deans and directors to have a more collaborative fundraising effort.

Mr. Gimbl announced that Jessica Sell (new FS Foundation Director of Development) was recently hired. She is from Barrackville (WV) and is also working on her Master's in Education degree here at Fairmont State. He also thanked President Rose, members of the President's cabinet, and faculty leaders for welcoming him and bridging the relationship with the Foundation.

C. Construction Project Updates (Tom Tucker)

Stephanie Slaubaugh, Construction Manager, gave 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>.

VI. CONSENT AGENDA

Aaron Hawkins moved to accept the following Consent Agenda:

A. Financial Reports (8/31/15, 9/30/15, and 10/31/15)

John Schirripa seconded. The motion passed.

VII. ACADEMIC AFFAIRS COMMITTEE (John Myers, Chair)

There were no items to bring forth by the Academic Affairs Committee, but John Myers, Chair of that committee, asked Dr. Christina Lavorata, Provost and Vice President for Academic Affairs to provide an update.

Dr. Lavorata thanked the BOG for volunteering their time to help us analyze how we conduct University business.

She stated that Faculty sponsored a Legislative Roundtable a few weeks ago that included eight representatives from three different counties. She reported the following good news and excellent work of students and faculty:

-Kylie Ford – won the WV Student Achievement in Art Education

-Jenniver Yeardon LeJune – was named WV Art Educator of the Year

-FSU's Theatre Department– Best program in the State of WV

-Music – Messiah had about 400 community members in two counties to participate for two performances

-College of Science & Technology –FSU was recently the site of the Math Field Day for Marion County Schools

-On Art Student and Two Art Grads – Work is on display at Tamarack

-\$10,000 Grant – from Dominion Foundation for the Solar Energy Project Research

-School of Nursing – Dr. Sharon Boni, Dean, working on an initiative to help our community produce more nurses

-School of Education – Dr. Carolyn Crislip-Tacy- Working to create Autism Support Program

Dr. Tim Oxley gave a brief update on the Institutional Compact and then John Myers moved to accept the following report:

A. The 2015 Update and Report for the Institutional Compact

John Schirripa seconded. The motion passed.

VIII. ATHLETIC AFFAIRS COMMITTEE (Frank Washenitz, Chair)

Frank Washenitz, Chair of the Athletic Affairs Committee, complimented the Athletic Department on their successes this past year and for especially engaging the community. He then asked Chad Fowler, FSU's Assistant Athletic Director, to give an update.

Mr. Fowler stated that the \$1,000 Club is in its 3rd year. He stated that the first year there were 79 members and the second year had 116 members. He said that this has generated \$315,000 and every team has benefited from these dollars.

He said that the football team's season ended on a high note and that the volleyball team ended up 2nd in the conference. The men's basketball team is now 8-1 and 8th in the country. The women's basketball team is 7-3. Mr. Fowler reported that FSU recently had two players of the week for the conference.

IX. BY-LAWS COMMITTEE (Ron Tucker, Chair)

There were no items discussed concerning this committee.

X. ENROLLMENT/HOUSING-STUDENT LIFE COMMITTEE (Dixie Yann, Chair)

Dixie Yann, Chair, had no items to bring forth by the Enrollment/Housing-Student Life Committee.

XI. FINANCE COMMITTEE (Mark Pallotta, Chair)

Mark Pallotta, Co-Chair of the Finance Committee, asked that Dr. Carolyn Crislip-Tacy (Interim Dean for the School of Education) explain the Autism Individualized Mentoring and Support Program

John Schirripa made a motion to approve the following:

A. Approval of Autism Individualized Mentoring and Support Program (AIMS) Program Fee

Aaron Hawkins seconded. The motion passed.

When the Executive Session ended (please see item XIV below), Aaron Hawkins made a motion to approve the following:

B. Approval of Housing Project Design Review

John Myers seconded. The motion passed.

XII. STUDENT HOUSING COMMITTEE (Aaron Hawkins, Chair)

Aaron Hawkins, Chair of the Student Housing Committee, deferred until Executive Session due to issues related to advance construction planning and pursuant to §6-9A-4-2b of the West Virginia Code.

