

Schedule

Meeting of the Pierpont Community & Technical College Board of Governors

October 19, 2010

Falcon Center Board Room
Fairmont, WV

2:00 P.M.

Full Board Meeting

Falcon Center Board Room

**Pierpont Community & Technical College Board of Governors
Meeting of October 19, 2010**

Call to Order

1. Opening Comment
2. Last Call for Public Comment Sign Up
3. Approval of Minutes (*September 21, 2010*)

Tab 1 – Action Item

Special Recognitions

1. West Virginia Public Employee Years of Service Awards: Nancy Parks, Barbara Pavel-Alvarez, and Sarah Hensley

Operation Reports

1. President's Report (*Doreen Larson*)
2. Faculty Assembly Report (*Brian Floyd*)
3. Classified Staff Report (*Mary Jo Rutherford*)
4. Student Government Report (*Alicia Nieman*)
5. Off Campus Programs Report (*Jeani Hawkins*)
6. Center for Workforce Education Report (*Paul Schreffler*)
7. Foundation Report (*Devanna Corley*)
8. Alumni Association Report (*Emily Swain*)

Tab 2 - Informational

Committee of the Whole

1. Financial Report (*Dale Bradley*)
2. Policy 25 – Salary Policy (*Jennifer Weist*)
3. Capital Projects Update (*James Decker*)

Tab 3 - Informational

Tab 4 – Action Item

Tab 5 – Informational

Committee Reports

1. Finance Committee (*Kyle Hamilton*)
 - Bond Audit Reports for FY 2010 (*Dale Bradley*)
 - Approval of One-Time Salary Enhancement (*Dale Bradley*)
 - Approval of Recommended Budget Changes to Unrestricted and Restricted Funds for Fiscal Year 2011 (*Dale Bradley*)
 - Folklife Center – Phase III Design (*Dale Bradley*)

Tab 6 – Action Item

Tab 7 – Action Item

Tab 8 – Action Item

Tab 9 – Action Item

2. Off Campus Operations Committee ()

3. Marketing Committee (*Dixie Copley*)

New Business

Old Business

1. Board Retreat – December 10, 2010 (*Jennifer Weist*)

Upcoming Events

- Folklife Center Ribbon Cutting Gala: October 28, 2010 at 3:00pm
- Chamber of Commerce Reception for the Larsons: November 17, 2010- 5:30pm – I-79 Research Park (ISR)

