



BOARD

OF

GOVERNORS

October 18, 2011

Schedule/Agenda

Meeting of the **Pierpont Community & Technical College** Board of Governors

October 18, 2011

Falcon Center Board Room
Fairmont, WV

1:00 P.M. Off Campus Facilities Committee Meeting
Falcon Center Conference Room

Members:

Tom Stose (Chair)
Linda Aman
Beverly Jones
Jeff Tucker

Staff Resource:

Jeanie Hawkins
Leslie Lovett

1:00 P.M. Marketing Committee Meeting
Falcon Center Conference Room

Members:

Dixie Copley (Chair)
Earl McConnell
Sharon Shaffer

Staff Resource:

Sarah Hensley

***2:00 P.M. Full Board Meeting**
Falcon Center Board Room

**Legislated purpose for Pierpont
Community and Technical College**

**H. B. 3215 – establishing community
colleges, 18B – 3C-8 Legislative findings
and intent**

*“The primary goal of the Legislature is to
create a statewide network of
independently accredited community
and technical colleges that focus on
technical education, workforce training,
and lifelong learning for the Twenty-First
Century.”*

*“A necessary precedent to accomplishing
the legislative goal is to change the way
that leaders at all levels of education,
including institutional governing boards,
view community and technical colleges.
Specifically, that the mission of technical
colleges is different from that of
traditional four-year colleges in what
they accomplish and how they can
achieve it effectively and that the state
cannot compete successfully in today’s
information-driven, technology-based
economy if community and technical
colleges continue to be viewed as add-
ons or afterthoughts attached to
baccalaureate institutions.”*

Pierpont Community & Technical College
Board of Governors Meeting
October 18, 2011

Call to Order

1. Opening Comment
2. Last Call for Public Comment Sign Up
3. Approval of Minutes (*August 16, 2011*)
4. Approval of Minutes (*September 20, 2011*)

Tab 1 – Action Item
Tab 2 – Action Item

Special Recognitions

1. Brad Gilbert – 20 Years Service Award
2. Dr. Sandra Woods – 20 Years Service Award
3. Donna Snyder – 25 Years Service Award
4. Dr. Jodi Rust – Published Article in the Online Journal of Distance Learning Administration
“*Rapid Development of Hybrid Courses for Distance Education: A Midwestern University’s Pilot Project*”
5. Ciara Jackson, Student and Vijay Raol – *Ruth Ann Musick Ghost Story Animation* Grant Award and Mentor Project
6. Deborah Benedetti – Published Book “*Season of Play*”

Operation Reports

1. President’s Report (*Doreen Larson*)
 - a. Final Draft of Strategic Plan *Tab 3 – Action Item*
2. Academic Affairs (*Leslie Lovett*)
3. Classified Staff Report (*Mary Jo Rutherford*)
4. Classified Staff Council Report (*Beverly Jones, Joyce Ross, Mary Jo Rutherford*)
 - a. Classified Staff Serving Pierpont Students *Tab 4 – Informational*
 - b. Overview of SB 330
5. Center for Workforce Education Report (*Paul Schreffler*) *Tab 5 – Informational*
6. Faculty Assembly Report (*Brian Floyd*)
7. Advisory Council of Faculty – 2011-2012 Issues (*Nancy Lawler*) *Tab 6 – Informational*
8. Student Government Report (*Meagan Gibson*)
9. Foundation Report (*Craig Shaffer*)

Committee of the Whole

- | | |
|--------------------------------------------------------------------------|------------------------------|
| 1. Financial Report (<i>Dale Bradley</i>) | <i>Tab 7 – Informational</i> |
| 2. Capital Projects Update (<i>James Decker</i>) | <i>Tab 8 – Informational</i> |
| 3. Practical Nursing Certificate in Applied Science (CAS) Degree Program | <i>Tab 9 – Action Item</i> |

Committee Reports

- | | |
|---------------------------------------------------------|-----------------------------|
| 1. Finance Committee (<i>Dale Bradley</i>) | |
| a. Acceptance of the 2011 Bond Audits | <i>Tab 10 – Action Item</i> |
| b. Athletic Fee Phase Out and Repurposing | <i>Tab 11– Action Item</i> |
| 2. Off Campus Operations Committee (<i>Tom Stose</i>) | |
| 3. Marketing Committee (<i>Dixie Copley</i>) | |

New Business

1. ATC Groundbreaking Ceremony, October 25th 11:00 AM at the Robert H. Mollohan Building
2. Board of Governors Retreat, December 2nd 8:00 – 4:00 at the Robert H. Mollohan Building

Old Business

3. WVCCA and WVADE 2011 Joint Annual Conference
October 26 – 28, 2011 at Glade Springs, WV
(866) 562-8054 – Glade Springs Resort

Public Comment

Possible Executive Session

_____ moved pursuant to 6-9A-4(b)2A of the WV Code that the Board shall go in to Executive Session to discuss personnel and personnel matters, which if discussed in public might adversely affect the reputation of any person.

_____ moved pursuant to 6-9A-4(b)9 of the WV Code that the Board shall go into Executive Session to consider matters involving or affecting the purchase, sale or lease of property, advance construction planning, the investment of public funds or other matters involving commercial competition, which if made public, might adversely affect the financial or other interest of the state or any political subdivision.

Next meeting will be on Tuesday, November 15, 2011 – Falcon Center Board Room, 2:00 PM.

Tab

1

PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS MEETING
August 16, 2011
3:00 PM

MINUTES

Call to Order

A meeting of the Pierpont Community & Technical College Board of Governors was held on August 16, 2011, beginning at 3:00 PM in the Falcon Center Board Room. Present at the meeting were Board members: Chairman James Griffin, Linda Aman, Dixie Copley, Barbara Hendrey, Beverly Jones, Earl McConnell, Rick Pruitte, Tom Stose, Jeff Tucker, and Eugene Weaver. Present via teleconference was Kyle Hamilton. Absent was Sharon Shaffer. Also present were: President Doreen Larson, and Cyndee Sensibaugh.

Last Call for Public Sign Up

Chairman Griffin announced last call for public sign up for comments to the Board.

Approval of Minutes

Dixie Copley moved that the Minutes of the June 21, 2011 Board of Governors Meeting be approved. Tom Stose seconded the motion. All agreed and the motion carried.

Special Recognitions

Chairman Griffin and Dr. Larson recognized, and thanked, the co-presidents of Lifelong Learners, David Sturm and Peggy Edwards, for funding the 2011-2012 Lifelong Learners Scholarship of \$2,000 that will be used to financially assist Pierpont non-traditional students.

Dr. Larson read a Letter of Recognition to the Board, written by Aviation Maintenance student Gregory A. Bartlett, describing the tutorial support Mr. Bartlett received from Professor Brad Gilbert. Professor Gilbert was in attendance and received the Board's thanks and praise for the excellent job he has done.

Dr. Larson thanked Cynthia Woodyard, representative of Hospice Care Corporation, for the work and success of the 2011 Walk for Hospice Event. Pierpont was a sponsor of the event that reached out to 12 counties in West Virginia. Ms. Woodyard informed the Board that the Hospice Care Corporation is one of the oldest, independent nonprofit organizations that provides services that touch lives, and will not turn anyone away for the inability to pay.

President's Report

Dr. Doreen Larson provided a review of ten goal areas for the 2011-2012 academic year. They are...

- 1) *Enrollment and Retention Growth* – Currently, Pierpont is up by 17 percent in credit enrollment over this time last year, with enrollment increases in each county location. New high schools have been added as dual enrollment partners, and programs have been launched, such as; health care courses in Braxton County, and at the Locust Avenue campus - Mechatronics and Culinary.
- 2) *North ATC Project* – Program planning has been conducted over the summer with the Chancellors office and local industries to complete the final plans for the Center. A groundbreaking ceremony is being planned with the Chancellors office and is tentatively scheduled for late September.
- 3) *Grants and External Funding* – A summary report of Pierpont's state workforce and continuing education grant funding reflected over \$1.2 million awarded in workforce funding and \$1.3 million awarded for the ATC expansion.
- 4) *Partnerships with Fairmont State University* – Pierpont has been able to partner with FSU to provide combined events for Professional Development Week. Pierpont has developed a Campus Compact statement in our Strategic Priorities document that outlines our relationship with FSU. It states: "Pierpont values its historic links with FSU and in particular, values the unique and diverse options provided for students on the shared Pierpont/FSU campus. Pierpont recognizes that limited educational resources cannot support isolated 'stand-alone' campus facilities but require a college to fully partner with the communities it plans to serve. The college intends to extend this foundational concept by developing facilities embossed within existing business and educational communities."
- 5) *Collaboration with the Foundation* – The Fairmont State Foundation has scheduled meetings with Pierpont and energy sector related companies to develop coordinated curriculum and gain support for our adult student scholarships. The Foundation will also support our ATC fall event and scholarship fundraiser.
- 6) *HLC Accreditation and Academic Excellence* – Emphasis is being placed on meeting the benchmarks of our Quality Initiatives for accreditation. Faculty surveys were conducted and analyzed and shared with the faculty as part of Development Week. The results will be shared with Pierpont graduates and community and business partners serving on our advisory boards. Areas of general education outcomes that are being targeted are; communication, quantitative literacy, critical thinking, professionalism, global awareness and diversity, and technical literacy.
- 7) *Community Involvement* - Dr. Larson thanked the Board for their representation of Pierpont at the many community events. Many members attended the Marion

County Chamber of Commerce Dinner and social events at the Shaw House. Board members have also traveled to North Carolina to tour the Catawba Community College Technical Center. Dr. Larson and her husband Len have been named the co-chairs of the Marion County United Way, serving with chairs Barb and Alan Mollohan.

- 8) *Strategic Planning and Program Growth* – The final draft of the Pierpont Strategic Plan has been presented and will be ready for approval from the Board in the near future. The Plan will target county outreach, internships, coordination with FSU and student retention. The Plan is ambitious, measurable, and focused.
- 9) *Board Communication* – Weekly reports from the President to the Board will continue.
- 10) *Manage Budget and Facilities* – Budget requests for FY 2013 are prepared, on schedule, for the Board's approval.

For homework – the Pierpont Pins have arrived in the new Pierpont colors of black and 'Vegas' gold. Dr. Larson asked for the Board's input on more descriptive name for the black color. Suggestions have been jet black, basic black, night black, raven black, coal black, bituminous black and bright black.

Operation Reports

- Joyce Ross presented the Classified Staff Report
- Paul Schreffler presented the Center for Workforce Education Report
- Craig Shaffer presented the Foundation Report

Committee of the Whole

- Financial Report

In absence of D. Bradley, Dr. Larson provided the report on the Pierpont Community & Technical College Unrestricted and Restricted Funds and Fund Manager Budgets for current budget and year-to-date actual. There were no issues of note, and any questions will be forwarded to D. Bradley.

- Capital Projects Report

J. Decker informed the Board that the HVAC units for the Byrd Center are arriving any day and drains are being added to the roof renewal project. The Aerospace classroom fire suppression is 80% complete. The Folklife Center Phase III is 75% complete.

Committee Reports

➤ Finance Committee

a. FY 2013 Capital Appropriation's Request

On behalf of D. Bradley, Dr. Larson presented a resolution to approve the Capital Appropriation's Request for FY 2013. A capital project priorities report is due to be submitted to the state prior to September 1, 2011. A list of project priorities was provided to the Board with the resolution request.

T. Stose moved that the FY 2013 Capital Appropriation's Request be approved. L. Aman seconded the motion. All agreed.

b. FY 2013 State Appropriation's Request

On behalf of D. Bradley, Dr. Larson reviewed the resolution to approve the State Appropriation's Request for FY 2013. The deadline for submission of the request to the state is August 19, 2011. Detailed documentation was provided to the Board with the resolution request.

A motion to approve the FY 2013 State Appropriation's Request was presented by D. Copley and seconded by T. Stose. Motion carried.

➤ Off Campus Operations Committee

- Tom Stose provided a detailed memo to the Board and discussed a recent visit that he, Dr. Larson, and Jeanie Hawkins made to the Monongalia County Technical Education Center (MTEC), with Superintendent Frank Devono and MTEC Director John George, to discuss the possibility of expansion at the MTEC location.

Pierpont is experiencing very strong growth at the Monongalia County site, with 55 current classes being offered in the fall and spring semesters and the projection of new classes being developed in the future. A tour of the MTEC grounds found locations ideal for possible development of facilities to be used for those programs.

After review and discussion of both short and long term options for expansion at the MTEC campus, the Board agreed that there was a definite need to further pursue Pierpont's opportunities.

Chairman Griffin asked the Board to entertain a motion to empower Dr. Larson to move forward in discussions with the Monongalia BOE to develop an expansion plan at the MTEC campus.

D. Copley moved that Dr. Larson pursue Pierpont's expansion plans at the MTEC campus. L. Aman seconded the motion. All agreed.

So that the Board is able to get a better view of expansion options for the MTEC campus, Chairman Griffin announced that the next Board of Governor's Meeting will be held at North Elementary School, to view their steel classroom structure. Mr. Griffin also thanked T. Stose and J. Hawkins for their work with Pierpont's off campus communities.

➤ Marketing Committee

- No report

New Business

- Vision Shared Statewide Workforce Development Conference, Oglebay Resort, September 29-30, 2011. Information provided to Board.
- Board of Governors Retreat, December 2, 2011. Tentative location is the Bridgeport Convention Center.
- CTCS Council Meeting dates provided to encourage Board members to attend.

Old Business

- 2011 Joint Annual Conference, Glade Springs, WV, October 26-28.

Information was provided to the Board for attendance at the 2011 CTCS and WVCCA Joint Annual Conference. C. Sensibaugh has reserved a block of rooms for the Board members. Attendance confirmation should be provided to C. Sensibaugh.

Executive Session

No Executive Session was called.

Adjournment and Next Meeting

There being no further business the Board meeting adjourned at 4:25 PM. The next Board of Governors Meeting will be held on September 20, 2011 at 2:00 PM at the North Elementary School in Morgantown, WV.

Tab

2

PIERPONT COMMUNITY & TECHNICAL COLLEGE
BOARD OF GOVERNORS MEETING
September 20, 2011
2:00 PM

MINUTES

Call to Order

A meeting of the Pierpont Community & Technical College Board of Governors was held on September 20, 2011, beginning at 2:00 PM at North Elementary School, Morgantown, WV.

Present at the meeting were Board members: Chairman James Griffin, Kyle Hamilton, Rick Pruitte, Sharon Shaffer, Tom Stose, and Eugene Weaver. Absent were Board members: Linda Aman, Dixie Copley, Barbara Hendrey, Beverly Jones, Earl McConnell, and Jeff Tucker. Also present were President Doreen Larson, Dale Bradley, Jim Decker, Megan Gibson, Brian Floyd, Leslie Lovett, Mary Jo Rutherford, Paul Schreffler, and Cyndee Sensibaugh.

Last Call for Public Sign Up

Chairman Griffin announced last call for public sign up for comments to the Board.

Approval of Minutes

Due to a lack of quorum, the Minutes of August 16, 2011 were deferred and will be presented for approval at the October 18, 2011 Board of Governors meeting.

Special Recognitions

President's Report

Dr. Doreen Larson thanked the Board for traveling to North Elementary to tour the steel-structure classroom facility and stated that placing a new structure at MTEC is directly in line with Pierpont's Strategic Plan of embedding facilities within existing learning and business communities. Dr. Larson thanked Jeanie Hawkins for her work within the 13-county regions.

Dr. Larson reminded that Board that the Pierpont 101 Dinner Meeting will be held at the Bridgeport Conference Center on September 27, 2011. Guests are the Superintendents and Principals of Pierpont's 13-county service region. Focus will be placed on the need for middle-skill jobs and Pierpont training for those skills that will lead to well-paying jobs. The Keynote speaker will be Wade Linger, President of the WV Board of Education.

Dr. Larson informed the Board that Pierpont is posting a full-time position for an advisor to adults at the career and technical centers. The advisor will rotate throughout the service region, providing material, education, and awareness, with a focus on adults enrolled at the technical centers. One of the goals of the advisor will be to discover programs and services that are needed, but are not currently offered.

On Facebook and through sponsorships, we have expanded our support of events. Dr. Jodi Rust and Cyndee Sensibaugh are enrolled in Leadership Marion, while Tom Stose is enrolled in Leadership Harrison. The Workforce Development Department has partnered with Randolph County Chamber and Randolph County Development Authority to offer a professional development series for business owners.

Enrollment remains ahead of last fall, with significant growth at our off-Fairmont campus locations. The budget reflects increased enrollment and is ahead of projections. The updated design of the ATC, incorporating the 10,000 sq. ft. addition for allied health programs, is expected soon.

Meetings are being held with each of Pierpont's academic schools and with Pierpont's Classified Staff Council to review the Strategic Plan and gather feedback for the final draft.

Operation Reports

- Leslie Lovett presented the Academic Report
- Mary Jo Rutherford presented the Classified Staff Report
- Paul Schreffler presented the Center for Workforce Education Report
- Brian Floyd presented the Faculty Assembly Report
- Megan Gibson presented the Student Government Report

Committee of the Whole

- Financial Report

D. Bradley provided the report on the Pierpont Community & Technical College Unrestricted and Restricted Funds and Fund Manager Budgets for current budget and year-to-date actual. A detailed review was provide to the Board in the September 20, 2011 Board of Governors book.