XIII. EXECUTIVE COMMITTEE (Mark Pallotta, Chair)

Chairman Pallotta stated the Executive Committee planned to meet the second week of January (2016).

XIV. 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.

Budd Sapp seconded. The motion passed.

Dixie Yann made a motion to rise from Executive Session. Budd Sapp seconded. The motion passed.

After reconvening, Aaron Hawkins made a motion to approve the Housing Project Design Review and the Housing Apartment Project Budget Update (change order #3).

Budd Sapp seconded. The motion passed.

XV. ADJOURNMENT

John Myers made a motion to adjourn the meeting. Budd Sapp seconded. The motion passed.

Mark Pallotta Date FSU Board of Governors' Chair

Absent Ron Tucker Date FSU Board of Governors' Secretary

Tab 2

Fairmont State University
Board of Governors
Financial Report
For the period ending November 30, 2015

Unrestricted Central Fund:

At the end of November, the Unrestricted Central Fund budget condition improved by \$4,695 over that reported at the end of October. Wage and benefit budgets decreased by \$5,147 as an offset to activity reported in October. A temporary labor budget increase of \$2,844 will be offset during the December time period. A decrease of \$6,660 in PEIA cost estimates was reported. These changes in budget values resulted in a decrease of \$4,268 to Support Service Revenue.

Tuition and fee revenue is 48.98% of the budget estimate for the current year. Student Activity Support Revenue is at 49.10% of the fiscal projection. Total Operating Revenue calculates to 44.74% of that anticipated for the current year. Non-Operating Revenue is 40.67% of the total annual anticipated. At the end of November, Operating Expenses are at 37.25% of the budget estimate for the current year. The YTD Actual condition at the end of November is \$2,298,785.

Unrestricted Fund Manager Fund:

During the month of November, the planned budget deficit condition for FY 2016 is (\$366,919). The increase of \$154 over that reported in October resulted from the net change of modifications to salary and benefit budget assigned to two full-time positions and offset activity reported last month.

At the end of the period, the total revenue is 51.06% of that anticipated for the fiscal year. Operating expenses are 25.07% of that planned for the fiscal year. The YTD Actual condition reflects a surplus of revenue over expenses of \$410,594.

Auxiliary Fund:

The Auxiliary Fund budgeted transfer to reserve decreased by \$5,007 from \$1,444,011 to \$1,439,004. This decrease resulted from an increase to the estimate for PEIA costs.

The Operating Revenue is 47.81% of that estimated for FY 2016. Operating Expenses are 64.78% of that estimated for the year. The YTD Actual condition at the end of October is (719,496).

Restricted Fund:

New grant activity for November:

Dominion Solar Powered Learning Research \$10,000

Restricted revenues have reached 42.68% of the total projected for the fiscal year. Non-Operating Revenue (Pell Grant) is at 36.99% of the budget for FY 2016. Operating Expenses are 41.33% of the annual budget projection. The YTD Actual at the end of November is (\$11,872).

Following are the financial reports for the month of November 2015.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Central E&G