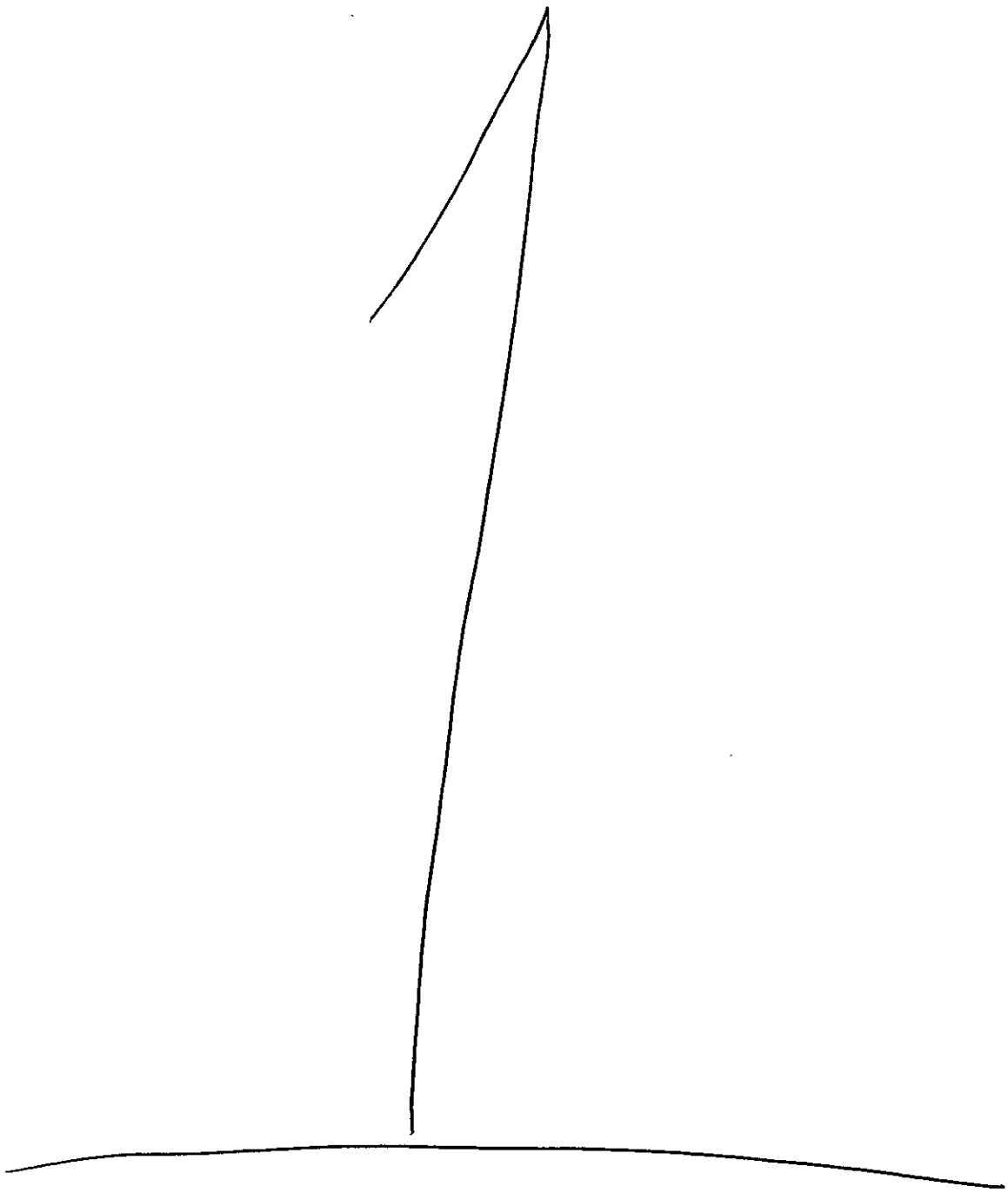
Public Comment

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 date is Tuesday, November 16, 2010 at the Falcon Center Board Room.



Pierpont Community & Technical College
BOARD OF GOVERNORS
MINUTES
September 21, 2010

Call to Order

A meeting of the Pierpont Community & Technical College Board of Governors was held on September 21, 2010 beginning at 2:00 p.m. in Falcon Center Board Room. Present at the meeting were Board Members: James Griffin, Dixie Copley, Earl McConnell, Kyle Hamilton, Linda Aman, Rick Pruitte and Drew Kelly. Present by phone were Beverly Jones, Sharon Shaffer and Eugene Weaver. Jeff Tucker was absent.

Chair James Griffin called the meeting to order.

Chair James Griffin and President Dr. Doreen Larson recognized Dr. Paul E. Edwards with a Lifetime Service Award.

Chair James Griffin and President Dr. Doreen Larson recognized Leslie Lovett and Ryan Houser for commitment and service to the Board of Governors as faculty and student representatives respectively.

Approval of Minutes

Chair Jim Griffin moved the minutes of the August 24, 2010 meeting be approved.
Motion carried.

President's Report

Dr. Doreen Larson announced that Pierpont's Full Time Equivalency was in excess of 2000 for the fall term. State funds are currently being sought in support of a Math and Writing tutorial center and the much needed upgrades to fire suppression system in the hangars at the Robert C. Byrd National Aerospace Education Center in Bridgeport. Pierpont Priorities meetings have begun and will include discussion with faculty, staff and students about strategic planning and accreditation, off-site presence and curriculum, faculty and staff development, student retention and graduation, and the identity and marketing of Pierpont. Discussions in the first Priorities meetings focused on broadening our outreach, enrollment and graduation of students into new populations, particularly those from low economic environments. Pierpont has been invited by the Higher Learning Commission to participate as a selected college in the Pathways Pioneers assessment and accreditation project. President Larson extended congratulations and welcome to Drew Kelly, newly elected student Board of Governors representative. She also congratulated Latiesha Meade, Faculty Assembly representative; Amanda Copney and Trenton Johnson as the Pierpont Senate representatives; Tiffani Arthurs, Brandi Campbell and Barbara Hendrey as Pierpont House representatives on their election. President Larson shared with a Board a power point presentation designed to provide an update on off campus and on campus signage. Dr. Larson also recognized the recipients of the Paul E. Edwards Teaching Award who were present at the meeting including Martha Jean Bolyard, Beverly Born, Leslie Lovett, Tom Stose, Les Boggess, Rosemarie Romesburg and Linda King.

Constituent Reports

Brian Floyd presented the Faculty Assembly Report.
Mary Jo Rutherford presented the Classified Staff Report.
Alicia Nieman presented the Student Government Report.
Jeani Hawkins presented the Off Campus Programs Report.
Paul Schreffler presented the Center for Workforce Education Report.
Devanna Kelly presented the Foundation Report.
Emily Swain presented the Alumni Association Report.

Finance Report

Dale Bradley delivered the report on the Pierpont Community & Technical College Unrestricted and Restricted Funds and Fund Manager Budgets for FY 2011.

Policy 54 – Bookstore Policy

Chair Griffin asked members if they had any questions concerning the public comments received about the Bookstore Policy or about the suggested revisions made by staff in response to those comments. Hearing none, Dixie Copley moved that the Board approve Policy 54 – Bookstore Policy as circulated with additional revisions based on public comment. Kyle Hamilton seconded. Motion carried.

West Virginia Governor’s Office Government Services Fund Grant Request

Dale Bradley presented information concerning a funding request that Pierpont Community & Technical College has been invited to make from the Governor’s Government Services Fund. Funds will be sought for two separate projects – one related to funds needed to address the fire suppression needs at the Robert C. Byrd National Aerospace Education Center and the other to establish a Math and Writing Tutoring Center as a pilot project. Kyle Hamilton moved that the Board approve the completion and submission of the grant requests. Motion was seconded by Dixie Copley. Motion carried.

Capital Projects Update

Jim Decker reported on the summary of FY 2011 Capital Projects Completion status.

Finance Committee

Kyle Hamilton reported that the Finance Committee meetings will now be scheduled two weeks prior to the Board of Governors meetings. Dates, times and locations of these meetings are posted on the website.

Off Campus Operations Committee

No report.

