

**PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS**

Finance and Administration Committee Meeting

**Monday, October 20, 2025
1:00 PM**

**Pierpont's Advanced Technology Center (ATC)
500 Galliher Drive
Fairmont, WV 26554
Room 201A or Teams**

Microsoft Teams

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Phone conference ID: 478 992 053#

AGENDA

I. Call to Order

II. *Approval of Minutes – September 23, 2025

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III. BOG Action Item

(Dale Bradley, VP of Finance and Administration)

A. *Acceptance of the Independent Auditor's Report by Suttle & Stalnaker, PLLC of Pierpont Community & Technical College's Finance Statement for the year ended June 30, 2025

Tab 2

B. *Approval of the spending of cash reserves in the current fiscal year for web Page renovations to ensure compliance with federal digital literacy accessibility guidelines

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IV. BOG Information Items

A. Composite Financial Indicator (CFI) Score Analysis Fiscal Years 2020-2025

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V. Adjournment

**Denotes possible action item*

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1

**PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS**

Finance and Administration Committee Meeting

**Tuesday, September 23, 2025
11:30 AM**

**Pierpont's Advanced Technology Center (ATC)
500 Galliher Drive
Fairmont, WV 26554
Room 216A**

MINUTES

Notice of Meeting

A meeting of the Pierpont Community & Technical College (Pierpont) Board of Governors Finance and Administration Committee was held on September 23, 2025, beginning at 11:30 AM. The meeting was conducted in person at the Advanced Technology Center in Fairmont, WV. Advanced announcement of this meeting was posted on the WV Secretary of State's Meeting Notices Webpage.

Committee Members Present: Jeffrey Powell, Vickie Findley, Anthony Hinton, Lisa Lang and Christine Miller

Committee Members Absent: N/A

Other Board Members Present: Thomas Cole and Joanne Seasholtz

Others Present: Members of the President's Cabinet, faculty, staff, and others

I. Call to Order

Jeffrey Powell called the meeting to order at 11:33 AM.

II. Approval of Minutes – March 25, April 23, May 7, and May 13, 2025

Anthony Hinton moved to approve the March 25, April 23, May 7, and May 13, 2025, meeting minutes. Christine Miller seconded the motion. All agreed. Motion carried.

III. Revenue Analysis

A. FY 2026 Pierpont Fee Revenue Analysis as of September 11, 2025

Dale Bradley reviewed the FY 2026 Pierpont Fee Revenue Analysis as of September 11, 2025 (Report provided in Agenda packet). The report indicated a shortfall of approximately \$120,000 in Tuition Revenues assessed, which was attributed to a slight decline in enrollment. Full-time equivalent (FTE) enrollment is down approximately 4%

while dual enrollment (DE) enrollment is down considerably. Program fee revenues are currently on target.

IV. BOG Information Items

A. August 31, 2025, Combined Finance Report

Dale Bradley presented and reviewed the Budget/Finance FY 2025 Report as of August 31, 2025 (Report provided in Agenda packet).

B. Capital Projects Expenditure Report as of August 31, 2025

Dale Bradley presented the Capital Projects Expenditure Report as of August 31, 2025 (Report provided in Agenda packet).

Dale Bradley also reported that the Veterinary Technology project has not yet been closed, as the contractor still needs to finish work on the steps. Retainage funds are still being held. There has been no third-floor furniture, fixtures, and equipment purchased since the space has not been built out. The HVAC controls are being completed and the parking lot resurfacing project at the Clarksburg Campus has been completed.

C. Update on Deferred Maintenance Projects

Dale Bradley report that the ATC third-floor deferred maintenance project, which began on September 2, is proceeding well and is anticipated to be completed by mid-March. Currently the project is slightly ahead of schedule.

Deferred maintenance projects at the Clarksburg Campus have not yet started. A meeting was held with the architects to review projects and new cost estimates are being obtained. Several projects have been changed and based on the current funds available, it is believed that all planned projects can be completed. These projects include addressing architectural needs, improving ADA accessibility between the Caperton Center and Vet Tech Building, cleaning brick, and repairing a void in the Vet Tech Building parking lot. The administration may also present a proposal to the Board for a monument sign at the Clarksburg campus at a later date.