- Capital Projects Report

J. Decker reviewed the ongoing capital projects with the Board. A detailed report was provided in the September 20, 2011 Board of Governors book. Chairman Griffin asked that the Board be provided future updates of the Turley Center renovations.

Committee Reports

➤ Finance Committee

a. Audit for Applying Agreed Upon Procedures Over Cash/Depositing Practices

Dale Bradley reviewed the results of the Audit performed by Conley CPA Group. Three recommendations were made by Conley CPA Group regarding the existing cash/depositing practices. The recommendations were responded to by Administration. A detailed report was provided to the Board in the September 20, 2011 Board of Governor's book.

b. Moody's Bond Rating for Bonds (Series 2002A, 2002B, 2003A, and 2003B)

Dale Bradley informed the Board that Moody's Investor Service performed an annual review of the infrastructure revenue bonds and has approved the continuance of the A1 rating for the 2002B and 2003B Bonds and the A2 rating for the 2002A and 2003A Bonds. A detailed report was provided to the Board in the September 20, 2011 Board of Governor's book.

➤ Off Campus Operations Committee

- Tom Stose discussed a meeting held on September 15, 2011 with the Monongalia County Technical Education Center (MTEC) Superintendent Frank Devono and MTEC Director John George, to discuss the BOG decision to move forward with Phase 1 of Pierpont's planned expansion at MTEC. Further details of the meeting were provided in a Memo to the BOG.

➤ Marketing Committee

- No report

➤ ATC Advisory Board Executive Committee

- Sharon Shaffer informed the Board that the ATC Advisory Board Executive Committee met to review the Advisory Board Charter and discuss meeting dates. A draft of the Bylaws will be forthcoming.

New Business

Old Business

- Vision Shared Statewide Workforce Development Conference – September 29-30, 2011, Oglebay Resort

- WVCCA/WVADE 2011 Joint Annual Conference – October 26-28, 2011, Glade Springs Resort

Executive Session

No Executive Session was called.

Adjournment and Next Meeting

There being no further business the Board meeting adjourned at 3:30 PM. The next Board of Governors Meeting will be held on October 18, 2011 at 2:00 PM in the Falcon Center Board Room.

Tab

3

Pierpont Community and Technical College

Strategic Priorities 2011-2015

Final Draft – August 2011

Legislated purpose for Pierpont Community and Technical College:

H. B. 3215 – establishing community colleges, 18B – 3C-8 Legislative findings and intent: *The primary goal of the Legislature is to create a statewide network of independently accredited community and technical colleges that focus on technical education, workforce training, and lifelong learning for the Twenty-First Century. A necessary precedent to accomplishing the legislative goal is to change the way that leaders at all levels of education, including institutional governing boards, view community and technical colleges. Specifically, that the mission of technical colleges is different from that of traditional four-year colleges in what they accomplish and how they can achieve it effectively and that the state cannot compete successfully in today's information-driven, technology-based economy if community and technical colleges continue to be viewed as add-ons or afterthoughts attached to baccalaureate institutions."*

Strategic Vision:

Transform Pierpont from a well-kept secret to a best-known asset.

Guiding Principle:

Act as a family; treat others as family

Campus Concept:

Pierpont values its historic links with FSU and in particular, values the unique and diverse options provided for students on the shared Pierpont/FSU campus. Pierpont recognizes that limited educational resources cannot support isolated "stand alone" campus facilities but require a college to fully partner with the communities it plans to serve. The college intends to extend this foundational concept by developing facilities embedded within existing business and educational communities.

Goal - Position Pierpont as a year-round, flexible, responsive college

Strategic initiative: Modify our infrastructure to fulfill our mission

- Increase offerings of 5 week, 8 week, and modularized courses
- Increase enrollment in DL courses through improved management, expanded course development, and marketing
- Redesign IT software/hardware and staffing structure to support a 12-month operation
- Create a grants procurement and management infrastructure
- Increase resources for the shared Pierpont/FSU Advising Center

Goal - Strengthen Pierpont's engagement throughout our service area

Strategic Initiative: Pilot and assess county outreach projects

- Spearhead 13-County educational workshops and seminars with intense focus on secondary counselors.
- Target community engagement in Barbour, Randolph, Lewis, and Preston counties
- Develop plan for Mon county site expansion
- Participate in Innovations Zone projects at Braxton and North Marion High Schools
- Offer "family educational camps" at Career and Technical Education Centers
- Provide adult counseling services at Career and Technical Education Centers

Goal - Commit Pierpont to a Culture of Completion

Strategic Initiative: Build retention resources and services

- Establish a Testing Center for incoming Pierpont/FSU students
- Secure continued funding for Math/Writing Center serving Pierpont/FSU students
- Fund career counseling and financial aid staff at North ATC
- Streamline the graduation process
- Increase resources for faculty professional development
- Expand student internship opportunities
- Complete HLC Quality Initiatives

Goal – Complete a Pierpont Facility Master Plan

Strategic Initiative: Coordinate facility planning with FSU

- Relocate designated programs and staff to the North ATC and complete backfill planning related to North ATC building
- Complete backfill planning related to Turley Center building
- Target facility upgrades for Vet Tech, ECE and EMS programs
- Develop plan to address Culinary space needs
- Assess classroom needs throughout 13 county service area

Tab

4



CLASSIFIED STAFF SERVING PIERPONT STUDENTS

PIERPONT COMMUNITY & TECHNICAL COLLEGE

EMPLOYS 25 CLASSIFIED STAFF

Classified Staff is any regular full-time or part-time employee who holds a position that is assigned a particular job title and pay grade.

**CLASSIFIED STAFF ARE LOCATED IN
FOUR OF OUR THIRTEEN COUNTIES:**

FAIRMONT CAMPUS

**CENTER FOR WORKFORCE
EDUCATION**

**ROBERT C. BYRD NATIONAL
AEROSPACE EDUCATION CENTER**

LEWIS COUNTY CENTER

BRAXTON COUNTY CENTER

Classified Staff Directly Serve Students By:

- ▣ Providing students and future students with information about our programs
- ▣ Processing applications
- ▣ Assisting with advising
- ▣ Helping with financial aid
- ▣ Administering COMPASS testing
- ▣ Directing students through class registration
- ▣ Giving students directions on purchasing textbooks
- ▣ Assisting new students with creating their UCA – Unified Computer Account
- ▣ Computer technical support
- ▣ Maintaining computer labs
- ▣ Helping faculty by proctoring, monitoring and assisting with exams
- ▣ Advising for Student Organizations
- ▣ Encouraging and guiding students on suspension or probation
- ▣ Following through with students until they receive the help they need
- ▣ Assisting with Phi Theta Kappa
- ▣ Organizing the Spring Academic Awards Banquet

We Do Much More Than Just What Our Job Descriptions Say

**We make ourselves
available to listen,
guide, encourage and
mentor.**

Services provided by classified staff are...

Practical

Possible

Pierpont

Classified Staff serve with



OVERVIEW OF SB 330

- * Result of years of work and study by the Legislature
- * Passed on March 12, 2011 – Effective June 10
- * Guiding Principles are the “Facts”
 - F - fairness
 - A - accountability
 - C - credibility
 - T - transparency
 - S - systematic
- * Immediate attention on compensation/classification – creates (2) standing committees at the central office
- * Requires Human Resources reviews – an annual report card
- * Addresses full funding of the Mercer salary schedule
- * Requires a reduction in the number of non-classified positions
- * Looks at common performance management system
- * Adds HR positions at HEPC/CCTC
- * Collects additional data
 - Employee climate survey
 - Training and development programs
 - HR Staff Development
 - Workforce Innovations
- * Requires further study of employment practices:
 - RIF
 - Outsourcing
 - Internal preferences

FIRST ORDER OF BUSINESS

- * Market Compensation study
- * Address Classification Issues
- * Update Performance Information
Questionnaire (PIQ) for all classified positions

Statutory Salary Schedule Enacted in 2001

GRADE	Entry	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15
5	15,696	16,066	16,444	16,837	17,231	17,624	18,046	18,469	18,906	19,343	19,794	20,260	20,741	21,222	21,717	22,227
6	16,556	16,954	17,362	17,784	18,207	18,644	19,081	19,547	20,013	20,479	20,974	21,469	21,994	22,518	23,057	23,596
7	17,489	17,915	18,352	18,804	19,255	19,721	20,202	20,697	21,192	21,717	22,241	22,780	23,334	23,902	24,484	25,081
8	18,495	18,949	19,416	19,896	20,391	20,901	21,411	21,950	22,489	23,042	23,610	24,193	24,805	25,416	26,043	26,684
9	19,559	20,056	20,566	21,091	21,615	22,168	22,722	23,290	23,887	24,484	25,096	25,737	26,378	27,048	27,732	28,417
10	19,916	20,421	20,938	21,484	22,029	22,602	23,176	23,763	24,379	25,008	25,638	26,295	26,980	27,666	28,379	29,106
11	21,107	21,665	22,239	22,812	23,400	24,015	24,645	25,288	25,945	26,617	27,316	28,015	28,757	29,498	30,267	31,064
12	22,436	23,022	23,624	24,253	24,896	25,554	26,225	26,924	27,638	28,365	29,120	29,890	30,687	31,498	32,323	33,176
13	23,837	24,477	25,134	25,805	26,505	27,218	27,945	28,701	29,470	30,267	31,078	31,918	32,771	33,652	34,561	35,484
14	25,363	26,057	26,771	27,498	28,253	29,022	29,806	30,631	31,470	32,323	33,204	34,114	35,051	36,002	36,981	38,002
15	27,015	27,764	28,533	29,330	30,141	30,981	31,834	32,715	33,624	34,561	35,512	36,505	37,512	38,547	39,624	40,715
16	28,821	29,624	30,449	31,316	32,197	33,092	34,030	34,981	35,974	36,981	38,030	39,093	40,198	41,331	42,492	43,694
17	30,767	31,638	32,533	33,470	34,421	35,400	36,421	37,456	38,519	39,624	40,757	41,918	43,121	44,352	45,611	46,925
18	32,868	33,820	34,799	35,806	36,841	37,904	39,009	40,142	41,303	42,506	43,736	44,995	46,296	47,639	49,023	50,450
19	37,613	38,718	39,855	41,022	42,219	43,460	44,747	46,064	47,410	48,801	50,238	51,719	53,230	54,801	56,416	58,062
20	40,265	41,471	42,712	43,984	45,301	46,647	48,038	49,460	50,941	52,452	54,023	55,623	57,284	58,990	60,755	62,550
21	43,171	44,478	45,824	47,216	48,637	50,103	51,614	53,170	54,786	56,431	58,137	59,902	61,712	63,568	65,482	67,472
22	46,332	47,754	49,220	50,731	52,272	53,873	55,534	57,224	58,975	60,785	62,640	64,555	66,530	68,579	70,674	72,828
23	49,777	51,330	52,931	54,561	56,252	58,002	59,797	61,653	63,568	65,527	67,562	69,656	71,826	74,040	76,344	78,708
24	53,552	55,234	56,970	58,750	60,605	62,505	64,465	66,485	68,579	70,734	72,948	75,237	77,601	80,039	82,552	85,156
25	57,462	59,483	61,383	63,328	65,348	67,427	69,567	71,781	74,070	76,419	78,842	81,356	83,944	86,607	89,360	92,202

SB703 enrolled effective July 2001 – Still in effect October 1, 2011

Promote Cultural change

- * We request that the BOG –
 - Help provide leadership and direction as the improved personnel system is implemented in SB 330 components
- * Examine our Pierpont cultures and policies
 - to better engage classified employees in college completion goals
 - to better demonstrate and communicate that they are valued
 - to provide better opportunities for personal & professional growth

Thank you for your time and attention!

Tab

5

Workforce Development - Project Status Report

October 2011 – Board of Governors Meeting

Industry-Sector Strategies

- ❖ Meeting later this month will finalize plan to develop an airframe only, non-FAA pre-employment training program to meet specific workforce needs in the military aerospace sector.
- ❖ Will submit a WV Advance grant to fund above project.
- ❖ Submitted an application in response to an RFP from the ShaleNet Consortium to provide specific training for Marcellus shale gas employment needs.
- ❖ Prepared a WV Advance grant to fund a land management degree program. This will be structured as an optional track to the existing paralegal degree program.
- ❖ Met with other members of the WVCTCS Learn and Earn internship committee program to help define policy for program implementation.
- ❖ Television ad for green project is in production.
- ❖ Worked with Craig Shaffer at the Foundation to present a funding request to Chesapeake Energy.
- ❖ Presenter at October 11 five-state oil & gas industry conference in Morgantown.
- ❖ Participated in oil & gas expo at Mylan Park.
- ❖ Along with Dr. Bacza and Doug Furr, met with First Energy workforce development team.

Personal Enrichment

- ❖ Met with NASA IV&V to explore partnership with their Education Resource Center.

Community Engagement

- ❖ Working with regional economic developers to plan for location consultant event.
- ❖ Working with Randolph County Chamber of Commerce and Randolph County Development Authority to plan a series of business-oriented workshops.
- ❖ Attended the state advisory committee meeting for WV SBDC.
- ❖ Presented at Pierpont 101 event.

Upcoming Training Programs

- ❖ Consol Energy – EMT Mining course
- ❖ Stonewall Jackson Resort – Roanoke – Excel training
- ❖ B.F. Goodrich - blueprint reading training
- ❖ HKEC foundry in Weston – leadership and supervisory training

Professional Development

- ❖ Attended National Coalition of Advanced Technology Centers (NCATC) conference in Chattanooga, TN.
- ❖ Dr. Jodi Rust achieved Certified Program Developer status through the national LERN organization.

Tab

6



West Virginia Advisory Council of Faculty 2011-12 Issues “Moving West Virginia Forward”

In order to better serve our students, the community, the state, and our institutions of learning, West Virginia higher education faculty support and endorse the following—

For Our Institutions:

- ◆ Re-visioning and enhancing the quality and delivery of academic programs, including general studies programs and adult education courses, in order to improve student retention, graduation rates, and “time to degree”;
- ◆ Addressing those initiatives and recommendations from the September 2010 SREB report *No Time to Waste* that best serve our students and help achieve program learning goals and standards—see http://publications.sreb.org/2010/10E10_No_Time_to_Waste.pdf;
- ◆ Advocating for faculty personnel issues, including salary compression relief for faculty, engaging retiring faculty, creating fair and supportive faculty sick-leave policies, increasing the number of tenured faculty, and promoting shared governance.

For the West Virginia HEPC and CTC:

- ◆ Encouraging shared governance at all higher education institutions in the State;
- ◆ Advocating for increased percentage of tenured faculty in order to maintain academic integrity for programs, to recruit high-quality faculty, to encourage a strong faculty voice in governance issues, and to provide consistency and oversight of programs;
- ◆ Addressing statewide the issue of faculty salary compression;
- ◆ Advocating for institutions to find creative ways to offer faculty job security in the event of catastrophic illness;
- ◆ Encouraging an increased number of CTC long-term contracts for full-time faculty or non-probationary faculty;
- ◆ Engaging and utilizing to a greater degree the Advisory Council of Faculty in the work and activity of HEPC and CTC Councils;
- ◆ Advocating for institutional support and release time for faculty to serve on the ACF.

For the West Virginia Legislature:

- ◆ Providing a systematic funding mechanism for capital projects funding and Higher Education initiatives mandated by the Legislature;
- ◆ Continuing to provide funding for faculty salary raises and addressing the problem of salary compression;
- ◆ Providing funding to bring WV institutions equality with Peer Institutions.
- ◆ Amending code concerning 20% Tenure issue for CTCs by increasing the limit to 30%.

The great aim of education is not only knowledge but action.

Herbert Spencer (1820 - 1903)

Tab

7

**Board of Governors
Financial Report FY 2011
Pierpont Community & Technical College
as of August 31, 2011**

SUMMARY:

The projected effect on net assets at June 30, 2012 is an increase of \$159,952. However this amount includes a Board approved spend down of 66,500 in cash reserves which is a reduction of net assets, therefore the adjusted projected effect on assets at June 30, 2012 is an increase of \$93,452.

UNRESTRICTED OPERATING FUNDS:

The Budget Balance as of August 31, 2011 is \$159,952. This represents an increase of \$33,908 from the July 31, 2011 Finance Report. As of this report date, approximately 47.56% of projected tuition and fees revenue and approximately 39.85% of overall revenues has been realized while 9.71% of operating expenses have been incurred. The primary budget changes that impacted the budget from the July 31, 2011 Budget are as follows:

- **Operating Revenues Budget:**
 - Increased by \$7,823. This was due primarily to three changes:
 - The President controlled “Operating Cost Revenue” budget decreased by \$72.69 due to University budget changes.
 - The President controlled “Support Service Revenue” decreased by \$2,104 due to University budget changes.
 - The President controlled “Other Operating Revenue” budget increased by \$10,000 in recognition of anticipated additional revenues from reimbursement from the State for the ATC Groundbreaking.
- **Operating Expenses Budget:**
 - Decreased by \$6,751. This was due primarily to the following actions :
 - The President controlled “Salaries” expense budget decreased by a (\$15,059). This was primarily due to system updates related to applying portions of the raise budgets for the Oct. 1, 2011 implementation. Until this time this portion of the October raise amounts had been estimated and held in reserves.
 - The President controlled “Benefits” budget increased by \$24,096. This was primarily due to system updates related to applying portions of the raise budgets for the Oct. 1, 2011 implementation. Until this time this portion of the October raise amounts had been estimated and held in reserves.
 - The President and Fund Manager controlled “Supplies and Other Services” expense budget increased by \$5,640.
 - The President controlled “Assessment for Support Services” expenses budget decreased by (-\$8,786). This decrease was primarily associated with benefits updates to a variety of University positions and vacancy changes.