Marketing Committee

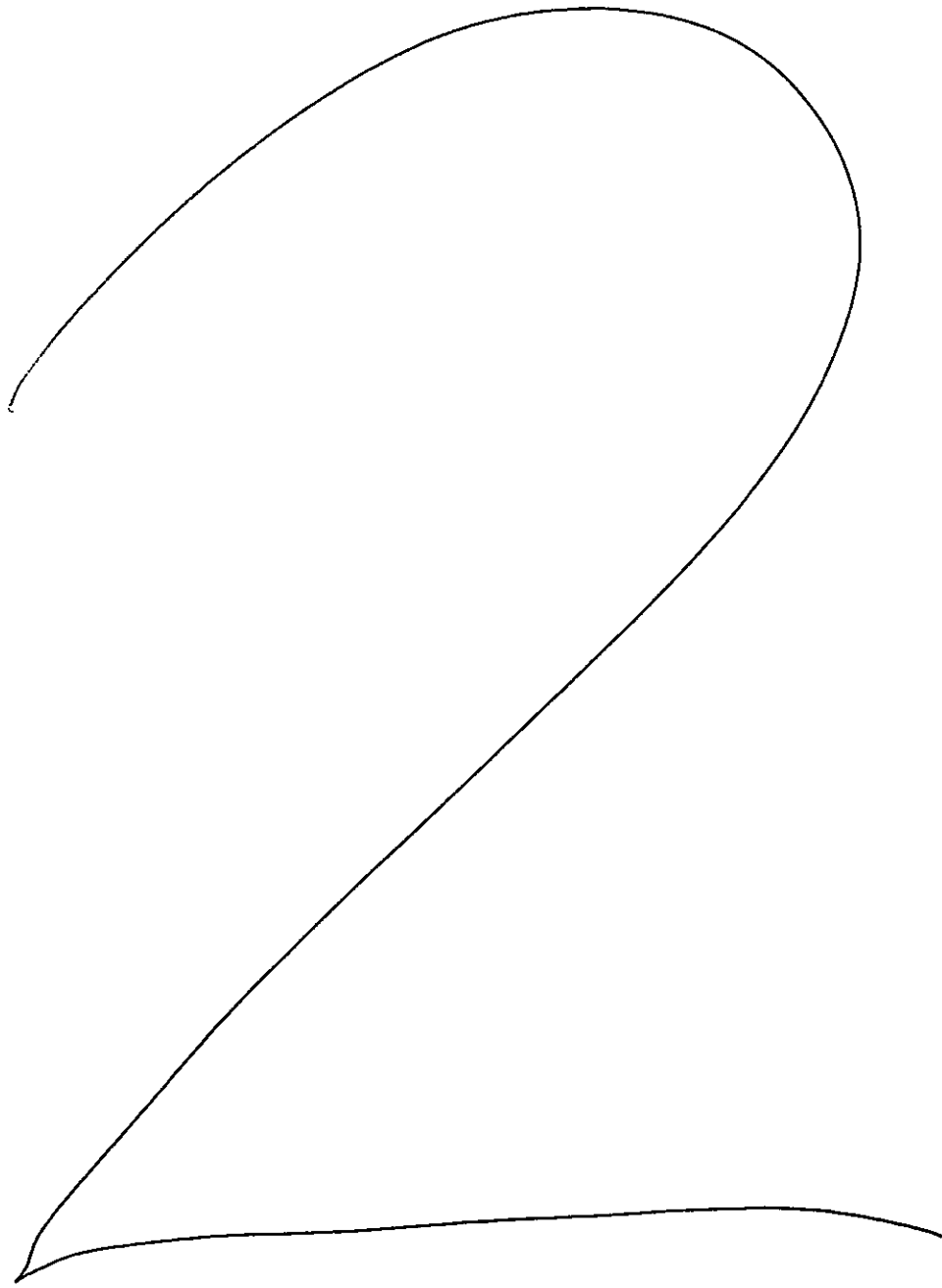
Dixie Copley reported that the committee had met prior to the full Board meeting and announced that Pierpont has established an independent marketing budget.

Old Business

Jennifer Weist announced that the dates being considered for the annual Board Retreat are December 6-10, 2010 at Stonewall Resort. Governors will be contacted by email to confirm availability. Final date and times will be announced.

Adjournment

There being no further business, the meeting was adjourned at 3:10 p.m.



Workforce Development - Project Portfolio / Status Report

October 2010 – Board of Governors Meeting

Annual Performance Indicator Report

- ❖ Present seven-year trend analysis
- ❖ Data points will change with new master plan / institutional compact objectives and reporting

US DOL / WV GreenUp Grant

- ❖ \$5MM grant, awarded to WorkForceWV
- ❖ Multiple partners identified in grant, of which, we are one
- ❖ Management responsibility passed to WVCTCS
- ❖ Awarded a sub-grant for training project with WV Women Work in the amount of \$94,500
- ❖ Potential for additional grant dollars, to be utilized in the areas of:
 - Placement services
 - Developmental education services
 - Retention services
 - 'Greening Up' curriculum in any content area
 - Train-the-trainer resources
 - Equipment resources

US DOE / Building Performance Grant

- ❖ Awarded \$250,000
- ❖ Partnership with WV Northern Community College
- ❖ Intent is to train persons to become BPI-certified (Building Performance Institute) in building performance analysis
- ❖ Training equipment has been ordered, through WVNCC, the fiscal agent for this grant
- ❖ Classes to begin in November

Lumens Project

- ❖ Will switch all non-credit program and student management to this system on January 1