As of November 30, 2015

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	23,116,461	23,116,461	11,321,417	48.98
	Student Activity Support Revenue	471,765	471,765	231,631	49.10
	Faculty Services Revenue	1,272,439	1,272,439	16,198	1.27
	Operating Costs Revenue	1,597,901	1,595,712	635,574	39.83
	Support Services Revenue	2,035,390	2,032,826	646,406	31.80
	Other Operating Revenues	225,293	321,851	37,813	11.75
	Total:	28,719,248	28,811,053	12,889,039	44.74
OPERATING EXPENSE					
	Salaries	24,572,578	24,562,875	8,250,517	33.59
	Benefits	5,923,148	5,981,820	2,066,663	34.55
	Student financial aid-scholarships	2,613,428	2,613,428	1,578,180	60.39
	Utilities	1,451,176	1,451,176	512,903	35.34
	Supplies and Other Services	6,029,871	6,256,392	3,314,198	52.97
	Equipment Expense	837,331	741,404	156,985	21.17
	Fees retained by the Commission	185,560	185,560	42,968	23.16
	Assessment for Faculty Services	987,218	987,218	7,603	0.77
	Assessment for Support Services	256,737	258,360	67,574	26.16
	Assessment for Student Activity Costs	349,764	349,764	177,814	50.84
	Assessment for Operating Costs	100,134	100,134	24,013	23.98
	Total:	43,306,945	43,488,130	16,199,418	37.25
OPERATING INCOME / (LOSS)		(14,587,698)	(14,677,078)	(3,310,378)	22.55
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	15,668,202	15,668,202	6,580,644	42.00
	Gifts	0	28,000	9,211	32.90
	Investment Income	25,245	25,245	7,493	29.68
	Assessment for E&G Capital & Debt Service Costs	(2,143,380)	(2,143,380)	(1,075,718)	50.19
	Total:	13,550,067	13,578,067	5,521,630	40.67
TRANSFERS & OTHER					
	Capital Expenditures	(84,438)	(79,489)	6,405	(8.06)
	Transfers for Debt Service	(64,986)	(64,775)	(32,368)	49.97
	Transfers for Financial Aid Match	(81,239)	(81,239)	0	0.00
	Indirect Cost Recoveries	1,740	825	953	115.51
	Transfers - Other	(37,150)	(12,150)	112,543	(926.27)
	Total:	(266,073)	(236,829)	87,533	(36.96)
BUDGET BALANCE		(1,303,703)	(1,335,839)	2,298,785	
Add: Estimated Unfilled Position Savings:		1,000,000	1,312,949		
ADJUSTED BUDGET BALANCE		(303,703)	(22,890)		
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		10,199,025	9,462,879		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>9,895,322</u>	<u>9,439,989</u>		

* Projected Unrestricted Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2015 in the amount of \$8,389,298

Unrestricted Net Asset Balance is 21.76% of the current budget total operating expense.

Fairmont State University
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Fund Manager

As of November 30, 2015

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	1,839,169	1,789,169	930,623	52.01
	Other Operating Revenues	143,252	133,252	51,043	38.31
	Total:	1,982,421	1,922,421	981,666	51.06
OPERATING EXPENSE	Salaries	617,482	712,707	223,565	31.37
	Benefits	63,007	71,413	27,673	38.75
	Student financial aid-scholarships	16,436	32,110	15,842	49.34
	Utilities	4,500	4,500	906	20.14
	Supplies and Other Services	1,497,332	1,292,934	228,759	17.69
	Equipment Expense	223,834	227,496	90,259	39.67
	Total:	2,422,590	2,341,159	587,004	25.07
OPERATING INCOME / (LOSS)		(440,169)	(418,738)	394,661	(94.25)
NONOPERATING REVENUE (EXPENSE)	Gifts	1,000	1,750	1,010	57.71
	Total:	1,000	1,750	1,010	57.71
TRANSFERS & OTHER	Indirect Cost Recoveries	28,000	12,918	14,923	115.51
	Transfers - Other	37,150	37,150	0	0.00
	Total:	65,150	50,068	14,923	29.80
BUDGET BALANCE		(374,019)	(366,919)	410,594	
Add: Estimated Unfilled Position Savings:		0	1,700		
ADJUSTED BUDGET BALANCE		(374,019)	(365,219)		
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		721,145	1,359,754		
Less: USE OF RESERVE		0	0		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>347,126</u>	<u>994,535</u>		

** Unrestricted Net Asset Balance is 58.08% of the current budget total operating expense.

Auxiliary
Actual vs Budget Statement of Revenues and Expenses
Board of Governors
As of November 30, 2015