- The President controlled “Assessment for Operating Costs” budget increased by \$860 due to University budget changes.
- **Transfers & Other:**
 - Transfers increased by 32,837. This was due primarily to the following action:
 - In the workforce area a fund that had been previously identified as restricted was changed to unrestricted. This resulted in a transfer of \$32,837 from Restricted Funds to Unrestricted Fund Manager Controlled Funds.

Of the adjusted projected effect on net assets of an increase of \$159,952 as of June 30, 2012; President’s Controlled Fund(s) are projected to have a budget surplus of \$122,085; and Fund Manager’s Controlled Fund(s) are projected to have a budget surplus of \$37,867 with Board approved spending of \$66,500 in cash reserves. The Year-To-Date Actual Budget Balance is \$4,207,306.

RESTRICTED FUNDS:

The Budget Balance as of August 31, 2011 is (-\$445,790). This represents a decrease of (-\$18,865) from the July 31, 2011 Finance Report. This deficit is covered by grant funds cash balances totaling \$1,426,871 as of June 30, 2011.

- **Operating Revenues:**
 - Increased by \$187,593 due to the following actions:
 - Correction of an error when the original FY 2012 Restricted Budget was created. \$73,114 in “Tuition and Fees” and \$1,000 in “Other Operating Revenue” was incorrectly entered into the budget system. This error was recognized and corrected.
 - The recognition of \$113,479 of the FY 12 Perkins award.
- **Operating Expenses:**
 - Increased by \$173,621 due to the following actions:
 - The “Salaries” budget increased by \$138,270 associated with the above recognized additional revenues.
 - The “Benefits” budget increased by \$2,414 associated with the above recognized additional revenues.
 - The “Supplies and Other Services” budget increased by \$20,989 associated with the above recognized additional revenues and changes to three additional grants.
 - The “Equipment” budget increased by \$11,948 associated with the above recognized additional revenues and changes to three additional grants.
- **Transfers & Other:**
 - Decreased by (-\$32,837) due to the following action:
 - In the workforce area a fund that had been previously identified as restricted was changed to unrestricted. This resulted in the transfer of \$32,837 from Restricted Funds to Unrestricted Fund Manager Controlled Funds.

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted
As of August 31, 2011

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	8,673,566	8,832,164	4,200,530	47.56
	Faculty Services Revenue	1,502,589	1,502,589	0	0.00
	State/Local Grants and Contracts	0	0	0	
	Auxiliary Enterprise Revenue	1,252,667	1,306,529	695,381	53.22
	Operating Costs Revenue	203,317	202,691	2,793	1.38
	Support Services Revenue	377,210	377,656	20,575	5.45
	Other Operating Revenue	301,909	321,973	78,738	24.45
	Total:	12,311,258	12,543,602	4,998,017	39.85
OPERATING EXPENSE					
	Salaries	6,667,540	6,580,160	356,991	5.43
	Benefits	1,464,714	1,461,255	80,453	5.51
	Student financial aid-scholarships	140,844	140,844	49,226	34.95
	Utilities	0	0	349	
	Supplies and Other Services	1,774,275	1,869,303	222,895	11.92
	Equipment Expense	128,582	127,800	84,598	66.20
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	104,619	116,560	29,140	25.00
	Assessment for Faculty Services	1,272,439	1,272,439	8,783	0.69
	Assessment for Support Services	3,907,560	3,906,483	291,735	7.47
	Assessment for Student Activity Costs	158,131	174,729	71,604	40.98
	Assessment for Auxiliary Fees & Debt Service	1,252,667	1,306,529	532,782	40.78
	Assessment for Operating Costs	2,437,328	2,432,438	153,662	6.32
	Total:	19,308,698	19,388,540	1,882,217	9.71
OPERATING INCOME / (LOSS)		(6,997,440)	(6,844,938)	3,115,800	(45.52)
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	8,421,177	8,421,177	1,684,235	20.00
	State Fiscal Stabilization Funds	0	0	0	
	Gifts	1,000	1,000	0	0.00
	Investment Income	97,194	97,194	924	0.95
	Assessment for E&G Capital & Debt Service Costs	(1,397,782)	(1,539,782)	(588,849)	38.24
	Reappropriated State Funding	0	0	0	
	Total:	7,121,589	6,979,589	1,096,310	15.71
TRANSFERS & OTHER					
	Capital Expenditures	0	0	0	
	Transfers for Fin Aid Match	(78,992)	(78,992)	(38,281)	48.46
	Indirect Cost Recoveries	877	4,956	641	12.94
	Transfers - Other	0	32,837	32,837	100.00
	One-time use of reserve	66,500	66,500	0	0.00
	Total:	(11,615)	25,301	(4,803)	(18.98)
BUDGET BALANCE		112,534	159,952	4,207,306	
PERSONNEL BUDGET SAVINGS		0	0		
PROJECTED EFFECT ON NET ASSETS AT JUNE 30		112,534	159,952	4,207,306	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		4,768,054	4,768,054		
Less: USE OF RESERVE		<u>66,500</u>	<u>66,500</u>		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>4,814,088</u>	<u>4,861,506</u>		

* Projected Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2011 in the amount of \$2,194,850.

** Unrestricted Net Asset Balance is 26.37% of the current budgeted total operating expense. Management has established a target of 15% or \$2,712.302 as the goal for the level of unrestricted net asset balance that should be maintained.

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - President
As of August 31, 2011

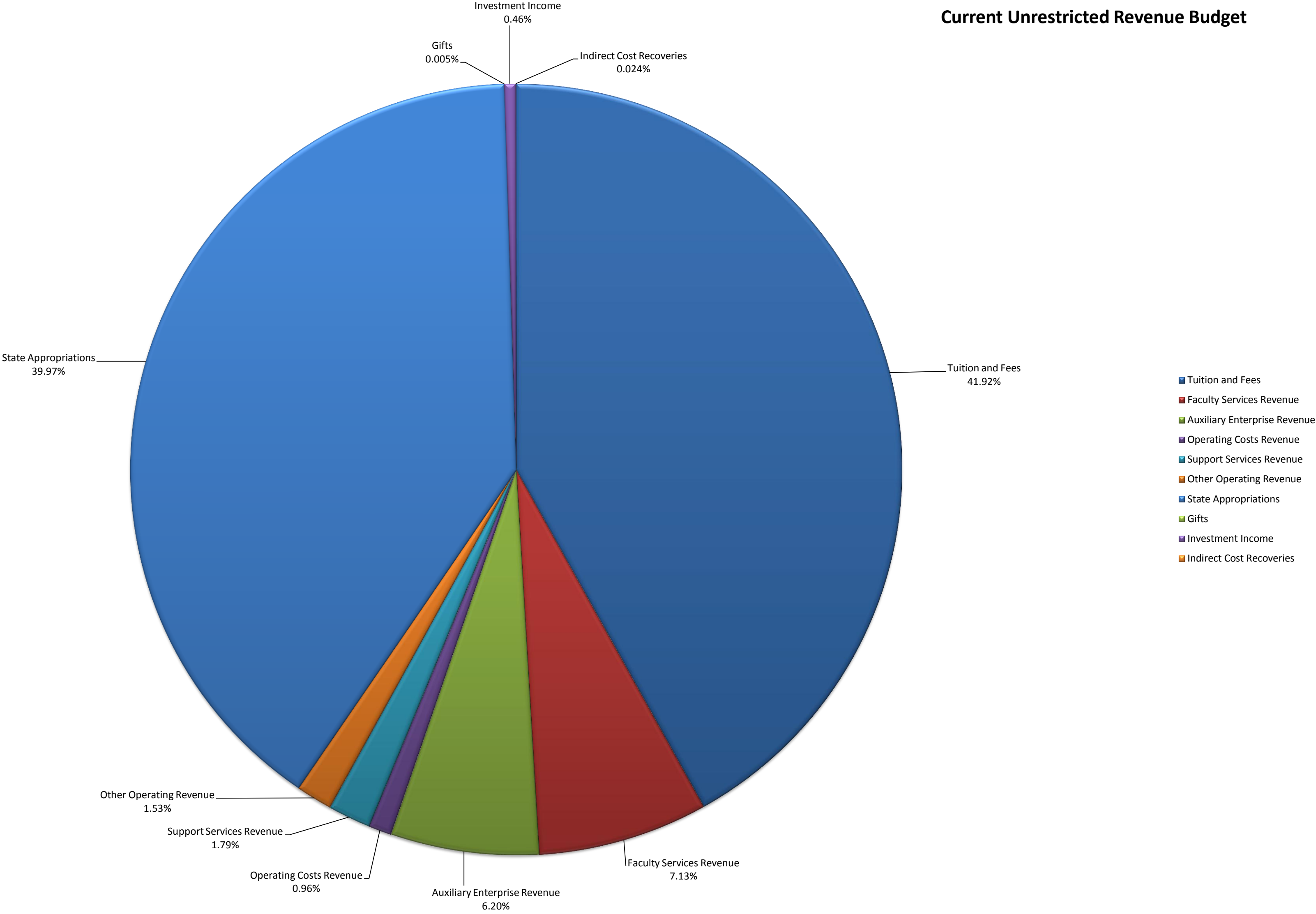
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	7,719,834	7,878,432	3,978,144	50.49
	Faculty Services Revenue	1,502,589	1,502,589	0	0.00
	State/Local Grants and Contracts	0	0	0	
	Operating Costs Revenue	203,317	202,691	2,793	1.38
	Support Services Revenue	377,210	377,656	20,575	5.45
	Other Operating Revenue	193,583	213,647	78,322	36.66
	Total:	9,996,534	10,175,015	4,079,835	40.10
OPERATING EXPENSE					
	Salaries	6,346,475	6,256,445	321,677	5.14
	Benefits	1,402,515	1,408,058	74,953	5.32
	Student financial aid-scholarships	140,844	140,844	49,226	34.95
	Utilities	0	0	349	
	Supplies and Other Services	1,123,645	1,213,335	171,705	14.15
	Equipment Expense	57,042	56,197	6,147	10.94
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	104,619	116,560	29,140	25.00
	Assessment for Faculty Services	1,272,439	1,272,439	8,783	0.69
	Assessment for Support Services	3,907,560	3,906,483	291,735	7.47
	Assessment for Student Activity Costs	158,131	174,729	71,604	40.98
	Assessment for Operating Costs	2,437,328	2,432,438	153,662	6.32
	Total:	16,950,597	16,977,528	1,178,981	6.94
OPERATING INOCME / (LOSS)		(6,954,064)	(6,802,512)	2,900,854	-42.64
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	8,421,177	8,421,177	1,684,235	20.00
	State Fiscal Stabalization Funds	0	0	0	
	Investment Income	97,194	97,194	924	0.95
	Assessment for E&G Capital & Debt Service Costs	(1,397,782)	(1,539,782)	(588,849)	38.24
	Reappropriated State Funding	0	0	0	
	Total:	7,120,589	6,978,589	1,096,310	15.71
TRANSFERS & OTHERS					
	Capital Expenditures	0	0	0	
	Transfers for Fin Aid Match	(78,992)	(78,992)	(38,281)	48.46
	Transfers - Other	0	0	0	
	One-time use of reserve	25,000	25,000	0	0.00
	Total:	(53,992)	(53,992)	(38,281)	70.90
BUDGET BALANCE		112,533	122,085	3,958,882	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		4,096,524	4,096,524		
Less: USE OF RESERVE		<u>25,000</u>	<u>25,000</u>		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>4,184,057</u>	<u>4,193,609</u>		

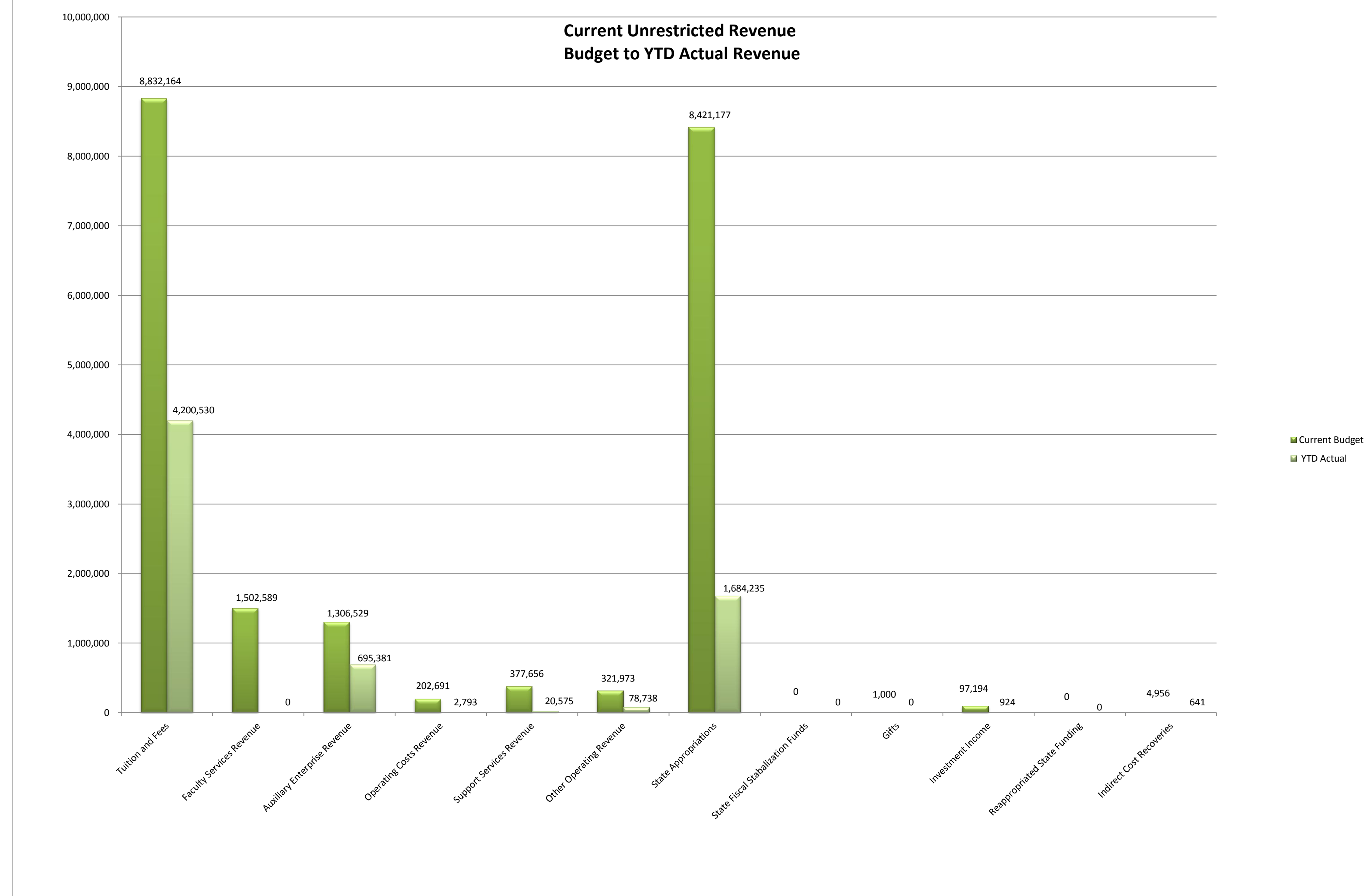
* Projected Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2011 in the amount of \$2,194,850.