Aerospace Company Project

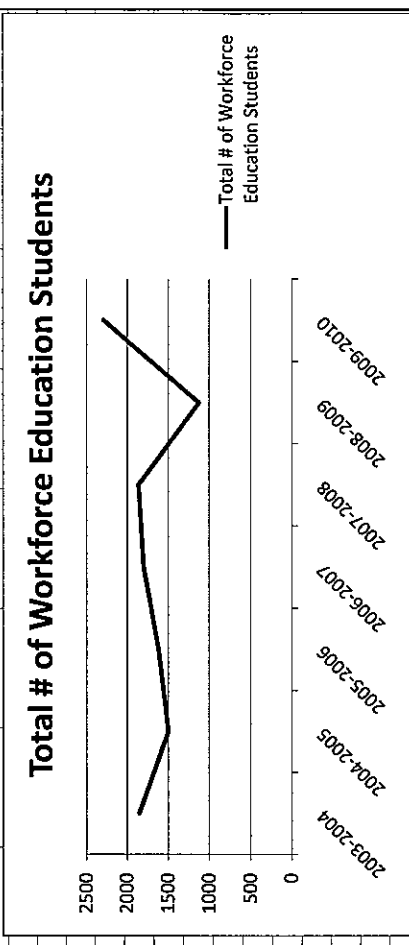
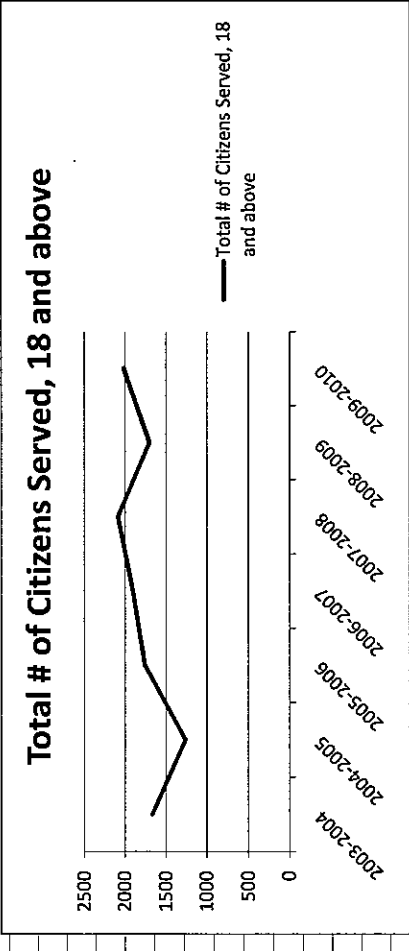
- ❖ Intent is to offer a Board of Governors Degree for a cohort of incumbent workers at regional corporate location
- ❖ Offerings on a non-traditional schedule and pace
- ❖ Project Charter signed by both parties
- ❖ Open house sessions (3) for corporate staff have been planned, scripted and will occur on Oct. 5 (two sessions, am and pm) and Oct. 8 (one session, am)
- ❖ Portfolio development sessions planned and scheduled for third week in October