D. Update of Chatbot/CRM

JT Bowers provided an update on the AI chatbot and CRM (Report provided in Agenda packet). The AI chatbot recommended for implementation in FY 2027, dependent on budget approval. The chatbot is compatible with any website. JT Bowers recommended not to replace the current CRM system at this time. A reevaluation will be conducted in 2027, as the State is considering a unified CRM system across all colleges to secure better pricing.



Mission Statement: To provide accessible, responsive, comprehensive education that works
Vision: To empower individuals and strengthen communities through exceptional training and educational pathways
Tagline: Education that works!

V. Adjournment

There being no further business, Anthony Hinton moved to adjourn the meeting. Christine Miller seconded the motion. All agreed. Meeting adjourned.

Respectfully submitted by Amanda N. Hawkinberry



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Tab

2

**Pierpont Community and Technical College
Board of Governors
Meeting of October 21, 2025**

ITEM: Acceptance of the Financial Statements and the Independent Auditor's Report by Suttle & Stalnaker, PLLC of Pierpont Community and Technical College's Financial Statements as of and for the year ended June 30, 2025

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it resolved that the Board of Governors accept the Financial Statements and the Independent Auditor's Report for FY 2025.

STAFF MEMBER: Dale Bradley

BACKGROUND: Suttle & Stalnaker PLLC presented the audit report of the FY 2025 Audited Financial Statements to the Board of Governors.

The report indicated that statements prepared by staff presented fairly, in all material respects, the financial position of the business-type activities of Pierpont, as of June 30, 2025, and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The following are comments about the College's FY 2025 Financial Statements from Management:

- Pierpont issues its Audited FY 2024 Financial Statements September 29, 2025, which was prior to the completion date established by the WV HEPC.
- 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.

- Pierpont’s overall Total Net Position improved by \$2,508,868 from \$26,039,888 on June 30, 2024, to \$28,548,756 on June 30, 2025.
- Pierpont’s unrestricted portion of the Total Net Position improved by \$2,187,091 from \$(3,549,021) as of June 30, 2024, to \$(1,361,930) as of June 30, 2025, as detailed in Note 11 on page 48 of the FY 2025 Audited Financial Statements.
- Pierpont’s Cash and Cash Equivalents increased by \$808,496 from \$12,825,166 on June 30, 2024, to \$13,633,662 on June 30, 2025.
- Pierpont’s Net Capital Assets decreased by \$(410,683) from \$29,702,180 on June 30, 2024, to \$29,291,497 on June 30, 2025, as detailed in Note 5 beginning on page 37 of the FY 2025 Audited Financial Statements.
- Pierpont’s Long-Term Liabilities decreased by \$1,779,277 from \$13,857,215 on June 30, 2024, to \$12,077,938 on June 30, 2025, as detailed in Note 6 on page 39 of the FY 2025 Audited Financial Statements.
- Pierpont’s Composite Financial Indicator (CFI) Score improved from 0.73 in FY 2024 to 1.81 in FY 2025. There was improvement in all four of the ratios (Primary Reserve Ratio, Net Operating Revenue Ratio, Return on Net Position Ratio, Viability Ratio) that make up the CFI. The Higher Learning Commission (HLC) considers CFI scores for Public Institutions above 1.1 as “Above the Zone”.

Tab

3

**Pierpont Community and Technical College
Board of Governors
Meeting of October 21, 2025**

ITEM: Approval of the spending of cash reserves in the current fiscal year for website renovations to ensure compliance with federal digital literacy accessibility guidelines.

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Be it resolved that the Board of Governors approves spending cash reserves in the current fiscal year up to \$54,000 for website renovations to ensure compliance with federal digital literacy accessibility guidelines.

STAFF MEMBER: Dale Bradley

BACKGROUND: Attached is Modern Campus's costs proposal for implementation of their Content Management System (CMS). A CMS is a software application that allows users to create, manage, and modify digital content on a website without needing specialized technical knowledge.

Included in this proposal is project planning, web development, and user training for Modern Campus CMS deployment and full implementation. Included is a shell site creation for Pierpont content migration, a faculty directory, and Modern Campus CMS Calendar. The proposal also includes hosting services with access for up to 15 users and ongoing support.