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted - Fund Manager
As of August 31, 2011

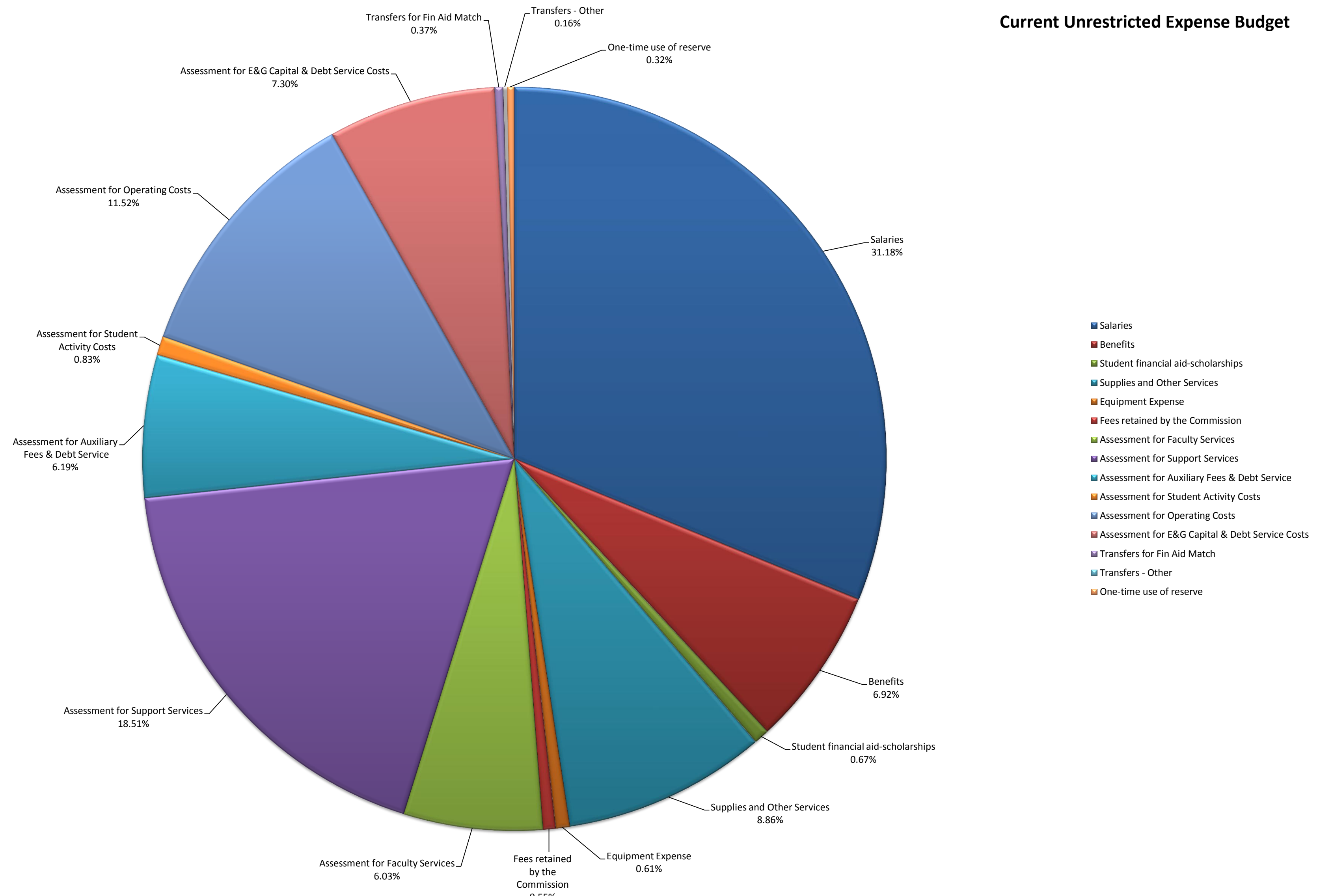
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	953,732	953,732	222,385	23.32
	Other Operating Revenue	108,326	108,326	417	0.38
	Total:	1,062,058	1,062,058	222,802	20.98
OPERATING EXPENSE					
	Salaries	321,065	323,715	35,314	10.91
	Benefits	62,199	53,197	5,500	10.34
	Supplies and Other Services	650,630	655,968	51,190	7.80
	Equipment Expense	71,541	71,603	78,450	109.56
	Loan cancellations and write-offs	0	0	0	
	Total:	1,105,435	1,104,483	170,455	15.43
OPERATING INCOME / (LOSS)		(43,377)	(42,426)	52,347	-123.39
NONOPERATING REVENUE (EXPENSE)					
	Gifts	1,000	1,000	0	0.00
	Total:	1,000	1,000	0	0.00
TRANSFERS & OTHER					
	Capital Expenditures	0	0	0	
	Indirect Cost Recoveries	877	4,956	641	12.94
	Transfers - Other	0	32,837	32,837	
	One-time use of reserve	41,500	41,500	0	0.00
	Total:	42,377	79,293	33,478	42.22
BUDGET BALANCE		0	37,867	85,825	
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		657,001	657,001		
Less: USE OF RESERVE		<u>41,500</u>	<u>41,500</u>		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>615,501</u>	<u>653,368</u>		

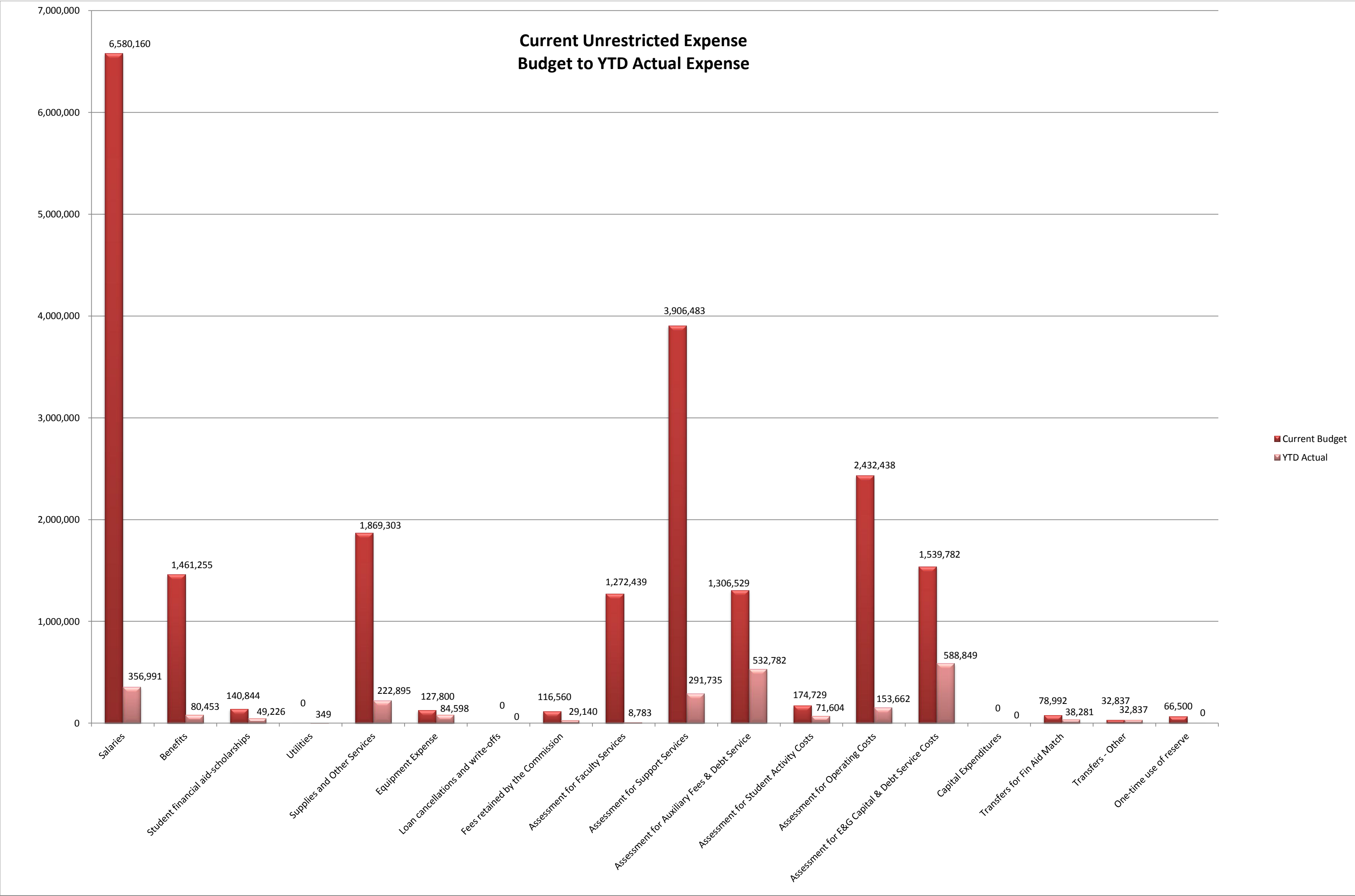
Current Unrestricted Revenue Budget





Current Unrestricted Expense Budget





Pierpont Community and Technical College
Board of Governors
Financial Report
Restricted Funds
For the period ending August 31, 2011

New Grant Funds

Perkins Voc Ed Grants 2012 (542712)	113,475.38
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Other Grant Related Changes

Tech Training	13,971.00
Community Education	(32,837.00)

Net Change	(18,866.00)
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The budget balance of **(\$445,790)** is covered by the restricted fund cash balance of \$1,426,871 on June 30, 2011

There was an error in the Tech Training FY 12 Budget in which a portion of the entry was made in period 12. The correction was made in August.
The Community Education restricted fund was closed out to the unrestricted Economic Development Fund. The 32,837 entry was to move the remaining cash to the unrestricted fund.

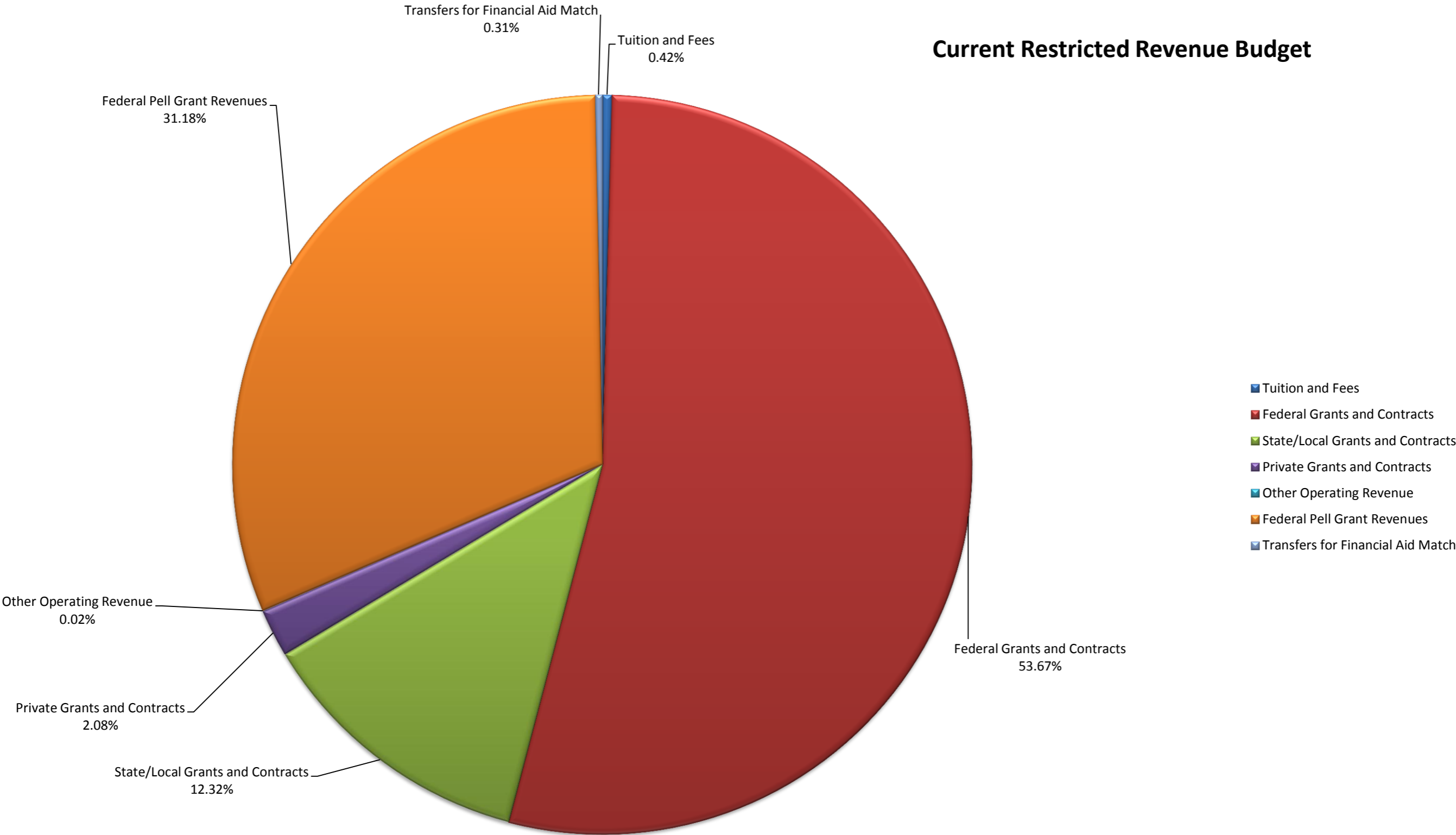
PIERPONT COMMUNITY AND TECHNICAL COLLEGE

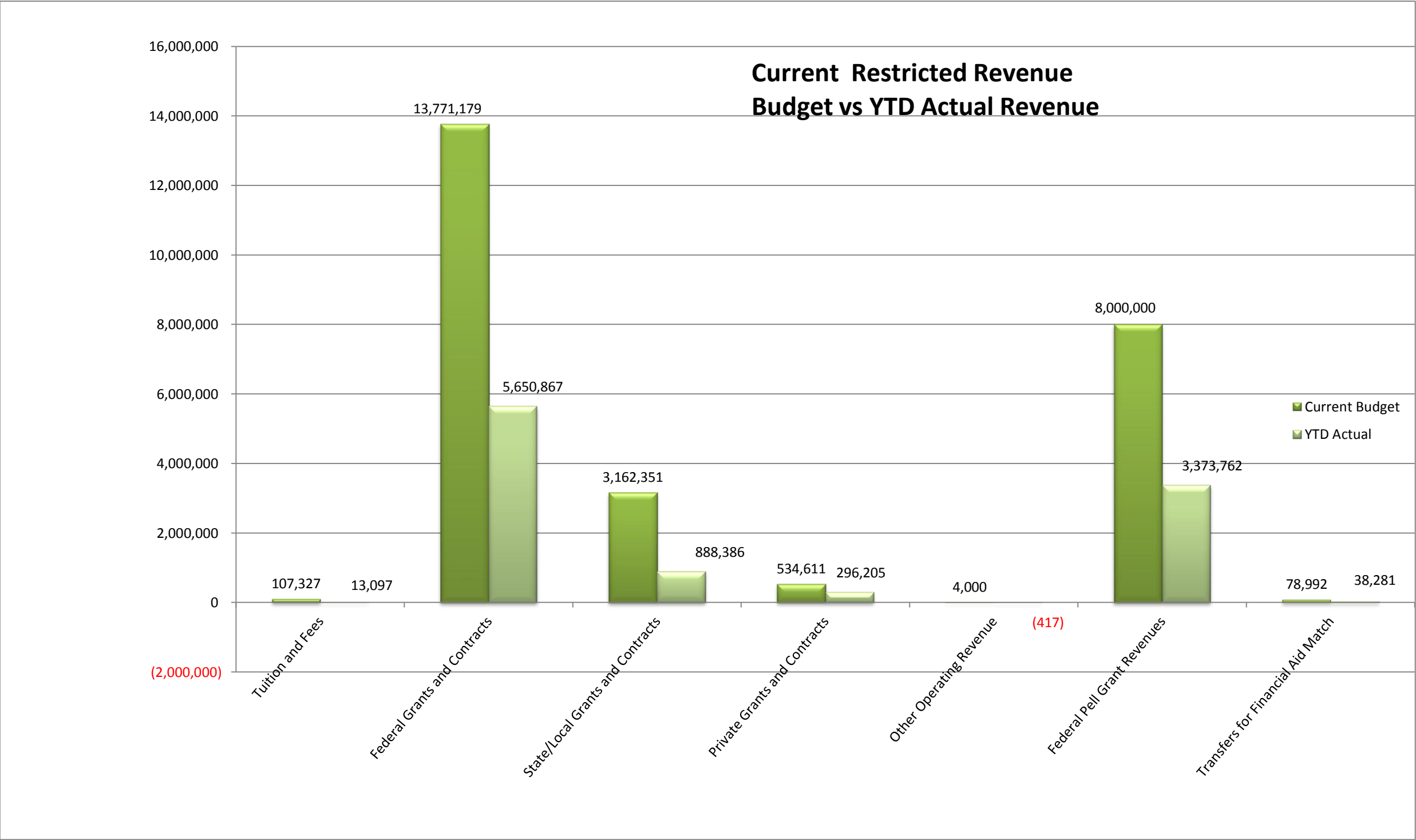
Actual vs Budget Statement of Revenues and Expenses