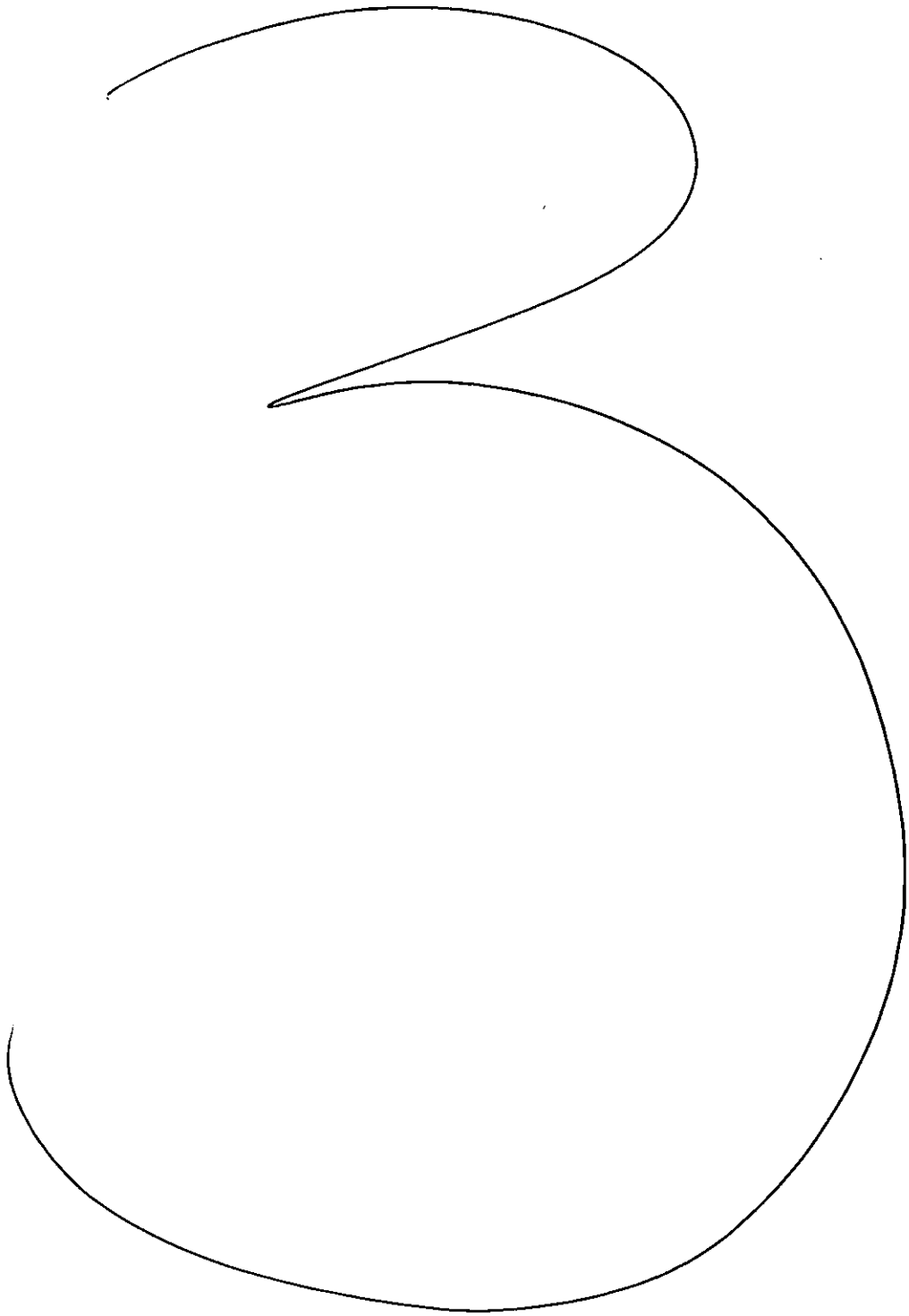
Mechatronics Program – WV Advance Grant

- ❖ Awarded \$220,000 over three years
- ❖ Intent is to develop a mechatronics program, 1+1 Certificate/AS degree
- ❖ Program coordinator hired, working to identify course content and sequence
- ❖ DACUM performed 9/14/10
- ❖ Will submit a program development grant to WVCTCS for review in November
- ❖ Classes to begin August 2011

Pierpont Community & Technical College - Performance Indicator Report - Continuing Education Department - 7-Year Trend Analysis

DATA CATEGORY	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Number of citizens age 18 and above enrolled in community and technical college non-credit programs/courses:	1665	1260	1753	1904	2087	1699	2015
Number of students 25-44 years of age enrolled in non-credit community and technical college programs/courses:	620	571	1014	815	786	679	1032
Number of students 18-24 years of age enrolled in non-credit community and technical college programs/courses:	163	554	687	295	279	264	258
Number of students completing a skill set certificate other than the one-year certificate degree program:	533	651	1618	1601	1287	909	2022
Number of non-credit workforce education or training programs delivered to employers: (15b + 16b)	126	143	123	82	108	173	363
Number of non-credit courses/programs offered at an employer site: (16b)	7	9	61	27	32	22	80
Total number of enrollees receiving workforce education or training programs: (duplicated headcount) (17)	1849	1496	1618	1796	1859	1124	2294
Total number of training contact (clock) hours delivered: (#17)	39439	47661	69582	71890	83803	114344	80433
Total number of focused courses and workshops offered pertaining to entrepreneurship skill development:	65	75	23	17	16	4	14





**Board of Governors
Financial Report FY 2011
Pierpont Community & Technical College
as of September 30, 2010**

NEW LOOK

The "Look" of the finance reports has been modified slightly in hopes to provide a more easily understood and comprehensive picture of the finance status of the institution. The changes from the previous reports are as follows:

1. Added a column to the report identified as "Approved Budget" that reflects the originally approved budget for FY 2011. This allows for a quick comparison with the "Current Budget" and how the budget has changed from the original.
2. Calculation of Operating Income (Loss) prior to incorporation of Nonoperating Revenue (Expense). This provides for a quick view of how the institution stands based purely on operating revenues.
3. Simplified the title of the "Excludes" to "Transfers & Others" which more accurately reflects what occurring in this category of activity. Also included is a clear reporting of when the one-time use of reserves has been incorporated into the budget plan by adding that line as a reported item.
4. Additional footnotes to the Current Unrestricted Report. The first footnote identifies clearly the OPEB liability of the institution and the importance the future of this liability has for the institution. The second footnote calculates the percentage the "Unrestricted Net Assets" balance as a part of the budgeted total operating expenses and compares where the institutions is currently to the target level established by management.
5. Added various charts to aid in the overall understanding of the budget. The additional charts in order of appearance are as follows:
 - a. "Current Unrestricted / Restricted Revenue Budget" pie chart that graphically represents the overall planned sources of revenues for the institution.
 - b. "Current Unrestricted / Restricted Revenue Budget to YTD Actual Revenue" bar chart that graphically compares actual YTD revenues to budgeted amounts.
 - c. "Current Unrestricted / Restricted Expense Budget" pie chart that graphically represents the overall planned expenditures for the institution.
 - d. "Current Unrestricted / Restricted Expense Budget to YTD Actual Expense" bar chart that graphically compares actual YTD expenses to budgeted amounts.

Unrestricted Funds:

The projected effect on net assets at June 30, 2011 as of August 31, 2010, inclusive of state federal stimulus stabilization funds, is \$244,401. This is a decrease of (-\$65,181) from the August 31, 2010 Finance Report. This decrease is due primarily to an update that was done to the benefits budgets. This update had not been completed since May 2010. As of this report date, fall enrollments are in place and approximately 50% of projected tuition and fees revenue has been realized and approximately 41% of overall revenues. No revenues from services charged back to the University nor any expenses charged back from the University have been

recorded. The primary budget changes that impacted the budget from the August 31, 2010 Report are as follows:

- **Operating Revenues Budget:**
 - Increased by \$97,734. This was due to three actions:
 - Additional revenue projected for the English as a Second Language program of \$75,000.
 - Additional Support Services Revenue of \$8,109 projected as a result of the benefits budget update.
 - Additional revenue projected for the Child Care Laboratory Pre-School program of \$18,338 from a services contract with the Marion County BOE.