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Auxiliary Enterprise Revenue	7,666,155	7,649,891	3,518,866	46.00
	Auxiliary Fees & Debt Service Support Revenue	5,057,393	5,057,393	2,552,371	50.47
	Other Operating Revenues	235,339	243,666	120,114	49.29
	Total:	12,958,887	12,950,950	6,191,351	47.81
OPERATING EXPENSE	Salaries	2,622,579	2,696,459	1,021,828	37.90
	Benefits	584,389	611,444	197,863	32.36
	Student financial aid-scholarships	675,802	675,802	222,514	32.93
	Utilities	883,268	883,268	263,564	29.84
	Supplies and Other Services	3,258,715	3,201,628	3,489,138	108.98
	Equipment Expense	76,945	74,885	80,512	107.51
	Total:	8,101,698	8,143,486	5,275,419	64.78
OPERATING INCOME / (LOSS)		4,857,189	4,807,464	915,932	19.05
NONOPERATING REVENUE (EXPENSE)	Gifts	0	2,773	2,773	100.00
	Interest on capital asset related debt	(91,042)	(91,042)	(20,403)	22.41
	Total:	(91,042)	(88,269)	(17,630)	19.97
TRANSFERS & OTHER	Capital Expenditures	(132,300)	(92,844)	(39,313)	42.34
	Transfers for Debt Service	(3,160,221)	(3,158,922)	(1,578,485)	49.97
	Transfers for Financial Aid Match	(3,425)	(3,425)	0	0.00
	Transfers - Other	(22,963)	(25,000)	0	0.00
	Total:	(3,318,909)	(3,280,191)	(1,617,798)	49.32
BUDGET BALANCE - Projected Transfer to Reserves		1,447,239	1,439,004	(719,496)	
* Add: PROJECTED NET ASSETS - Beginning of Year		<u>11,256,910</u>	<u>8,327,688</u>		
Equals: PROJECTED NET ASSETS - End of Year		<u>12,704,149</u>	<u>9,766,692</u>		

* Projected Net Assets - Beginning of Year is after adding back the projected OPEB liability at June 30, 2015 in the amount of \$995,589

* 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 November 30, 2015

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Federal Grants and Contracts	22,865,521	23,545,317	9,623,325	40.87
	State/Local Grants and Contracts	6,922,054	6,963,260	3,326,628	47.77
	Private Grants and Contracts	1,850,217	1,922,717	890,878	46.33
	Other Operating Revenue	27	27	50	183.35
	Total:	31,637,820	32,431,321	13,840,882	42.68
OPERATING EXPENSE					
	Salaries	597,822	866,641	313,078	36.13
	Benefits	53,382	113,746	38,613	33.95
	Student financial aid - scholarships	40,220,000	40,220,000	16,783,022	41.73
	Utilities	0	0	0	0.00
	Supplies and Other Services	774,799	1,101,216	295,406	26.83
	Equipment Expense	41,969	123,404	105,344	85.36
	Total:	41,687,972	42,425,007	17,535,463	41.33
OPERATING INCOME / (LOSS)		(10,050,152)	(9,993,686)	(3,694,582)	36.97
NONOPERATING REVENUE (EXPENSE)					
	Federal Pell Grant Revenues	10,000,000	10,000,000	3,698,628	36.99
	Gifts	0	0	0	0.00
	Investment Income	0	0	0	0.00
	Total:	10,000,000	10,000,000	3,698,628	36.99
TRANSFERS & OTHER					
	Capital Expenditures	(2,950)	(25,562)	0	0.00
	Transfers for Fin Aid Match	84,664	84,664	(44)	-0.05
	Indirect Cost Recoveries	(13,743)	(47,597)	(15,875)	33.35
	Transfers - Other	0	0	0	0.00
	Total:	67,971	11,505	(15,918)	-138.36
BUDGET BALANCE		17,819	17,819	(11,872)	
* Add: RESTRICTED NET ASSETS - Beginning of Year		584,982	584,982		
** Equals: PROJECTED RESTRICTED NET ASSETS - End of Year		<u>602,801</u>	<u>602,801</u>		
*** Approved Budget adjusted for FWS Student Labor/Benefits					

Tab 3

**Fairmont State University
Board of Governors
February 18, 2016**

Item: Independent Auditor's Report by Suttle & Stalnaker of Fairmont State University's financial statements for the year ending June 30, 2015.