Current Restricted
As of August 31, 2011

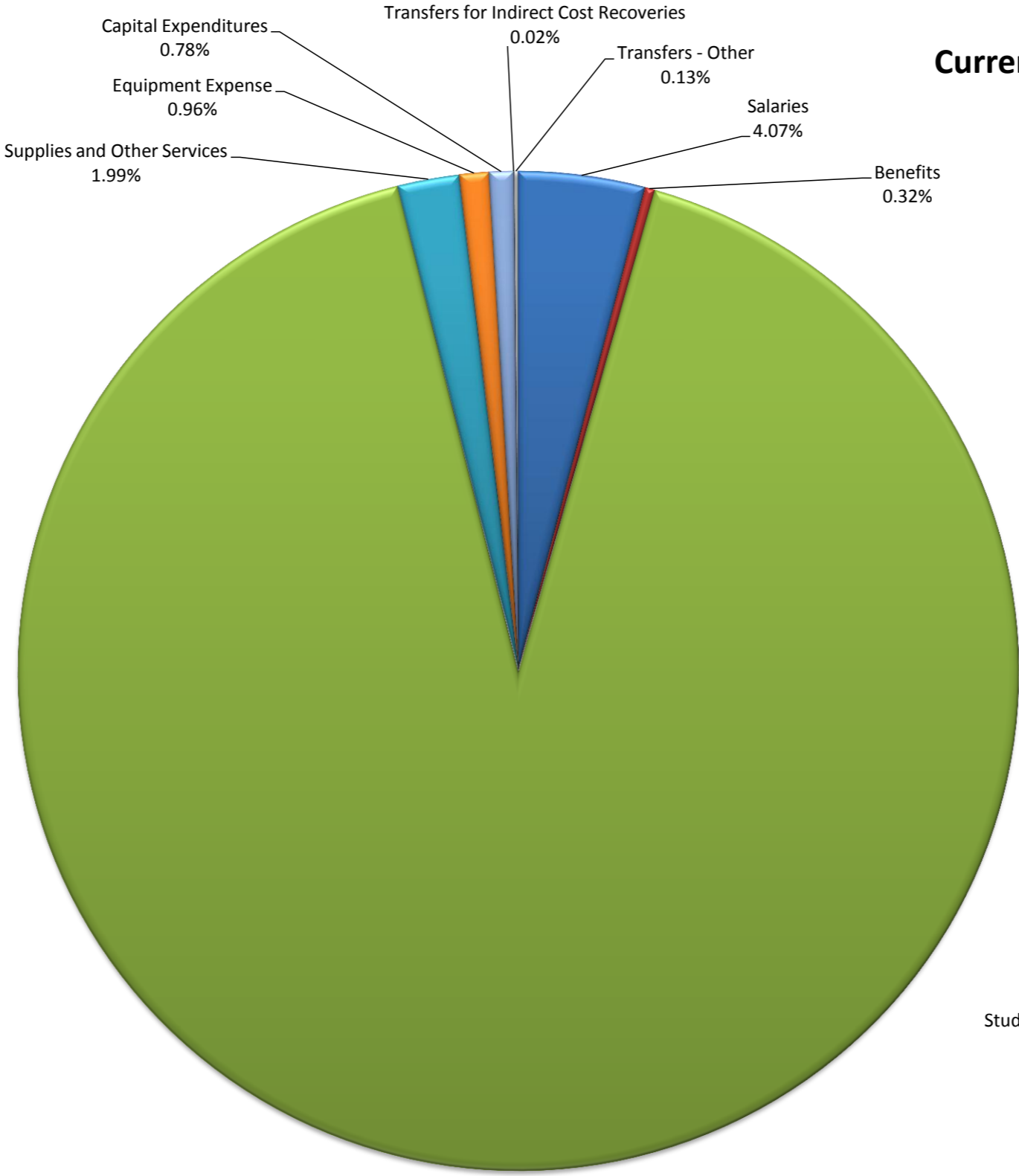
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	34,212.92	107,327.00	13,097	12.20
	Federal Grants and Contracts	13,771,179.00	13,771,179.00	5,650,867	41.03
	State/Local Grants and Contracts	3,048,871.33	3,162,350.54	888,386	28.09
	Private Grants and Contracts	534,610.65	534,610.65	296,205	55.41
	Other Operating Revenue	3,000.00	4,000.00	(417)	-10.41
	Total:	17,391,874	17,579,467	6,848,138	38.96
OPERATING EXPENSE	Salaries	923,758	1,062,028	59,540	5.61
	Benefits	82,224	84,638	7,364	8.70
	Student financial aid-scholarships	23,946,419	23,946,419	9,918,225	41.42
	Utilities	500	500	90	18.03
	Supplies and Other Services	497,690	518,679	66,278	12.78
	Equipment Expense	238,878	250,826	50,226	20.02
	Loan Cancellation and Write-Off	0	0	(59)	0.00
	Total:	25,689,469	25,863,091	10,101,666	39.06
OPERATING INCOME / (LOSS)		(8,297,595)	(8,283,624)	(3,253,528)	39.28
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	8,000,000	8,000,000	3,373,762	42.17
	Total:	8,000,000	8,000,000	3,373,762	42.17
TRANSFERS & OTHER	Capital Expenditures	(203,365)	(203,365)	0	0.00
	Transfers for Fin Aid Match	78,992	78,992	38,281	48.46
	Indirect Cost Recoveries	(4,956)	(4,956)	(641)	12.94
	Transfers - Other	0	(32,837)	(32,837)	100.00
	Total:	(129,329)	(162,166)	4,803	-2.96
BUDGET BALANCE		(426,924)	(445,790)	125,037	
*	Add: PROJECTED RESTRICTED NET ASSETS - Beginning of Year	1,426,871	1,426,871		
**	Equals: PROJECTED RESTRICTED NET ASSETS - End of Year	<u>999,947</u>	<u>981,081</u>		

Current Restricted Revenue Budget

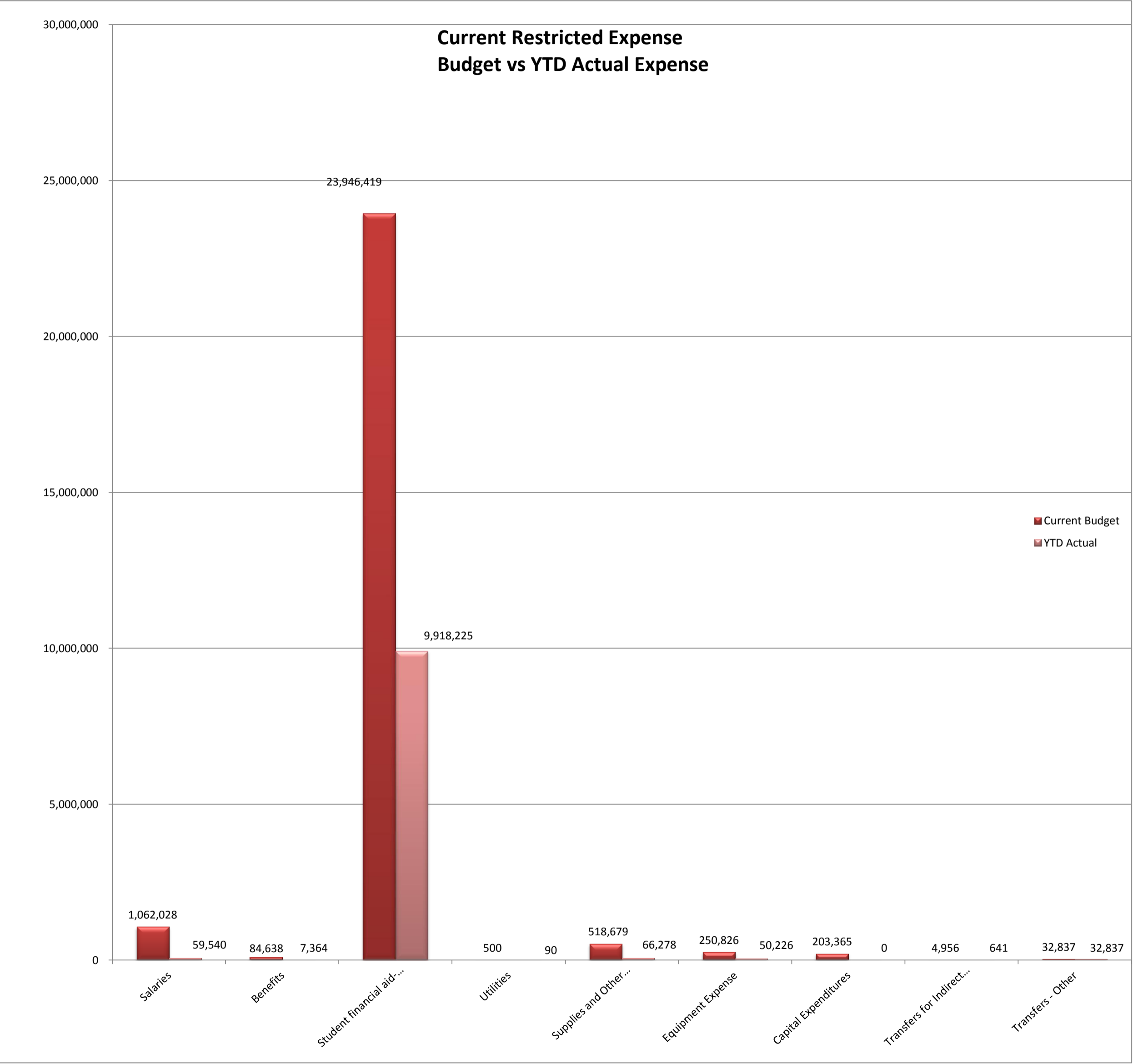




Current Restricted Expense Budget



- Salaries
- Benefits
- Student financial aid-scholarships
- Supplies and Other Services
- Equipment Expense
- Capital Expenditures
- Transfers for Indirect Cost Recoveries
- Transfers - Other



Tab

8

CAPITAL PROJECTS				
FY 2012				
Project	Project Budget	Expenses & Encumbrances	Available Project Budget	Project Completion Date and/or Update Notes
Aerospace Fire Suppression - ARRA	\$ 1,138,192.80	\$ 1,138,192.80	\$ -	Classrooms are substantially complete. Furniture was delivered last week. 3 additional HVAC units are in process and sheduled to be on site late Oct/early Nov. Funds have been transferred from Math and Writing Grant.
Byrd Center - HVAC Units (2)	\$ 67,480.00	\$ 67,480.00	\$ -	New units are in place and operating.
Byrd Center - Roof Renewal	\$ 400,000.00	\$ 285,440.00	\$ 114,560.00	Project is Substantially Complete. Certificate has been issued. Excess funds will be used to replace HVAC units.
Folklife - Phase III (ARRA)	\$ 500,000.00	\$ 494,766.50	\$ 5,233.50	Project is overall 98% complete. Interior siding and flooring are complete. Concrete on south end is complete and pergola is being framed. Misc trim and chandeliers remain to be installed.
Hardway Hall Renovations	\$ 5,500,000.00	\$ 415,000.00	\$ 5,085,000.00	Programming will proceed after Turley programming is finished.
Hunt Haught Hall - HVAC Units	\$ 735,518.00	\$ 734,393.00	\$ 1,125.00	New boilers and roof top unit are in place and operational. Units are on manual control until temperature controls are completed.
Hunt Haught Hall - Temperature Controls	\$ 90,000.00	\$ 87,807.00	\$ 2,193.00	New controls are currnetly being installed. New system should be complete by end of September.
Hunt Haught Hall Glass Front	\$ 194,000.00	\$ 194,000.00	\$ -	Work is substantially complete. Both sides of stair tower are open for complete access to all levels.
Infrastructure - Access Road Tennis Courts	\$ 125,000.00	\$ -	\$ 125,000.00	Project is being designed and will be put out to bid Sept/Oct
Infrastructure - IT Emergency Back-Up	\$ 197,299.00	\$ 194,293.00	\$ 3,006.00	Conduit and wire have been installed. The new generator is scheduled to be delivered first of November.
Musick Library Elevator	\$ 2,000,000.00	\$ 144,000.00	\$ 1,856,000.00	Project is currently being designed. Project will be bid Jan/Feb for a Spring construction start.
Turley Center Renovations	\$ 6,000,000.00	\$ 482,500.00	\$ 5,517,500.00	Project programming has been completed. Schematic design plans should be complete within one month.
Wallman Hall - Foundation Waterproof	\$ 150,000.00	\$ -	\$ 150,000.00	Project is currently being designed. Bid date has not been established.
Wallman Hall Renovations	\$ 5,200,000.00	\$ 390,000.00	\$ 4,810,000.00	Project is currently being designed.

In Progress

<div>CAPITAL PROJECTS</div> <div>FY 2012</div>					Not Started
Project	Project Budget	Expenses & Encumbrances	Available Project Budget	Project Completion Date and/or Update Notes	
Byrd Center - HVAC Units (FY 2012)	\$ 50,000.00		\$ 50,000.00		
Hunt Haught Hall - Window Replacement	\$ 60,000.00	\$ -	\$ 60,000.00		
Infrastructure - Gates @ Physical Plant	\$ 20,000.00	\$ -	\$ 20,000.00		
Infrastructure - Paving Lot #15	\$ 83,560.00	\$ -	\$ 83,560.00		
Infrastructure - Retaining Wall Merchant Street	\$ 350,000.00	\$ 9,000.00	\$ 341,000.00		
Infrastructure - Sealing Parking Lots	\$ 25,000.00	\$ -	\$ 25,000.00		
Jaynes Hall - Roof Renewal	\$ 350,000.00	\$ -	\$ 350,000.00		
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00		
Turley Center Renovations - FF&E	\$ 874,055.00	\$ -	\$ 874,055.00		On Going
Academic Fund	\$ 100,000.00	\$ -	\$ 100,000.00	On-going - Numerous projects through-out year	
Landscaping	\$ 100,000.00	\$ 17,115.62	\$ 82,884.38	On-going - Numerous projects through-out year	
Physical Plant - Small Projects	\$ 225,100.00	\$ 51,157.96	\$ 173,942.04	On-going - Numerous projects through-out year	

Tab

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**Pierpont Community & Technical College Board of Governors
Meeting of October 18, 2011**

ITEM: Approval of Practical Nursing Certificate in
Applied Science (CAS) Degree Program

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION Resolved that Pierpont Community and Technical College Board of Governors approve the establishment of a 42 credit hour, Practical Nursing Certificate in Applied Science (CAS) degree program at the Braxton County Center with the first class to begin in August 2012

STAFF MEMBER: Leslie Lovett

BACKGROUND: The School of Health Careers has been granted permission by the West Virginia State Board of Examiners for Licensed Practical Nurses to plan a new Licensed Practical Nursing Program in Braxton County. The students will attend the program at night and on weekends. Students completing the program will be eligible to sit for the NCLEX-PN. The 42 credit hour program and course design will closely follow the LPN's Board suggested curriculum design. A key objective of the program is to attract adults and health care workers already in the workforce.

The program will enhance the goal of providing health care career ladder in Braxton County and graduates successfully completing the NCLEX-PN, can possibly career ladder into ADN and/or BSN nursing programs.

The School of Health Careers is seeking Board of Governors approval to establish the program at the Braxton County Center with the first cohort of students to begin in August 2012, pending final approval of WV State Board of Examiners for Licensed Practical Nurses, the Higher Learning Commission and National Department of Education.

ADDITIONAL INFORMATION

EVIDENCE OF NEED

Needs assessment surveys were mailed to all acute care and long term care facilities within 50 miles of Braxton County. Surveys were not obtained from healthcare clinics, physician's offices, and other private facilities that might typically employ LPN's. Summarized results include: There are five hospitals within 50-mile radius of the Braxton County Higher Education Center. Stonewall Jackson Memorial Hospital located in Weston, WV, St Joseph's Hospital located in Buckhannon, WV, Summersville Memorial Hospital located in Summersville, WV, Braxton County Memorial Hospital, located in Gassaway, WV, and William R. Sharpe, Jr. Hospital, located in Weston, WV. Surveys were sent to all five hospitals. Four hospitals returned written responses and one hospital responded verbally.

- 5 hospitals employee approximately 149 LPN's
 - 3 hospitals do NOT expect changes in LPN staffing patterns (e.g. do not expect to hire more RN's in place of LPN's); two hospitals are possibly considering change
 - 4 hospitals expect an increase in the number of staffed LPN's in the future
 - 3 hospitals have open LPN positions due to lack of qualified applicants
- There are 7 long-term nursing facilities within 50-mile radius of the Braxton County Higher Education Center
 - 7 Long term facilities employee approximately 83 LPN's
 - 6 Long-term facilities do NOT expect changes in LPN staffing patterns
 - 6 Long term facilities expect an increase need for LPN's in the future approximate number of additional LPN's 25
 - 6 Long term facilities have ~ 2-3 open LPN positions due to lack of qualified applicants
 - 5 Long term facilities feel evening and weekend classes would assist their employees to attend LPN classes while working. 2 Long term facilities feel evening and weekend classes possibly would assist their employees to attend LPN classes while working.
 - 1 Long-term facility plans expansion of facilities over the next 5 years.

PROGRAM SUPPORT

A West Virginia Advance Grant was obtained and is going to be used to purchase equipment for the LPN laboratory, classroom and library.

MODEL CURRICULUM FOR PRACTICAL NURSING PROGRAM

Prerequisites needed to enter the program:

HLCA	1170	Anatomy & Physiology	3 credits
HLCAL	1171	A & P Lab	1 credit
MATH	1100 or higher		3 credits

MODEL SCHEDULE

Semester I

Fundamental Nursing I	3 credits
Geriatric Nursing	2 credits
Fundamentals/ Geriatric Practicum	3 credits
Pharmacology I	1 credit

Semester II

Fundamental Nursing II	4 credits
Mental Health Nursing	3 credits
Pharmacology II	1 credit

Semester III

Maternal/Pediatric Nursing	4 credits
Maternal/Pediatric Practicum	1 credit
Nutrition	2 credits

Semester IV

Medical-Surgical/ Social Science I	6 credits
Medical-Surgical/ Social Science Practicum I	3 credits

Semester V

Medical-Surgical/ Social Science II	6 credits
Medical-Surgical/ Social Science Practicum II	3 credits
Total	42 credits

Tab

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**Pierpont Community and Technical College
Board of Governors
Meeting of October 18, 2011**

ITEM: Acceptance of the 2011 Bond Audits

COMMITTEE: Finance Committee

RECOMMENDED RESOLUTION: Whereas, the Infrastructure Revenue Bonds 2002 Series B, Facilities Revenue Bonds 2002 Series A and 2003 Series A, and Student Activity Revenue Bonds 2003 Series B have been audited with no material findings; and

Whereas, all three audit reports indicate that debt coverage ratios have been exceeded with debt coverage ratios of 196%, 263%, and 300% respectively; for FY 2011, compared to debt coverage ratios for FY 2010 of 175%, 243%, and 264% respectively.