- **Operating Expenses Budget:**
 - Increased by \$157,218. This was due primarily due to the three actions:
 - Increase in salaries of \$76,979. This increase was due primarily to the increased labored needed as a result of the additional revenue recognized by English as a Second Language and the Child Care Laboratory Pre-School.
 - Increase in Benefits of \$47,493. This increase is related to the above labor increase and the benefits budget update that was completed.
 - Increase in the Assessment for Support Services of \$33,482. This increase was because of the benefits budget update that was completed.

- **Non-Operating Revenues**
 - No changes during this reporting period

- **Transfers & Other**
 - Increase in Capital Expenditures of \$5,697 for computing equipment for the School of Health Careers.

Of the projected effect on net assets of \$244,401 as of June 30, 2010; President's Controlled Fund(s) are projected to have a budget surplus of \$181,785, Fund Manager's Controlled Fund(s) are projected to have a budget surplus of \$62,615. The Actual Year-To-Date Budget Balance is \$3,667,357.

Restricted Funds:

The budget balance reflects a deficit of (\$739,572). This deficit is covered by grant funds cash balance of \$1,455,695. The primary funding sources in the restricted funds are financial aid and state and federal grants.

Pierpont Community & Technical College
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted
 As of September 30, 2010

		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE					
	Tuition and Fees	7,623,362	7,822,462	3,959,341	50.62
	Faculty Services Revenue	1,502,589	1,502,589	0	0.00
	State/Local Grants and Contracts	0	0	0	
	Auxiliary Enterprise Revenue	1,135,737	1,135,737	641,067	56.45
	Operating Costs Revenue	208,947	205,234	0	0.00
	Support Services Revenue	422,098	432,411	0	0.00
	Other Operating Revenue	242,155	271,409	35,433	13.06
	Total:	11,134,887	11,369,841	4,635,842	40.77
OPERATING EXPENSE					
	Salaries	5,624,599	5,793,867	937,849	16.19
	Benefits	1,222,128	1,291,258	176,831	13.69
	Student financial aid-scholarships	305,588	305,588	31,302	10.24
	Utilities	0	0	194	
	Supplies and Other Services	1,625,463	1,689,249	357,290	21.15
	Equipment Expense	137,061	136,398	57,570	42.21
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	104,619	104,619	26,155	25.00
	Assessment for Faculty Services	1,268,259	1,272,439	0	0.00
	Assessment for Support Services	3,902,533	3,932,259	0	0.00
	Assess for Activity, Cap. & Debt Ser Costs	1,436,513	1,436,513	460,557	32.06
	Assessment for Auxillary Fees & Debt Service	1,135,737	1,135,737	431,950	38.03
	Assessment for Operating Costs	2,375,530	2,391,073	0	0.00
	Total:	19,138,030	19,488,999	2,479,699	12.72
OPERATING INCOME / (LOSS)		(8,003,143)	(8,119,158)	2,156,143	-26.56
NONOPERATING REVENUE (EXPENSE)					
	State Appropriations	7,683,748	7,683,748	1,536,750	20.00
	State Fiscal Stabilization Funds	659,694	659,694	0	0.00
	Gifts	1,000	1,000	0	0.00
	Investment Income	97,194	97,194	2,569	2.64
	Reappropriated State Funding	0	22,217	0	0.00
	Total:	8,441,636	8,463,853	1,539,319	18.19
TRANSFERS & OTHER					
	Capital Expenditures	0	(27,914)	(28,742)	102.97
	Transfers for Fin Aid Match	(78,992)	(78,992)	0	0.00
	Indirect Cost Recoveries	0	6,612	638	9.64
	Transfers - Other	0	0	0	
	One-time use of reserve	0	0	0	
	Total:	(78,992)	(100,294)	(28,105)	28.02
BUDGET BALANCE		359,501	244,401	3,667,357	
PERSONNEL BUDGET SAVINGS		0	0		
PROJECTED EFFECT ON NET ASSETS AT JUNE 30		359,501	244,401		
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		4,444,028	4,444,028		
Less: USE OF RESERVE		0	0		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>4,803,529</u>	<u>4,688,429</u>		

* Projected Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$1,255,323. Beginning Net Assets balance is unaudited as Audit continues through October 2010.

** Unrestricted Net Asset Balance is 25.55% of the current budgeted total operating expense. Management has established a target of 15% or \$2,752,989 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 September 30, 2010