Committee: Committee of the Whole

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

Staff Member: Debbie Stiles

Background: The firm of Suttle & Stalnaker presented the audit report of the University's financial statements to the Finance Committee on February 15, 2016.

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

The following are comments about the University's financial statements from Management:

- The implementation of Governmental Accounting Board Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*, caused a delay in the issuance of the financial statements. All WV State Agencies were delayed waiting on the issuance of the WV Consolidated Public Retirement Board's State Teachers System audit. The audit provided the schedules of employer allocations and pension amounts by employer needed for the GASB No. 68 accrual entries. This audit was not issued until November 16, 2015. After the release of the audit, the determination of the entries had to be finalized by the audit firms and financial statements updated. The University received final drafts of the audit on December 22, 2015 and the audited financial statements were issued on January 20, 2016.
- The financial statements include Management Discussion and Analysis, the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position (SRECNP), and the Statement of Cash Flows, and the footnotes. All of these items were prepared by staff in preparation for the annual audit.

- The 2015 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.
- Significant changes in the Statement of Net Position reflect the issuance of the Series 2015A Revenue Bonds in April 2015 for \$30,200,000. Noncurrent cash and cash equivalents increased by \$30,337,655 and noncurrent bonds payable increased by \$28,097,755.
- OPEB liability increased by \$502,873 or 5.66% to \$9,384,887 at June 30, 2015. The cumulative OPEB liability for the Current Unrestricted and Auxiliary Funds at June 30, 2015 were \$8,389,298 and \$995,589, respectively.
- Noncurrent liabilities now include a Net Pension Liability of \$1,381,799 as a result of GASB No. 68.
- Net Position decreased by \$2,287,875 with all funds combined.
 - The implementation of GASB No. 68 resulted in a change in accounting policy and the restatement of beginning net position. This was a decrease in net position of \$1,596,968.
 - Early retirement plan expenses were accrued in the amount of \$1,490,175.
 - As indicated above, OPEB liability increased by \$502,873 which further reduced Net Position.
- The Current Unrestricted Fund Net Position of \$9,272,603 (before OPEB liability) is 20.65% of operating expenses for fiscal year 2016. The auditors recommend a benchmark of 10% to 15%. Fairmont State has historically set the benchmark for Net Position at 15%.
- Since the completion of the Audit we have submitted to WesBanco, our Bond Trustee, the required information to comply with the continuing disclosure agreements of the Series 2015A and Series 2012A and B bonds. The information included the financial audits of both the University and Pierpont, along with the additional financial and operating data updates for each bond series. WesBanco staff submitted the information to the Electronic Municipal Market Access (EMMA) database. We have also submitted the final audits to BB&T as required for the Series 2006 Bonds.

Tab 4

**Fairmont State University
Board of Governors
February 18, 2016**

Item: Jaynes Hall Pedestrian Bridge Project

Committee: Finance Committee

Recommended Resolution: Be it resolved, that the Board of Governors approve the following item.

Staff Member: Debbie Stiles

Background: The Jaynes Hall pedestrian bridge has been a growing concern for the last few years. In 2014 and 2015, this bridge was written up as a violation during the yearly BRIM safety inspection. In July 2013, a structural engineer was hired to come in and perform an assessment of the bridge. In June 2015, a second assessment was performed. The engineer's professional recommendation was to replace the bridge. Major deterioration has occurred and repairs would not be economical. This bridge has been patched over the years to limit further deterioration. It is the only ADA access to Jaynes Hall. It is required by law that all buildings be ADA accessible.

The most opportune time to replace this bridge is when the building is closed the Summer of 2016 for HVAC replacement. Because of the building site there is not a good alternative to provide a temporary ramp for ADA access. This would be very pricey if even physically possible due to given elevations. Realistically the building would have to be vacated to perform the work. If we align this work with the HVAC replacement there will be no inconvenience to building occupants and no ADA access concerns.

We anticipate a cost of \$250,000 for this project. This cost will be supported by Infrastructure funds.