Let it be resolved that the attached audit reports be accepted as official audited bond statements for the year ending June 30, 2011.

STAFF MEMBER: Dale Bradley

BACKGROUND: The bond documents require annual bond audits. Attached are audits of the University Facilities Revenue Bonds 2002 Series A and 2003 Series A, Infrastructure Revenue Bonds 2002 Series B, and the Student Activity Revenue Bonds 2003 Series B.

Board of Governors of
Fairmont State University
University Facilities Revenue
Bonds 2002 Series A and 2003
Series A

Combined Special-Purpose Financial Statements — Modified
Cash Basis as of and for the Years Ended June 30, 2011 and
2010, and Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Governing Board of Fairmont State University:

We have audited the accompanying combined special-purpose statements of assets, liabilities, and fund balance (deficit) — modified cash basis of the Board of Governors of Fairmont State University University Facilities Revenue Bonds 2002 Series A and 2003 Series A (the “Bonds”), as of June 30, 2011 and 2010, and the related combined special-purpose statements of revenues collected, expenses and costs paid, and changes in fund balance (deficit) — modified cash basis for the years then ended. These combined special-purpose financial statements are the responsibility of Fairmont State University’s management. Our responsibility is to express an opinion on these combined special-purpose financial statements based on our audits.

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

As described in Note 1 to the combined special-purpose financial statements, these combined special-purpose financial statements were prepared in connection with the related bond agreements and are intended to present only the selected assets, liabilities, fund balances (deficit), revenues, and expenses of Fairmont State University required to be presented under these agreements. These combined special-purpose financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These combined special-purpose financial statements are not intended to be a complete presentation of Fairmont State University.

In our opinion, such combined special-purpose financial statements present fairly, in all material respects, the combined assets, liabilities, and fund balance (deficit) of the Bonds at June 30, 2011 and 2010, and its combined revenues collected, expenses and costs paid, and changes in fund balance (deficit) for the years then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Governing Board of Fairmont State University, management of Fairmont State University, the West Virginia Higher Education Policy Commission, management of the West Virginia Higher Education Policy Commission, and the bondholders, and should not be used for any other purpose.

September 8, 2011

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
UNIVERSITY FACILITIES REVENUE BONDS
2002 SERIES A AND 2003 SERIES A**

**COMBINED SPECIAL-PURPOSE
STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE (DEFICIT) — MODIFIED CASH BASIS
AS OF JUNE 30, 2011 AND 2010**

	2011				2010			
	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined
ASSETS								
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$21,289	\$2,106,500	\$ 2,127,789	\$ -	\$23,369	\$2,106,500	\$ 2,129,869
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	3,451,812			3,451,812	3,044,279			3,044,279
TOTAL	<u>\$ 3,451,812</u>	<u>\$21,289</u>	<u>\$2,106,500</u>	<u>\$ 5,579,601</u>	<u>\$ 3,044,279</u>	<u>\$23,369</u>	<u>\$2,106,500</u>	<u>\$ 5,174,148</u>
LIABILITIES AND FUND BALANCE (DEFICIT)								
LIABILITIES — Bond indebtedness	\$ 26,710,000	\$ -	\$ -	\$ 26,710,000	\$ 27,445,000	\$ -	\$ -	\$ 27,445,000
FUND (DEFICIT) BALANCE	(23,258,188)	21,289	2,106,500	(21,130,399)	(24,400,721)	23,369	2,106,500	(22,270,852)
TOTAL	<u>\$ 3,451,812</u>	<u>\$21,289</u>	<u>\$2,106,500</u>	<u>\$ 5,579,601</u>	<u>\$ 3,044,279</u>	<u>\$23,369</u>	<u>\$2,106,500</u>	<u>\$ 5,174,148</u>

See notes to combined special-purpose modified cash basis financial statements.

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
UNIVERSITY FACILITIES REVENUE BONDS
2002 SERIES A AND 2003 SERIES A**

**COMBINED SPECIAL-PURPOSE
STATEMENTS OF REVENUES COLLECTED, EXPENSES AND COSTS PAID, AND CHANGES IN FUND BALANCE (DEFICIT) —
MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	2011				2010			
	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined
REVENUES COLLECTED:								
Parking and housing fees	\$ 5,533,868	\$ -	\$ -	\$ 5,533,868	\$ 5,301,973	\$ -	\$ -	\$ 5,301,973
Other operating revenue	42,558			42,558	39,994			39,994
Interest on investments	8,800	725	42,941	52,466	9,047	296	46,218	55,561
Total revenues collected	5,585,226	725	42,941	5,628,892	5,351,014	296	46,218	5,397,528
EXPENSES AND COSTS PAID:								
Salaries and employee benefits	1,238,734			1,238,734	1,148,733			1,148,733
Utilities	450,544			450,544	433,310			433,310
Administrative	987,225			987,225	869,207			869,207
Repairs and alterations	132,992			132,992	175,801			175,801
Equipment and supplies	159,455			159,455	145,970			145,970
Construction	152,680			152,680	114,569			114,569
Interest		1,366,809		1,366,809		1,391,039		1,391,039
Total expenses and costs paid	3,121,630	1,366,809		4,488,439	2,887,590	1,391,039	-	4,278,629
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES AND COSTS PAID	2,463,596	(1,366,084)	42,941	1,140,453	2,463,424	(1,390,743)	46,218	1,118,899
RETIREMENT OF BONDS	735,000	(735,000)		-	710,000	(710,000)		-
TRANSFERS (FROM) TO — For payment of current debt service	(2,056,063)	2,099,004	(42,941)	-	(2,038,240)	2,084,458	(46,218)	-
FUND (DEFICIT) BALANCE — Beginning of year	(24,400,721)	23,369	2,106,500	(22,270,852)	(25,535,905)	39,654	2,106,500	(23,389,751)
FUND (DEFICIT) BALANCE — End of year	\$(23,258,188)	\$ 21,289	\$2,106,500	\$(21,130,399)	\$(24,400,721)	\$ 23,369	\$2,106,500	\$(22,270,852)

See notes to combined special-purpose modified cash basis financial statements.

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
UNIVERSITY FACILITIES REVENUE BONDS
2002 SERIES A AND 2003 SERIES A**

**NOTES TO COMBINED SPECIAL-PURPOSE FINANCIAL STATEMENTS — MODIFIED CASH BASIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Fairmont State University (the “University”) is governed by the Board of Governors of Fairmont State University (the “Board”). The Board was established by Senate Bill 653 (S.B. 653), which was enacted by the West Virginia Legislature on March 19, 2000, and restructured public higher education in West Virginia.

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

S.B. 653 also created the West Virginia Higher Education Policy Commission, which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

During fiscal year 2008, House Bill 3215 was passed, which clarified and redefined relationships between and among certain higher education boards and institutions. This legislation defines the statewide network of independently accredited community and technical colleges. Effective July 1, 2008, the administratively linked community and technical college of Fairmont State established its own Board of Governors. The newly established Board of Governors of Pierpont Community & Technical College (Pierpont) and the Board of Governors of Fairmont State University jointly agreed to a division of assets and liabilities of Fairmont State effective July 1, 2009.

The Separation of Assets and Liabilities Agreement was made in accordance with the provisions of West Virginia State Code — §18B-2A-7a (2008 supp.) which states as follows:

(A) Any agreement to allocate system and institutional educational and general and auxiliary debt service payments shall be consistent with the provisions of all applicable bond covenants.

The Agreement further specifies the following agreement in regard to bond indebtedness:

Whereas, there is currently outstanding the following bonded indebtedness:

(A) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2002 A (the “Series 2002A Bonds”), issued in the principal amount of \$18,170,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the “2002A Indenture”), with WesBanco Bank, Inc., as Trustee (the “Bond Trustee”), and currently outstanding in the principal amount of \$15,180,000 *updated as of June 30, 2011*;

- (B) Board of Governors of Fairmont State College College Infrastructure Revenue Bonds, Series 2002 B (the "Series 2002B Bonds"), issued in the principal amount of \$9,310,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the "2002B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$7,645,000 *updated as of June 30, 2011*;
- (C) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2003A (the "Series 2003A Bonds"), issued in the principal amount of \$13,320,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003A Indenture"), supplementing and amending the 2002A Indenture, with the Bond Trustee and currently outstanding in the principal amount of \$11,530,000 *updated as of June 30, 2011*;
- (D) Board of Governors of Fairmont State College Student Activity Revenue Bonds, Series 2003B (the "Series 2003B Bonds"), issued in the principal amount of \$22,925,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$19,835,000 *updated as of June 30, 2011*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds") issued in the principal amount of \$8,500,000 pursuant to a Bond Authorizing Resolution adopted on May 3, 2006 (as supplemented and amended, the "2006 Resolution"; the 2002A Indenture, the 2002B Indenture, the 2003A Indenture, the 2003B Indenture and the 2006 Resolution, together with the other documents authorizing, securing or otherwise relating to the Bonds, are hereinafter referred to together as the "Bond Documents"), and currently outstanding in the principal amount of \$6,977,624 *updated as of June 30, 2011*.

and

Whereas, in addition to the statutory requirements described above, the Bond Documents define the College or University to include any successor thereto and, as such, bind both FSU and Pierpont, and both FSU and Pierpont have copies of the Bond Documents.

and

Whereas, the Bond Documents set forth controlling bond covenants and require pledged revenues, and the intent of this document is to adhere to all existing and future bond covenants.

The Boards of Governors of both Fairmont State University and Pierpont Community and Technical College recognize that they are bound by all bond covenants and are legally obligated for the bond debt payments.

Basis of Presentation — The Bond Indenture (the "Indenture") requires that the University maintain certain accounts and funds related to the University Facilities Revenue Bonds 2002 Series A ("2002A Bonds"), and the University Facilities Revenue Bonds 2003 Series A ("2003A Bonds") (collectively, the "Bonds"), and that the University prepare annual financial statements that set forth the balances and activity in the specified funds. The following is a description of the funds that the University is required to maintain and to present in the form of financial statements:

Revenue Fund — The revenue fund accounts for pledged revenues and expenses and costs paid related thereto and outstanding bonds.

Bond Fund — The bond fund accounts for the proceeds of the bonds and subsequent disbursement thereof for their intended purpose and the payment of bond principal and interest.

Debt Service Reserve Fund — The debt service reserve fund accounts for the required debt service reserve fund activity.

These combined special-purpose financial statements do not constitute a complete presentation of the assets, liabilities, net assets, revenues, and expenses of the University, but present only the funds the University is required to present in the combined special-purpose financial statements pursuant to the provisions of the Indenture.

In accordance with requirements of the Bond Trust Indentures and Security Agreements (the “Indentures”), the accounting records for the Bonds are maintained on the modified cash receipts and disbursements basis. Consequently, certain revenues and the related assets are recognized when received rather than when earned and certain expenses and costs are recognized when paid rather than when the obligation is incurred. These combined special-purpose financial statements are prepared on the modified cash basis of accounting which is an other comprehensive basis of accounting required by the Indentures. The principal modification to the cash basis of accounting is the recording of bond indebtedness. Consequently, as these are combined special-purpose financial statements to comply with the Indenture, a Management’s Discussion and Analysis (MD&A) is not included in the combined special-purpose financial statements.

Deposits with the Trustee Bank as of June 30, 2011 and 2010, include \$2,127,789 and \$2,129,869, respectively, invested in a money market fund sponsored by an investment company, the underlying assets of which are securities of the U.S. government, its agencies, authorities, and instrumentalities.

Deposits with the West Virginia State Treasurer have been pooled for maximization of investment income. These deposits are combined with deposits of various other funds. Investment income on these deposits is allocated to the various funds based on the balances of these deposits at the end of the month in which the income was earned.

Fixed assets are not included in these combined special-purpose financial statements because they do not represent financial resources available for expenditures, but are items for which financial resources have been used. Title to and accountability for fixed assets remain with the University.

2. BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY, UNIVERSITY FACILITIES REVENUE BONDS, 2002 SERIES A AND 2003 SERIES A

In August 2002 and March 2003, \$18,170,000 of the 2002A Bonds and \$13,320,000 of the 2003A Bonds, respectively, were sold. The Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the Bonds are secured pursuant to the Indentures and Security Agreements, dated as of August 1, 2002 and March 1, 2003, by and between the Board and WesBanco Bank, Inc. (the “Trustee”). The Bonds were issued to (1) finance the costs of acquisition of student housing facilities, consisting of an existing 113-unit apartment complex, (2) finance the costs of design, acquisition, construction, and equipping of a new dormitory anticipated to include approximately 400 units, (3) finance the costs of design, acquisition, and construction of a new, approximately 1,000 space motor vehicle parking facilities, (4) establish a debt service reserve fund for the Bonds, (5) capitalize interest on the Bonds, and (6) pay the costs of issuance of the Bonds and related costs.

The 2002A and 2003A Bonds outstanding consist of \$1,825,000 and \$1,405,000 of serial bonds, respectively, with varying interest rates from 3.75% to 4.2%, and mature serially from June 1, 2012 to June 1, 2015, and Term Bonds as follows:

Principal Amount	Maturity Date	Interest Rate
\$4,125,000	June 1, 2022	5.375 %
3,170,000	June 1, 2022	5.250
4,030,000	June 1, 2027	5.375
5,200,000	June 1, 2032	5.000
6,955,000	June 1, 2032	5.000

The Term Bonds are subject to mandatory redemption prior to maturity. The redemption prices are 100% of the principal amount, plus accrued interest.

The Bonds are special obligations of the University and are secured by and payable from certain pledged revenues of the housing, apartment, and parking funds of the University held under the Indentures. The Bonds shall not be deemed to be general obligations or a debt of the State of West Virginia (the "State") within the meaning of the Constitution of the State, and the credit or taxing power of the State or University shall not be pledged therefor. The Bonds are fully insured as to principal and interest by Financial Guaranty Insurance Company.

The University has fixed and will maintain just and equitable rules, regulations, rents, charges, and fees for the use and occupancy of housing, apartment, and parking facilities (collectively, the "Facilities"). The University must fix rents, charges, and fees to produce revenues from Facilities sufficient to pay operating expenses and to make the prescribed payments into the funds and accounts created under the Indentures, and that such schedule of rents, charges, and fees shall be revised from time to time to provide for all reasonable operating expenses, and leave net revenues, when combined with other monies legally available to be used for such purposes, each fiscal year equal to at least 110% of the maximum annual debt service. For the years ended June 30, 2011 and 2010, the University had net revenues when combined with other monies legally available, as defined in the Indentures, that approximated 263% and 243%, respectively, of the maximum annual debt service. Additionally, the debt service reserve fund originally had deposits totaling \$2,107,495 as required by the Indentures. Subsequently, the Trustee reduced the 2003A Bond requirements from \$903,745 to \$902,750. Deposits held under the Debt Service Reserve Fund totaled \$2,106,500 at both June 30, 2011 and 2010.

A summary of annual aggregate principal, interest, and sinking fund payments is as follows:

Fiscal Years Ending June 30	2002 Series A		2003 Series A		Total Principal	Total Interest	Grand Total
	Principal Payments Due June 1	Interest (Due June 1 and December 1)	Principal Payments Due June 1	Interest (Due June 1 and December 1)			
2012	\$ 430,000	\$ 770,670	\$ 330,000	\$ 569,575	\$ 760,000	\$ 1,340,245	\$ 2,100,245
2013	445,000	754,545	345,000	557,200	790,000	1,311,745	2,101,745
2014	465,000	737,301	360,000	543,745	825,000	1,281,046	2,106,046
2015	485,000	718,701	370,000	529,345	855,000	1,248,046	2,103,046
2016	500,000	698,331	385,000	514,175	885,000	1,212,506	2,097,506
2017	525,000	671,456	405,000	493,963	930,000	1,165,419	2,095,419
2018	555,000	643,238	430,000	472,700	985,000	1,115,938	2,100,938
2019	590,000	613,406	450,000	450,125	1,040,000	1,063,531	2,103,531
2020	620,000	581,694	475,000	426,500	1,095,000	1,008,194	2,103,194
2021	650,000	548,369	500,000	401,563	1,150,000	949,932	2,099,932
2022	685,000	513,431	525,000	375,313	1,210,000	888,744	2,098,744
2023	720,000	476,613	555,000	347,750	1,275,000	824,363	2,099,363
2024	765,000	437,913	580,000	320,000	1,345,000	757,913	2,102,913
2025	805,000	396,794	610,000	291,000	1,415,000	687,794	2,102,794
2026	845,000	353,525	640,000	260,500	1,485,000	614,025	2,099,025
2027	895,000	308,106	670,000	228,500	1,565,000	536,606	2,101,606
2028	940,000	260,000	705,000	195,000	1,645,000	455,000	2,100,000
2029	985,000	213,000	740,000	159,750	1,725,000	372,750	2,097,750
2030	1,040,000	163,750	780,000	122,750	1,820,000	286,500	2,106,500
2031	1,090,000	111,750	815,000	83,750	1,905,000	195,500	2,100,500
2032	1,145,000	57,250	860,000	43,000	2,005,000	100,250	2,105,250
Total outstanding	15,180,000	10,029,843	11,530,000	7,386,204	26,710,000	17,416,047	44,126,047
Cumulative bonds retired and interest paid through June 30, 2011	2,990,000	7,323,824	1,790,000	5,010,558	4,780,000	12,334,382	17,114,382
	<u>\$18,170,000</u>	<u>\$17,353,667</u>	<u>\$13,320,000</u>	<u>\$12,396,762</u>	<u>\$31,490,000</u>	<u>\$29,750,429</u>	<u>\$61,240,429</u>

3. OTHER TRANSACTIONS

Certain purchasing, accounting, and other administrative services are provided by other State agencies to the University.