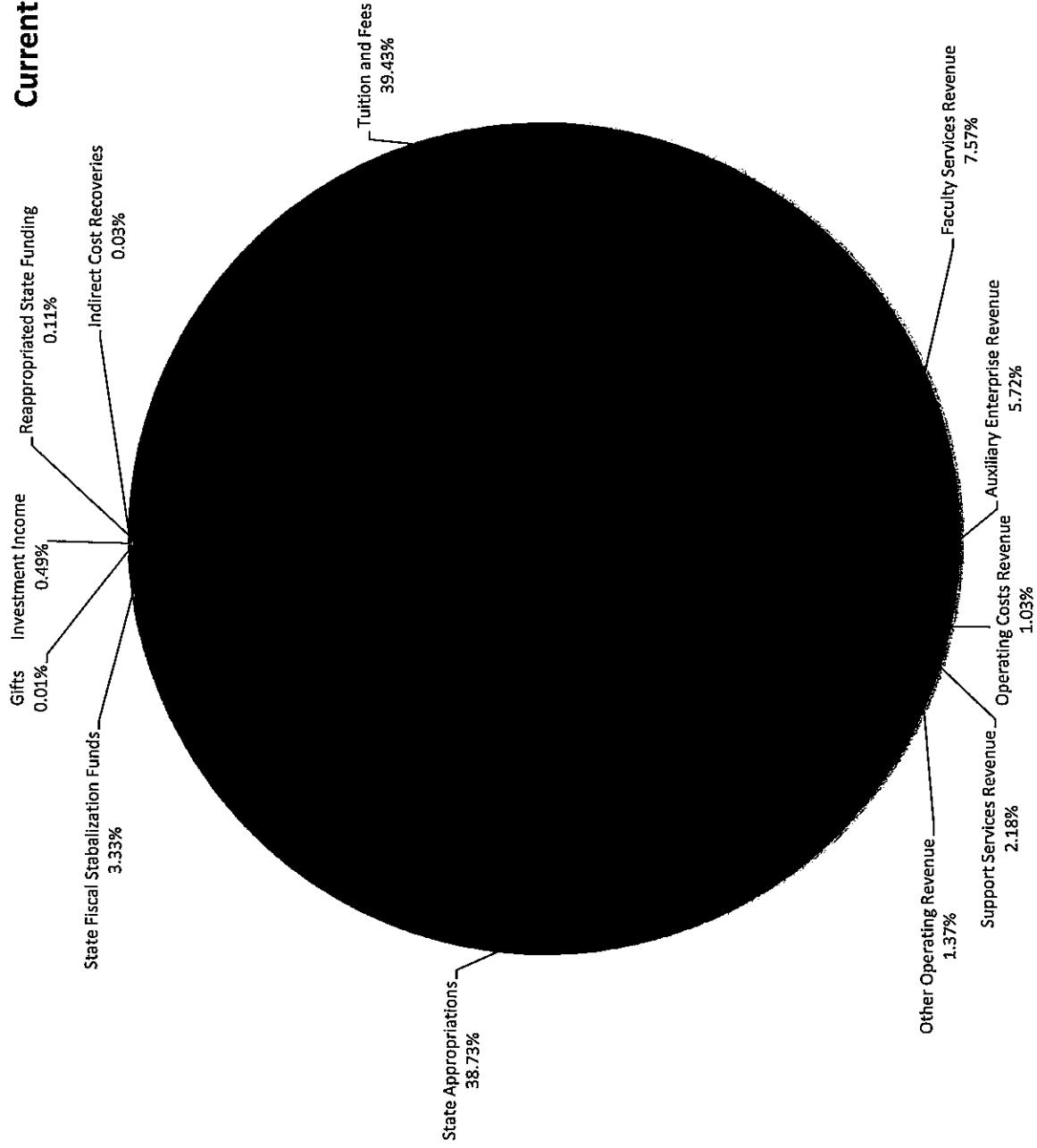
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	6,897,862	6,972,862	3,648,952	52.33
	Faculty Services Revenue	1,502,589	1,502,589	0	0.00
	State/Local Grants and Contracts	0	0	0	
	Operating Costs Revenue	208,947	205,234	0	0.00
	Support Services Revenue	422,098	432,411	0	0.00
	Other Operating Revenue	123,083	123,083	19,010	15.44
	Total:	9,154,579	9,236,179	3,667,962	39.71
OPERATING EXPENSE	Salaries	5,470,620	5,581,937	879,241	15.75
	Benefits	1,192,238	1,247,274	168,884	13.54
	Student financial aid-scholarships	305,588	305,588	31,302	10.24
	Utilities	0	0	194	
	Supplies and Other Services	1,098,724	1,087,294	248,712	22.87
	Equipment Expense	57,042	57,042	26,782	46.95
	Loan cancellations and write-offs	0	0	0	
	Fees retained by the Commission	104,619	104,619	26,155	25.00
	Assessment for Faculty Services	1,268,259	1,272,439	0	0.00
	Assessment for Support Services	3,902,533	3,932,259	0	0.00
	Assess for Activity, Cap. & Debt Ser Costs	1,436,513	1,436,513	460,557	32.06
	Assessment for Operating Costs	2,375,530	2,391,073	0	0.00
	Total:	17,211,666	17,416,037	1,841,826	10.58
OPERATING INOCME / (LOSS)		(8,057,087)	(8,179,859)	1,826,135	-22.32
NONOPERATING REVENUE (EXPENSE)	State Appropriations	7,683,748	7,683,748	1,536,750	20.00
	State Fiscal Stabalization Funds	659,694	659,694	0	0.00
	Investment Income	97,194	97,194	2,569	2.64
	Reappropriated State Funding	0	22,217	0	0.00
	Total:	8,440,636	8,462,853	1,539,319	18.19
TRANSFERS & OTHERS	Capital Expenditures	0	(22,217)	(23,045)	103.73
	Transfers for Fin Aid Match	(78,992)	(78,992)	0	0.00
	Transfers - Other	0	0	0	
	One-time use of reserve	0	0	0	
	Total:	(78,992)	(101,209)	(23,045)	22.77
BUDGET BALANCE		304,557	181,785	3,342,409	
* Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		3,960,686	3,960,687		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>4,265,243</u>	<u>4,142,472</u>		

* Projected Net Assets - Beginning of Year is before cumulative OPEB liability at June 30, 2010 in the amount of \$1,255,323
 Beginning Net Assets balance is unaudited as Audit continues through October 2010.