Tab 5

**Fairmont State University
Board of Governors
February 18, 2016**

Item: University Terrace Semi-Suites and Meal Plans

Committee: Finance Committee

Recommended Resolution: Approval of the proposal to allow for 68 beds in the semi-suite units of University Terrace to have an 11.5 month leasing option. Also, approval of meal plans for students residing in the University Terrace Apartments and Suites.

Staff Member: Debbie Stiles

Background: Fairmont State University is undergoing the construction of a new 347 bed facility, University Terrace. The facility is comprised of three buildings. West building has all of the 35 semi-suites (140 beds). North and East buildings have all apartments. The Housing Office staff has been successful in filling the apartment spaces in North and East buildings, but find that upperclassmen are not assigning themselves to the semi-suite spaces in West building. There are many reasons for the low assignments by upperclassmen in this area.

Many of our upperclassmen prefer apartment-style living. The semi-suites do not have kitchens or living areas, nor do they offer the same level of privacy as apartment-style living. Most students want more independent living when they are upperclassmen. An attraction for our students to the University Terrace apartments is the 11.5 month lease contract. This option allows them to reside in the facility over winter and spring breaks and during the summer months.

We propose to allow 17 units (68 beds) of the semi-suite layout be offered with an 11.5 month leasing option. This would not require any further operational needs, such as staffing, since the apartment unit rentals are already functioning on 11.5 month leases. We propose to charge residents of these units \$3,348 per semester, a 20% increase from our current rate for the semi-suite of \$2,790. Selling 68 beds at this new rate for the extended 11.5 month period would increase our revenue by \$75,888 for the year.

At this time, we are finding it is not advantageous to be exclusive in renting the semi-suite units to upperclassmen only. Therefore, we will accept requests for First Time Freshmen (FTFs) to reside in the facility.

The Housing Office has been working with Aladdin on specific meal plans that would accommodate our students in the University Terrace Apartments and Suites. Aladdin has proposed two meal plans for our students in the apartments: (1) 75 meal plan with \$75 Flex for a rate of \$488 per semester. This is an average of 5 meals per week and (2) 100 meal plan with \$100 Flex for \$650. This is an average of 6 meals per week. Aladdin and Housing agree that 12% of these sales will go back into the Housing budget. A meal plan for the semi-suite units has been created by Aladdin to allow students to eat 7 days per week during the academic year. The meal plan would allow for 12 meals over 7 days. The charge of \$2,200 per semester would also provide for meals during the time-frame of mid-May through mid-July for students taking advantage of the 11.5 month lease contract. This meal plan would provide students an additional \$225 in Flex dollars to eat at other locations on campus. Students will need to provide their own food/meals during Thanksgiving, winter, and spring breaks since the dining hall will be closed during those time periods.

This proposal would assist Athletic and International students with their housing needs during the institution's break periods.

Tab 6

**Fairmont State University
Board of Governors
February 18, 2016**

Item: University Terrace Change Order #4

Committee: Committee of the Whole

Recommended Resolution: Be it resolved, that the Board of Governors approve the following items for the University.

Staff Member: Debbie Stiles

Background: Three minor revisions are necessary for the University Terrace project. A revision to the kitchen cabinetry door and hardware was necessary for corner cabinets to operate properly. By order of the Fire Marshal, three smoke detectors were added, and several strobes relocated. Also, a vending destination area will be provided by Aladdin Food Services on the first floor of Building 2. Additional electric, data, and water line is required for this equipment to function.

Three deducts have been accepted. A substitution request was granted for the C-Joists. The width of the ceramic tile was altered by 2". Also, one light fixture per mirror was deleted because two LED fixtures provided too much light for this space.

It has been reported that costs have exceeded contract allowances for material testing/inspection and soil. The material/testing allowance has been exceeded primarily due to the geopier installation and extended work hours for the accelerated schedule. Poor soil conditions were encountered requiring more soil than expected to be hauled off site and replaced with engineered fill.

These items combined result in Change Order #4 for the University Terrace project.