* * * * *

Board of Governors of Fairmont
State University
Infrastructure Revenue Bonds
2002 Series B

Combined Special-Purpose Financial Statements — Modified
Cash Basis as of and for the Years Ended June 30, 2011 and
2010, and Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Governing Board of Fairmont State University:

We have audited the accompanying combined special-purpose statements of assets, liabilities, and fund balance (deficit) — modified cash basis of the Board of Governors of Fairmont State University Infrastructure Revenue Bonds 2002 Series B (the "Bonds") as of June 30, 2011 and 2010, and the related combined special-purpose statements of revenues collected, expenses and costs paid, and changes in fund balance (deficit) — modified cash basis for the years then ended. These combined special-purpose financial statements are the responsibility of the Fairmont State University's management. Our responsibility is to express an opinion on these combined special purpose financial statements based on our audits.

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

As described in Note 1 to the combined special-purpose financial statements, these combined special purpose financial statements were prepared in connection with the related bond agreements and are intended to present only the selected assets, liabilities, fund balances (deficit), revenues, and expenses of the Fairmont State University required to be presented under these agreements. These combined special-purpose financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These combined special-purpose financial statements are not intended to be a complete presentation of Fairmont State University.

In our opinion, such combined special-purpose financial statements present fairly, in all material respects, the combined assets, liabilities, and fund balance (deficit) of the Bonds at June 30, 2011 and 2010, and its combined revenues collected, expenses and costs paid, and changes in fund balance (deficit) for the years then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Governing Board of Fairmont State University, management of Fairmont State University, the West Virginia Higher Education Policy Commission, management of the West Virginia Higher Education Policy Commission, and the bondholders, and should not be used for any other purpose.

Deloitte & Touche LLP

September 8, 2011

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
INFRASTRUCTURE REVENUE BONDS 2002 SERIES B**

**COMBINED SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES, AND FUND
BALANCE (DEFICIT) — MODIFIED CASH BASIS
AS OF JUNE 30, 2011 AND 2010**

	2011			2010		
	Revenue Fund	Bond Fund	Combined	Revenue Fund	Bond Fund	Combined
ASSETS						
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$ 82	\$ 82	\$ -	\$ 73	\$ 73
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	1,400,625		1,400,625	1,201,781		1,201,781
TOTAL	<u>\$ 1,400,625</u>	<u>\$ 82</u>	<u>\$ 1,400,707</u>	<u>1,201,781</u>	<u>73</u>	<u>1,201,854</u>
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES — Bond indebtedness	\$ 7,645,000	\$ -	\$ 7,645,000	\$ 7,860,000	\$ -	\$ 7,860,000
FUND (DEFICIT) BALANCE	(6,244,375)	82	(6,244,293)	(6,658,219)	73	(6,658,146)
TOTAL	<u>\$ 1,400,625</u>	<u>\$ 82</u>	<u>\$ 1,400,707</u>	<u>\$ 1,201,781</u>	<u>\$ 73</u>	<u>\$ 1,201,854</u>

See notes to combined special-purpose modified cash basis financial statements.

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
INFRASTRUCTURE REVENUE BONDS 2002 SERIES B**

**COMBINED SPECIAL-PURPOSE STATEMENTS OF REVENUES COLLECTED, EXPENSES AND COSTS PAID,
AND CHANGES IN FUND BALANCE (DEFICIT) — MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	2011			2010		
	Revenue Fund	Bond Fund	Combined	Revenue Fund	Bond Fund	Combined
REVENUES COLLECTED:						
Infrastructure fee	\$ 1,166,303	\$ -	\$ 1,166,303	\$ 1,042,323	\$ -	\$ 1,042,323
Interest on investments	919	198	1,117		80	80
Total revenues collected	<u>1,167,222</u>	<u>198</u>	<u>1,167,420</u>	<u>1,042,323</u>	<u>80</u>	<u>1,042,403</u>
EXPENSES AND COSTS PAID:						
Repairs and Alterations	93,625		93,625			-
Equipment and supplies	3,954		3,954			-
Construction and related expenses	264,604		264,604	313,430		313,430
Interest		375,957	375,957		383,308	383,308
Administrative	15,427		15,427	8,050		8,050
Total expenses and costs paid	<u>377,610</u>	<u>375,957</u>	<u>753,567</u>	<u>321,480</u>	<u>383,308</u>	<u>704,788</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES AND COSTS PAID	789,612	(375,759)	413,853	720,843	(383,228)	337,615
RETIREMENT OF BONDS	215,000	(215,000)	-	210,000	(210,000)	-
TRANSFERS (FROM) TO — For payment of current debt service	(590,768)	590,768	-	(592,966)	592,966	-
FUND (DEFICIT) BALANCE — Beginning of year	<u>(6,658,219)</u>	<u>73</u>	<u>(6,658,146)</u>	<u>(6,996,096)</u>	<u>335</u>	<u>(6,995,761)</u>
FUND (DEFICIT) BALANCE — End of year	<u>\$ (6,244,375)</u>	<u>\$ 82</u>	<u>\$ (6,244,293)</u>	<u>\$ (6,658,219)</u>	<u>\$ 73</u>	<u>\$ (6,658,146)</u>

See notes to combined special-purpose modified cash basis financial statements.

BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY

INFRASTRUCTURE REVENUE BONDS 2002 SERIES B

NOTES TO COMBINED SPECIAL-PURPOSE FINANCIAL STATEMENTS — MODIFIED CASH BASIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Fairmont State University (the “University”) is governed by the Board of Governors of Fairmont State University (the “Board”). The Board was established by Senate Bill 653 (S.B. 653), which was enacted by the West Virginia Legislature on March 19, 2000, and restructured public higher education in West Virginia.

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

S.B. 653 also created the West Virginia Higher Education Policy Commission, which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

During fiscal year 2008, House Bill 3215 was passed, which clarified and redefined relationships between and among certain higher education boards and institutions. This legislation defines the statewide network of independently accredited community and technical colleges. Effective July 1, 2008, the administratively linked community and technical college of Fairmont State established its own Board of Governors. The newly established Board of Governors of Pierpont Community & Technical College (Pierpont) and the Board of Governors of Fairmont State University jointly agreed to a division of assets and liabilities of Fairmont State effective July 1, 2009.

The Separation of Assets and Liabilities Agreement was made in accordance with the provisions of West Virginia State Code — §18B-2A-7a (2008 supp.) which states as follows:

(A) Any agreement to allocate system and institutional educational and general and auxiliary debt service payments shall be consistent with the provisions of all applicable bond covenants.

The Agreement further specifies the following agreement in regard to bond indebtedness:

WHEREAS, there is currently outstanding the following bonded indebtedness:

(A) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2002 A (the “Series 2002A Bonds”), issued in the principal amount of \$18,170,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the “2002A Indenture”), with WesBanco Bank, Inc., as Trustee (the “Bond Trustee”), and currently outstanding in the principal amount of \$15,180,000 *updated as of June 30, 2011*;

- (B) Board of Governors of Fairmont State College College Infrastructure Revenue Bonds, Series 2002 B (the "Series 2002B Bonds"), issued in the principal amount of \$9,310,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the "2002B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$7,645,000 *updated as of June 30, 2011*;
- (C) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2003 A (the "Series 2003A Bonds"), issued in the principal amount of \$13,320,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003A Indenture"), supplementing and amending the 2002A Indenture, with the Bond Trustee and currently outstanding in the principal amount of \$11,530,000 *updated as of June 30, 2011*;
- (D) Board of Governors of Fairmont State College Student Activity Revenue Bonds, Series 2003 B (the "Series 2003B Bonds"), issued in the principal amount of \$22,925,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$19,835,000 *updated as of June 30, 2011*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), issued in the principal amount of \$8,500,000 pursuant to a Bond Authorizing Resolution adopted on May 3, 2006 (as supplemented and amended, the "2006 Resolution"; the 2002A Indenture, the 2002B Indenture, the 2003A Indenture, the 2003B Indenture and the 2006 Resolution, together with the other documents authorizing, securing or otherwise relating to the Bonds, are hereinafter referred to together as the "Bond Documents"), and currently outstanding in the principal amount of \$6,977,624 *updated as of June 30, 2011*.

and

WHEREAS, in addition to the statutory requirements described above, the Bond Documents define the College or University to include any successor thereto and, as such, bind both FSU and Pierpont, and both FSU and Pierpont have copies of the Bond Documents.

and

WHEREAS, the Bond Documents set forth controlling bond covenants and require pledged revenues, and the intent of this document is to adhere to all existing and future bond covenants.

The Boards of Governors of both Fairmont State University and Pierpont Community and Technical College recognize that they are bound by all bond covenants and are legally obligated for the bond debt payments.

Basis of Presentation — The Bond Indenture (the "Indenture") requires that the University maintain certain accounts and funds related to the Infrastructure Revenue Bonds 2002 Series B (the "Bonds") and that the University prepare annual financial statements that set forth the balances and activity in the specified funds. The following is a description of the funds that the University is required to maintain and to present in the form of financial statements:

Revenue Fund — The revenue fund accounts for pledged revenues and expenses and costs paid related thereto and outstanding bonds.

Bond Fund — The bond fund accounts for the proceeds of the bonds and subsequent disbursement thereof for their intended purpose and the payment of bond principal and interest.

These combined special-purpose financial statements do not constitute a complete presentation of the assets, liabilities, net assets, revenues, and expenses of the University, but present only the funds the University is required to present in the combined special-purpose financial statements pursuant to the provisions of the Indenture.

In accordance with requirements of the Indenture, the accounting records for the Bonds are maintained on the modified cash receipts and disbursements basis. Consequently, certain revenues and the related assets are recognized when received, rather than when earned and certain expenses and costs are recognized when paid rather than when the obligation is incurred. These combined special-purpose financial statements are prepared on the modified cash basis of accounting which is an other comprehensive basis of accounting required by the Indenture. The principal modification to the cash basis of accounting is the recording of bond indebtedness. Consequently, as these are combined special purpose financial statements to comply with the Indenture, a Management's Discussion and Analysis (MD&A) is not included in the combined special-purpose financial statements.

Deposits with the Trustee Bank as of June 30, 2011 and 2010, include \$82 and \$73, respectively, invested in a money market fund sponsored by an investment company, the underlying assets of which are securities of the U.S. government, its agencies, authorities, and instrumentalities.

Deposits with the West Virginia State Treasurer have been pooled for maximization of investment income. These deposits are combined with deposits of various other funds. Investment income on these deposits is allocated to the various funds based on the balances of these deposits at the end of the month in which the income was earned.

Fixed assets are not included in the combined special-purpose financial statements because they do not represent financial resources available for expenditures, but are items for which financial resources have been used. Title to and accountability for fixed assets remain with the University.

2. BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY INFRASTRUCTURE REVENUE BONDS, 2002 SERIES B

In August 2002, \$9,310,000 of the Bonds were sold. The Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the Bonds are secured pursuant to the Indenture and Security Agreement, dated as of August 1, 2002, by and between the Board and WesBanco (the "Trustee"). The Bonds were issued to (1) finance the costs of acquisition and construction of improvements to the campus infrastructure and utilities, including the entranceways to the University and the roads surrounding the University, and electrical, water, and sewerage systems (including reimbursements to the University as approved by Bond Counsel) and (2) pay the costs of issuance of the Bonds and related costs.

The Bonds outstanding consist of \$950,000 of serial bonds, with varying interest rates from 3.75% to 4.2% and mature serially from June 1, 2012 to June 1, 2015. Term Bonds of \$2,115,000 and \$4,580,000 bear interest at 4.8% and 5.0% and mature on June 1, 2022 and 2032, respectively.

Term Bonds are subject to mandatory redemption prior to maturity. The redemption prices are 100% of the principal amount, plus accrued interest.

The Bonds are special obligations of the University and are secured by and payable from fees assessed to students of the University held under the Indenture. The infrastructure fee assessed for both years ended June 30, 2011 and 2010, was \$85 per full-time student and is subject to pro rata reductions for part-time and summer-term students and for waivers required by West Virginia Code.

The Bonds shall not be deemed to be general obligations or a debt of the State of West Virginia (the "State") within the meaning of the Constitution of the State, and the credit or taxing power of the State or the University shall not be pledged therefor. The Bonds are fully insured as to principal and interest by the Financial Guaranty Insurance Company.

The University has fixed and will assess and maintain just and equitable fees, which shall at all times be adequate to produce revenues sufficient to make the prescribed payments into the funds and accounts created under the Indenture. The amount of the fees shall be revised from time to time to provide revenues each fiscal year equal to at least 100% of the maximum annual debt service. For the years ended June 30, 2011 and 2010, the University had revenues, as defined in the Indenture, which approximated 196% and 175%, respectively, of the maximum annual debt service.

A summary of annual aggregate principal, interest, and sinking fund payments is as follows:

Fiscal Years Ending June 30	2002 Series B		
	Principal Payments Due June 1	Interest (Due June 1 and December 1)	Grand Total
2012	\$ 225,000	\$ 368,164	\$ 593,164
2013	235,000	359,726	594,726
2014	240,000	350,620	590,620
2015	250,000	341,020	591,020
2016	260,000	330,520	590,520
2017	275,000	318,040	593,040
2018	290,000	304,840	594,840
2019	300,000	290,920	590,920
2020	315,000	276,520	591,520
2021	330,000	261,400	591,400
2022	345,000	245,560	590,560
2023	365,000	229,000	594,000
2024	380,000	210,750	590,750
2025	400,000	191,750	591,750
2026	420,000	171,750	591,750
2027	445,000	150,750	595,750
2028	465,000	128,500	593,500
2029	490,000	105,250	595,250
2030	510,000	80,750	590,750
2031	540,000	55,250	595,250
2032	565,000	28,250	593,250
Total outstanding	7,645,000	4,799,330	12,444,330
Cumulative bonds retired and interest paid through June 30, 2011	1,665,000	3,523,286	5,188,286
	<u>\$9,310,000</u>	<u>\$8,322,616</u>	<u>\$17,632,616</u>

3. OTHER TRANSACTIONS

Certain purchasing, accounting, and other administrative services are provided by other State agencies to the University.

* * * * *

Board of Governors of
Fairmont State University
Student Activity Revenue
Bonds 2003 Series B

Combined Special-Purpose Financial Statements — Modified
Cash Basis as of and for the Years Ended June 30, 2011 and
2010, and Independent Auditors' Report



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INDEPENDENT AUDITORS' REPORT

To the Governing Board of Fairmont State University:

We have audited the accompanying combined special-purpose statements of assets, liabilities, and fund balance (deficit) — modified cash basis of the Board of Governors of Fairmont State University Student Activity Revenue Bonds 2003 Series B (the "Bonds") as of June 30, 2011 and 2010, and the related combined special-purpose financial statements of revenues collected, expenses and costs paid, and changes in fund balance (deficit) — modified cash basis for the years then ended. These combined special-purpose financial statements are the responsibility of Fairmont State University's management. Our responsibility is to express an opinion on these combined special-purpose financial statements based on our audits.

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

As described in Note 1 to the combined special-purpose financial statements, these combined special-purpose financial statements were prepared in connection with the related bond agreement and are intended to present only the selected assets, liabilities, fund balances (deficit), revenues, and expenses of Fairmont State University required to be presented under this agreement. These combined special-purpose financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. These combined special-purpose financial statements are not intended to be a complete presentation of Fairmont State University.

In our opinion, such combined special-purpose financial statements present fairly, in all material respects, the combined assets, liabilities, and fund balance (deficit) of the Bonds at June 30, 2011 and 2010, and its combined revenues collected, expenses and costs paid, and changes in fund balance (deficit) for the years then ended on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Governing Board of Fairmont State University, management of Fairmont State University, the West Virginia Higher Education Policy Commission, management of the West Virginia Higher Education Policy Commission, and the bondholders, and should not be used for any other purpose.