Investment

One-Time Costs	Total
Implementation: Included project planning, web development, and user training services for standard Modern Campus CMS deployment and full implementation & creation of Design Library templates, including: • Setup of your Modern Campus CMS environment • Implementation of Modern Campus Design Library Templates into Modern Campus CMS environment • Creation of editing experience • Setup and configuration of repeatable page layouts • Quality Assurance and delivery • Faculty Directory • Calendar • Unknown Website Visitor Personalization • News	\$35,000.00
Content Migration Small – Shell Site Creation for PCTC to migrate content	\$3,075.00
Faculty Directory - Implementation	Included
Modern Campus CMS Calendar - Implementation	Included
Training - • 4 Personalized Web-based Training Sessions: Administrator and End User Trainer training sessions using PCTCs templates and features requested during implementation • PCTC is provided with a recording of their sessions for future reference • Customized user guides are also provided • 2 Monthly Recurring Training Sessions	Included
Subtotal	\$38,075.00

Annual Costs	Total
Modern Campus CMS – SaaS Up to 15 users	\$7,500
Modern Campus CMS Support (SaaS)	\$7,500
Calendar	included
Faculty Directory	included
Subtotal	\$15,000.00

Total Investment Summary	
Year 1	\$53,075.00
Year 2	\$15,750.00
Year 3	\$16,537.50

* For details on Services, please see Product & Service Descriptions below.

* Increase on licensed annual products at 5% each year.

Tab

4

Pierpont Community & Technical College
Composite Financial Indicator (CFI) Score Analysis
Fiscal Years 2020 - 2025

The CFI calculations are based on the annual audited financial statements. The presentation includes the Composite Financial Index (CFI) comparison for FY 2020 through FY 2025 and compares the results to Moody's measurements for assessing financial health.

The Composite Financial Index (CFI) comprises four financial ratios used to communicate financial information and answer the following questions concerning financial health.

- Are resources sufficient and flexible enough to support the mission?
 - *Primary Reserve Ratio*
- Does financial asset performance support the strategic direction?
 - *Return on Net Position Ratio*
- Do operating results indicate the institution is living within available resources?
 - *Net Operating Revenues Ratio*
- Is debt managed strategically to advance the mission?
 - *Viability Ratio*

There are some limitations to the CFI scores to note:

- Only measures success components related to financial activities.
- Single year computation is much less useful than a trend line.
- Need to understand the underlying data and ratios and the changes.
- For public institutions, they need to include component units, like foundations.

The best measure is looking at your Institution over a trend period of at least five years. The CFI, like fingerprints, is unique to each institution. The Moody's ratios for Institutions similar to Community and Technical Colleges in West Virginia equate a CFI score of 1.00 with weak financial health and a score of 3.0 signifies relatively strong financial health. Pierpont's CFI scores from 2020-2025 are:

	2020	2021	2022	2023	2024	2025
Primary Reserve Ratio	0.48	-1.40	-1.24	-0.84	-0.42	-0.04
Net Operating Revenue Ratio	0.02	-0.17	1.00	1.00	0.67	0.88
Return on Net Position Ratio	0.00	-0.80	2.00	1.48	0.65	0.99
Viability Ratio	1.06	-0.57	-0.46	-0.32	-0.18	-0.02
Composite Financial Indicator Score (CFI)	1.56	-2.93	1.30	1.32	0.73	1.81

**Calculation includes assets with Foundation and net effect of Net Pension Liability and OPEB liability are excluded.*

The FY 2025 CFI score increased by 1.08 to 1.81. The CFI has been calculated with the net effect of both the OPEB and Pension liabilities excluded for several years. For FY 2025, the OPEB liability (asset) decreased to \$5,957. When combined with related deferred outflows and deferred inflows the OPEB adjustment netted to \$59,128 increase in expenses. The GASB 68 Pension and Retirement adjustment netted to a decrease in benefits expense of \$2,984. The adjustment for OPEB and Pension and Retirement had a slightly positive impact on the Pierpont's financial condition, so when excluded from the calculation the CFI is reduced from 1.85 to 1.81.

The primary reserve ratio is calculated by dividing expendable net assets by total expenses.