September 8, 2011

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
STUDENT ACTIVITY REVENUE BONDS 2003 SERIES B**

**COMBINED SPECIAL-PURPOSE
STATEMENTS OF ASSETS, LIABILITIES, AND FUND BALANCE (DEFICIT) — MODIFIED CASH BASIS
AS OF JUNE 30, 2011 AND 2010**

	2011			2010		
	Revenue Fund	Bond Fund	Combined	Revenue Fund	Bond Fund	Combined
ASSETS						
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$ 212	\$ 212	\$ -	\$ 190	\$ 190
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	<u>3,111,733</u>		<u>3,111,733</u>	<u>2,549,745</u>		<u>2,549,745</u>
TOTAL	<u>\$ 3,111,733</u>	<u>\$ 212</u>	<u>\$ 3,111,945</u>	<u>\$ 2,549,745</u>	<u>\$ 190</u>	<u>\$ 2,549,935</u>
LIABILITIES AND FUND BALANCE (DEFICIT)						
LIABILITIES — Bond indebtedness	\$ 19,835,000	\$ -	\$ 19,835,000	\$ 20,385,000	\$ -	\$ 20,385,000
FUND (DEFICIT) BALANCE	<u>(16,723,267)</u>	<u>212</u>	<u>(16,723,055)</u>	<u>(17,835,255)</u>	<u>190</u>	<u>(17,835,065)</u>
TOTAL	<u>\$ 3,111,733</u>	<u>\$ 212</u>	<u>\$ 3,111,945</u>	<u>\$ 2,549,745</u>	<u>\$ 190</u>	<u>\$ 2,549,935</u>

See notes to combined special-purpose modified cash basis financial statements.

**BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY
STUDENT ACTIVITY REVENUE BONDS 2003 SERIES B**

**COMBINED SPECIAL-PURPOSE
STATEMENTS OF REVENUES COLLECTED, EXPENSES AND COSTS PAID, AND CHANGES IN FUND BALANCE (DEFICIT) —
MODIFIED CASH BASIS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	2011			2010		
	Revenue Fund	Bond Fund	Combined	Revenue Fund	Bond Fund	Combined
REVENUES COLLECTED:						
Student union fees	\$ 2,320,348	\$ -	\$ 2,320,348	\$ 2,224,645	\$ -	\$ 2,224,645
Operating fees	1,682,364		1,682,364	1,652,659		1,652,659
Interest on investments	5,764	514	6,278	5,289	208	5,497
Total revenues collected	<u>4,008,476</u>	<u>514</u>	<u>4,008,990</u>	<u>3,882,593</u>	<u>208</u>	<u>3,882,801</u>
EXPENSES AND COSTS PAID:						
Salaries and employee benefits	719,216		719,216	698,967		698,967
Utilities	361,944		361,944	298,570		298,570
Administrative	680,644		680,644	701,663		701,663
Repairs and alterations	80,563		80,563	69,023		69,023
Equipment and supplies	48,411		48,411	68,986		68,986
Interest	8,165	998,037	1,006,202	9,707	1,015,693	1,025,400
Total expenses and costs paid	<u>1,898,943</u>	<u>998,037</u>	<u>2,896,980</u>	<u>1,846,916</u>	<u>1,015,693</u>	<u>2,862,609</u>
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES AND COSTS PAID	2,109,533	(997,523)	1,112,010	2,035,677	(1,015,485)	1,020,192
RETIREMENT OF BONDS	550,000	(550,000)	-	535,000	(535,000)	-
TRANSFERS (FROM) TO — For payment of current debt service	(1,547,545)	1,547,545	-	(1,549,811)	1,549,811	-
FUND (DEFICIT) BALANCE — Beginning of year	<u>(17,835,255)</u>	<u>190</u>	<u>(17,835,065)</u>	<u>(18,856,121)</u>	<u>864</u>	<u>(18,855,257)</u>
FUND (DEFICIT) BALANCE — End of year	<u>\$ (16,723,267)</u>	<u>\$ 212</u>	<u>\$ (16,723,055)</u>	<u>\$ (17,835,255)</u>	<u>\$ 190</u>	<u>\$ (17,835,065)</u>

See notes to combined special-purpose modified cash basis financial statements.

BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY

STUDENT ACTIVITY REVENUE BONDS 2003 SERIES B

NOTES TO COMBINED SPECIAL-PURPOSE FINANCIAL STATEMENTS — MODIFIED CASH BASIS
AS OF AND FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization — Fairmont State University (the “University”) is governed by the Board of Governors of Fairmont State University (the “Board”). The Board was established by Senate Bill 653 (S.B. 653), which was enacted by the West Virginia Legislature on March 19, 2000, and restructured public higher education in West Virginia.

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

S.B. 653 also created the West Virginia Higher Education Policy Commission, which is responsible for developing, gaining consensus around, and overseeing the implementation and development of a higher education public policy agenda.

During fiscal year 2008, House Bill 3215 was passed, which clarified and redefined relationships between and among certain higher education boards and institutions. This legislation defines the statewide network of independently accredited community and technical colleges. Effective July 1, 2008, the administratively linked community and technical college of Fairmont State established its own Board of Governors. The newly established Board of Governors of Pierpont Community & Technical College (Pierpont) and the Board of Governors of Fairmont State University jointly agreed to a division of assets and liabilities of Fairmont State effective July 1, 2009.

The Separation of Assets and Liabilities Agreement was made in accordance with the provisions of West Virginia State Code — §18B-2A07a (2008 supp.) which states as follows:

(A) Any agreement to allocate system and institutional educational and general and auxiliary debt service payments shall be consistent with the provisions of all applicable bond covenants.

The Agreement further specifies the following agreement in regard to bond indebtedness:

WHEREAS, there is currently outstanding the following bonded indebtedness:

(A) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2002 A (the “Series 2002A Bonds”), issued in the principal amount of \$18,170,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the “2002A Indenture”), with WesBanco Bank, Inc., as Trustee (the “Bond Trustee”), and currently outstanding in the principal amount of \$15,180,000 *updated as of June 30, 2011*;

- (B) Board of Governors of Fairmont State College College Infrastructure Revenue Bonds, Series 2002 B (the "Series 2002B Bonds"), issued in the principal amount of \$9,310,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of August 1, 2002 (the "2002B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$7,645,000 *updated as of June 30, 2011*;
- (C) Board of Governors of Fairmont State College College Facilities Revenue Bonds, Series 2003A (the "Series 2003A Bonds"), issued in the principal amount of \$13,320,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003A Indenture"), supplementing and amending the 2002A Indenture, with the Bond Trustee and currently outstanding in the principal amount of \$11,530,000 *updated as of June 30, 2011*;
- (D) Board of Governors of Fairmont State College Student Activity Revenue Bonds, Series 2003B (the "Series 2003B Bonds"), issued in the principal amount of \$22,925,000 pursuant to a Bond Trust Indenture and Security Agreement dated as of March 1, 2003 (the "2003B Indenture"), with the Bond Trustee and currently outstanding in the principal amount of \$19,835,000 *updated as of June 30, 2011*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the "Series 2006 Bonds"), issued in the principal amount of \$8,500,000 pursuant to a Bond Authorizing Resolution adopted on May 3, 2006 (as supplemented and amended, the "2006 Resolution"; the 2002A Indenture, the 2002B Indenture, the 2003A Indenture, the 2003B Indenture and the 2006 Resolution, together with the other documents authorizing, securing or otherwise relating to the Bonds, are hereinafter referred to together as the "Bond Documents"), and currently outstanding in the principal amount of \$6,977,624 *updated as of June 30, 2011*.

and

WHEREAS, in addition to the statutory requirements described above, the Bond Documents define the College or University to include any successor thereto and, as such, bind both FSU and Pierpont, and both FSU and Pierpont have copies of the Bond Documents.

and

WHEREAS, the Bond Documents set forth controlling bond covenants and require pledged revenues, and the intent of this document is to adhere to all existing and future bond covenants.

The Boards of Governors of both Fairmont State University and Pierpont Community and Technical College recognize that they are bound by all bond covenants and are legally obligated for the bond debt payments.

Basis of Presentation — The Bond Indenture (the "Indenture") requires that the University maintain certain accounts and funds related to the Student Activity Revenue Bonds 2003 Series B (the "Bonds") and that the University prepare annual financial statements that set forth the balances and activity in the specified funds. The following is a description of the funds that the University is required to maintain and to present in the form of financial statements:

Revenue Fund — The revenue fund accounts for pledged revenues and expenses and costs paid related thereto and outstanding bonds.

The Bonds outstanding consist of \$2,415,000 of serial bonds, with varying interest rates from 3.75% to 4.1%, and mature serially from June 1, 2012 to June 1, 2015. Term bonds mature as follows:

Principal Amount	Maturity Date	Interest Rate
\$ 5,130,000	June 1, 2022	5.25 %
325,000	June 1, 2022	4.75
11,965,000	June 1, 2032	5.00

The Bonds maturing June 1, 2022, and June 1, 2032, are subject to mandatory redemption prior to maturity. The mandatory redemption prices are 100% of the principal amount, plus accrued interest.

The Bonds are special obligations of the University and are secured by and payable from certain pledged revenues of the student union and bookstore funds of the University held under the Indenture. The Bonds shall not be deemed to be general obligations or a debt of the State of West Virginia (the "State") within the meaning of the Constitution of the State, and the credit or taxing power of the State or University shall not be pledged therefor. The Bonds are fully insured as to principal and interest by Financial Guaranty Insurance Company.

The University has fixed and will maintain and collect from each student who attends one or more classes at the University's main campus student union fees of not less than \$110 per semester, as defined in the Indenture. Upon issuance of the Bonds and while the Bonds are outstanding, the University has fixed and will maintain and collect from each student who attends one or more classes at the University's main campus operating fees of not less than \$40 per semester, as defined in the Indenture. Upon the opening of the Facilities, an additional operating fee of not less than \$50 per semester will be assessed. The Student Union Fees and Operating Fees are subject to pro-rata reductions for part-time and summer term students and for waivers required by West Virginia Code.

The University must maintain Student Union Fees and Operating Fees to pay operating expenses and to make the prescribed payments into the funds and accounts created under the Indenture, and such schedule of rents, charges, and fees shall be revised from time to time to provide for all reasonable operating expenses, and leave net revenues, when combined with other monies legally available to be used for such purposes, each fiscal year equal to at least 100% of the maximum annual debt service. For the years ended June 30, 2011 and 2010, the University had pledged revenues, as defined in the Indenture, which approximated 300% and 264%, respectively, of the maximum annual debt service.

Bond Fund — The bond fund accounts for the proceeds of the bonds and subsequent disbursement thereof for their intended purpose and the payment of bond principal and interest.

These combined special-purpose financial statements do not constitute a complete presentation of the assets, liabilities, net assets, revenues, and expenses of the University, but present only the funds the University is required to present in the combined special-purpose financial statements pursuant to the provisions of the Indenture.

In accordance with requirements of the Indenture, the accounting records for the Bonds are maintained on the modified cash receipts and disbursements basis. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses and costs are recognized when paid rather than when the obligation is incurred. These combined special-purpose financial statements are prepared on the modified cash basis of accounting which is an other comprehensive basis of accounting required by the Indenture. The principal modification to the cash basis of accounting is the recording of bond indebtedness. Consequently, as these are combined special-purpose financial statements to comply with the Indenture, a Management's Discussion and Analysis (MD&A) is not included in the combined special-purpose financial statements.

Deposits with the Trustee Bank as of June 30, 2011 and 2010, include \$212 and \$190, respectively, invested in a money market fund sponsored by an investment company, the underlying assets of which are securities of the U.S. government, its agencies, authorities, and instrumentalities.

Deposits with the West Virginia State Treasurer have been pooled for maximization of investment income. These deposits are combined with deposits of various other funds. Investment income on these deposits is allocated to the various funds based on the balances of these deposits at the end of the month in which the income was earned.

Fixed assets are not included in the combined special-purpose financial statements because they do not represent financial resources available for expenditures, but are items for which financial resources have been used. Title to and accountability for fixed assets remain with the University.

2. BOARD OF GOVERNORS OF FAIRMONT STATE UNIVERSITY, STUDENT ACTIVITY REVENUE BONDS, 2003 SERIES B

In March 2003, \$22,925,000 of the Bonds were sold. The Bonds were issued under the authority contained in Chapter 18, Article 23 of the Code of West Virginia, 1931, as amended, and the Bonds are secured pursuant to the Indenture and Security Agreement, dated as of March 1, 2003, by and between the Board and WesBanco Bank, Inc. (the "Trustee"). The Bonds were issued to (1) finance the costs of design, acquisition, construction, and equipping a new student activities center (including demolition of an existing dining facility) to be located on the campus of the University (the "Project"), (2) capitalize interest on the Bonds during and for a reasonable time after construction of the Project, and (3) pay the costs of issuance of the Bonds and related costs.

A summary of annual aggregate principal, interest, and sinking fund payments is as follows:

Fiscal Years Ending June 30	2003 Series B Principal Payments Due June 1	Interest (Due June 1 and December 1)	Grand Total
2012	\$ 570,000	\$ 978,238	\$ 1,548,238
2013	590,000	956,863	1,546,863
2014	615,000	933,853	1,548,853
2015	640,000	909,253	1,549,253
2016	665,000	883,013	1,548,013
2017	700,000	848,150	1,548,150
2018	735,000	811,475	1,546,475
2019	775,000	773,038	1,548,038
2020	815,000	732,550	1,547,550
2021	860,000	690,013	1,550,013
2022	905,000	645,238	1,550,238
2023	950,000	598,250	1,548,250
2024	1,000,000	550,750	1,550,750
2025	1,050,000	500,750	1,550,750
2026	1,100,000	448,250	1,548,250
2027	1,155,000	393,250	1,548,250
2028	1,215,000	335,500	1,550,500
2029	1,275,000	274,750	1,549,750
2030	1,340,000	211,000	1,551,000
2031	1,405,000	144,000	1,549,000
2032	<u>1,475,000</u>	<u>73,750</u>	<u>1,548,750</u>
Total outstanding	19,835,000	12,691,934	32,526,934
Cumulative bonds retired and interest paid through June 30, 2011	<u>3,090,000</u>	<u>8,607,764</u>	<u>11,697,764</u>
	<u>\$22,925,000</u>	<u>\$21,299,698</u>	<u>\$44,224,698</u>

3. OTHER TRANSACTIONS

Certain purchasing, accounting, and other administrative services are provided by other State agencies to the University.

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Tab

11

**Pierpont Community and Technical College
Board of Governors
October, 2011**

Item: Pierpont Student's Athletic Fee Phase Out and Repurposing.

Committee: Finance Committee

Recommended Resolution: Be it resolved, that the Board of Governors approves implementation of a two year phase out of the current Fairmont State University (FSU) Athletic Fee paid by Pierpont Students beginning with the 2013 Academic Year and repurposing the fee to begin to address costs associated with Pierpont's operation of Pierpont "only" facilities.

Under this phase out plan 50% of the current \$81.00 or \$40.50 per semester of the fee would be paid by Pierpont students to FSU in AY 2013 (Students enrolled in the August 2012 Fall Semester).

In AY 2014 50% of the reduced amount of \$40.50 or \$20.25 per semester of the fee would be paid by Pierpont students to FSU in AY 2014. All Athletic fee payments from Pierpont students to FSU would end with the conclusion of the 2014 Academic Year.

The \$40.50 per semester phased out from the Athletic Fee in AY 2013 would be collected by Pierpont along with the \$20.50 per semester phased out from the Athletic Fee in AY 2014. Begin with AY 2015 Pierpont would collect the entire fee amount of \$81 per semester.

Staff Member: Dale Bradley

Background: In Section 18B-2A-7a of House Bill 3215 it states that community and technical colleges whose students were paying athletic fees for the benefit of the former sponsoring institution, but receiving no direct benefit from those fees, could phase the fee out over a five-year period. Under this provision, Pierpont Community and Technical College had the option to begin a phase out of Athletic fees in Academic Year 2009. Pierpont, however, chose to defer this option until this time.

If Pierpont would have exercised the five-year phase out option commencing in AY 2009, all payments of the Athletic fee by Pierpont Students to FSU would have ended in the 2013 Academic Year. However, recognizing the budgetary impact of this phase out to FSU's Athletic Department, the recommended action continues payment of a portion of the fee into AY 2014 which allows the Athletic Department an opportunity to address this change.

Additional details related to the Pierpont Student's FSU Athletic Fee:

- The Athletic Fee is prorated based on the number of credit hours taken on the main campus in Fairmont. The fee is \$7 per credit hour with a maximum of \$81 per semester for students that are full time (12 credit hours or more on the main campus in Fairmont).
- Prior to the Separation of Assets Agreement the Pierpont students had paid an athletic fee of \$111 per semester. In this Agreement it was agreed that there would be a \$30 reduction in the Pierpont Student's Athletic Fee with \$10 of that \$30 reduction transferred to the Falcon Center Operating Fee increasing this fee to \$113 per semester (this new amount was equal to the amount paid by FSU students) and \$20 transferred to the Infrastructure Fee increasing this fee to \$85 per semester (this new amount was equal to the amount paid by FSU students).
- Financial Impact of this fee over the last two years and expected impact for FY 12, FY 13 and FY 14 to FSU's Athletic Department:
 - In FY 10 the fee was budgeted to generate \$290,865, but actually generated approximately \$327,500.
 - In FY 11 the fee was budgeted to generate \$222,265, but actually generated approximately \$246,600. (First year the reduced fee of \$81 per semester from the Separation of Assets Agreement was implemented).
 - In FY 12 the fee is budgeted to generate \$248,157.
 - In FY 13 it is estimated the fee would be budgeted to generate approximately \$124,000.
 - In FY 14 it is estimated the fee would be budgeted to generate approximately \$62,000.