- The ratio measures how long an entity can pay expenses with no additional funds from operations.
- Increasing net worth faster than increases in operating costs is viewed positively.
- With OPEB and Pension liability excluded – for fiscal year 2025:
 - Unrestricted net position increased by \$2,130,947 or 61.62%.
 - Operating expenses increased by \$944,269 or 5.62%.
 - Non-operating expenses decreased by \$11,235 or 12.65%.
- A primary reserve ratio of .40 or better is considered necessary for financial flexibility and to provide for positive transformation. This is according to Ronald Salluzzo and Fredric Prager, the authors, of *Ratio Analysis of Higher Education: Measuring Past Performance to Chart Future Direction*. A ratio of .40 would mean resources were available to cover expenses for nearly 5 months.
- Pierpont's primary reserve ratio increased by 0.38 from -0.42 on June 30, 2024, to -0.04 on June 30, 2025.

The net operating revenue ratio calculation is operating income (loss) plus net non-operating revenues divided by total revenues.

- The ratio indicates the degree of surplus or deficit for the year.
 - With OPEB and Pension liabilities excluded – for fiscal year 2025:
 - Total operating (loss) plus net non-operating revenues increased by \$693,188 or 42.97%. Operating loss increased by \$2,283. Net non-operating revenue increased by \$695,471 or 6.09%.
 - Operating revenues increased by \$941,986 or 13.48%. Tuition and Fees net of scholarship allowance decreased by \$741,828. Federal Grants Revenue increased by \$80,826 and State Grants increased by \$1,782,797. Auxiliary enterprise revenue net of scholarship allowance decreased by \$93,606.
 - Non-operating revenues increased by \$684,236 or 5.95%.
- Most analysts consider a net operating revenue ratio between 2 to 4 percent over an extended period sufficient.
- Pierpont's net operating revenue ratio increased by 0.21 from 0.67 on June 30, 2024, to 0.88 on June 30, 2025.

The options for improving this ratio include increasing operating revenues and reducing operating expenses.

The return on net position calculation is the change in net assets divided by total net assets (beg. of year).

- The ratio measures total economic return against all resources.
- With OPEB and Pension liabilities excluded – for FY 2025:
 - Change in net position increased by \$1,035,310 or 61.73 %.
 - Total net assets at the beginning of the year increased by \$1,677,274 or 6.51%.
- It is believed that each institution should set its own goal for the return on net position ratio because potentially volatile items affect it. It is important to understand the reason for the change and look at the ratio over an extended period.
- It also measures whether the entity has invested in items that generate resources.
- Pierpont's return on net position ratio increased by 0.34 from 0.65 on June 30, 2024, to 0.99 on June 30, 2025.

The viability ratio calculation is expendable net assets divided by long-term debt.

- The ratio measures the availability of net position to cover debt at year-end.
- With OPEB and Pension liability excluded – for FY 2025:
 - Expendable net position increased by \$2,443,824 or 90.23%
 - Long-term debt balance decreased by 1,740,617 or 13.67%
- Analysts consider a viability ratio equal to 1.00 indicates an entity has sufficient expendable net assets to satisfy debt obligations at balance sheet date.
- The viability ratio increased by 0.16 from -0.18 on June 30, 2024, to -0.02 on June 30, 2025.

The Viability Ratio change continues to be impacted by increases in debt obligations from the 2021 Final Separation Agreement with Fairmont State University (FSU). This Agreement obligated Pierpont pay FSU a total of \$16,300,000 through 2032 for a portion of the debt service on FSU's 2012 Bonded Indebtedness. It also required Pierpont independently assume a debt obligation to the Higher Education Policy Commission (HEPC) in the amount of \$1,390,325 which had been previously shared with FSU. This increased Pierpont's indebtedness to the HEPC by \$955,431. During FY 2025, \$1,500,000 was paid to FSU reducing that liability to \$10,500,000 and the debt obligation due to the HEPC was reduced by \$240,617 in principal payments to an outstanding balance of \$493,343 as of June 30, 2025.

The CFI Score is an important part of financial analysis and is used by the Higher Learning Commission (HLC) to monitor financial stability. For Public Institutions, HLC considers score ranges of

1.1 to 10.0 – Above the Zone

0.0 to 1.0 – In the Zone

-4.0 to -0.1 – Below the Zone

When an institution CFI score falls in the zone for the first year, the HLC issues a letter of concern, and the Institution must acknowledge receipt and confirm the financial information was submitted correctly. If the institution reports a CFI that falls within the zone for a second consecutive year, HLC will require the institution submit financial data and reports and undergo a Panel Review. If an institution's CFI score falls below the zone, the institution is referred to a Panel Review.