Pierpont Community & Technical College
 Actual vs Budget Statement of Revenues and Expenses
 Current Unrestricted - Fund Manager
 As of September 30, 2010

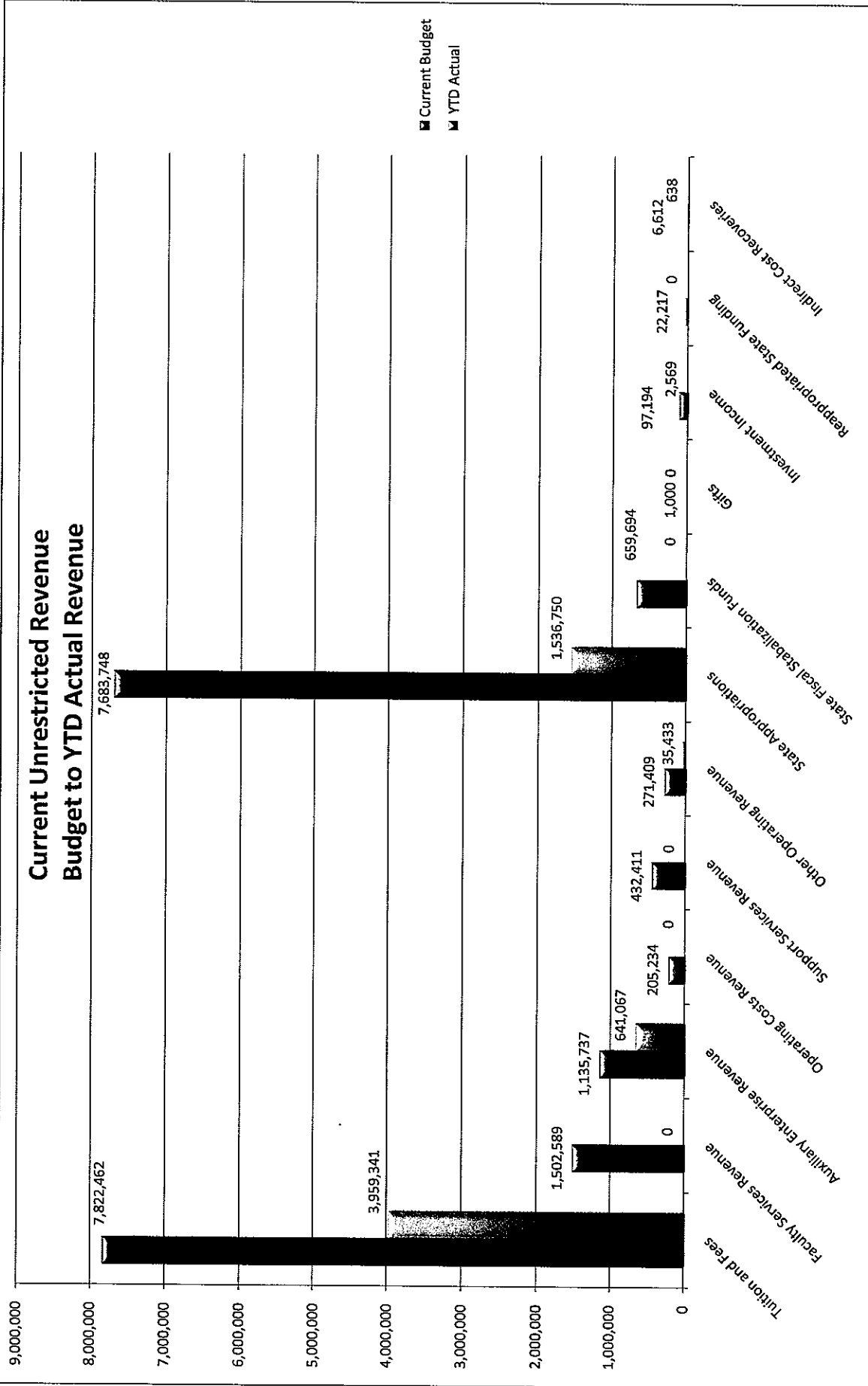
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	725,500	849,600	310,390	36.53
	Other Operating Revenue	119,072	148,326	16,423	11.07
	Total:	844,572	997,926	326,813	32.75
OPERATING EXPENSE	Salaries	154,079	211,930	58,608	27.65
	Benefits	29,890	43,984	7,948	18.07
	Supplies and Other Services	526,739	601,955	108,578	18.04
	Equipment Expense	80,020	79,356	30,789	38.80
	Loan cancellations and write-offs	0	0	0	
Total:	790,728	937,225	205,923	21.97	
OPERATING INCOME / (LOSS)		53,844	60,701	120,890	199.16
NONOPERATING REVENUE (EXPENSE)	Gifts	1,000	1,000	0	0.00
	Total:	1,000	1,000	0	0.00
TRANSFERS & OTHER	Capital Expenditures	0	(5,697)	(5,697)	
	Indirect Cost Recoveries	0	6,612	638	9.64
	Transfers - Other	0	0	0	
	One-time use of reserve	0			
Total:	0	915	(5,059)	-553.06	
BUDGET BALANCE		54,844	62,615	115,831	
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		722,452	722,452		
Less: USE OF RESERVE		0	0		
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>777,296</u>	<u>785,067</u>		

Current Unrestricted Revenue Budget



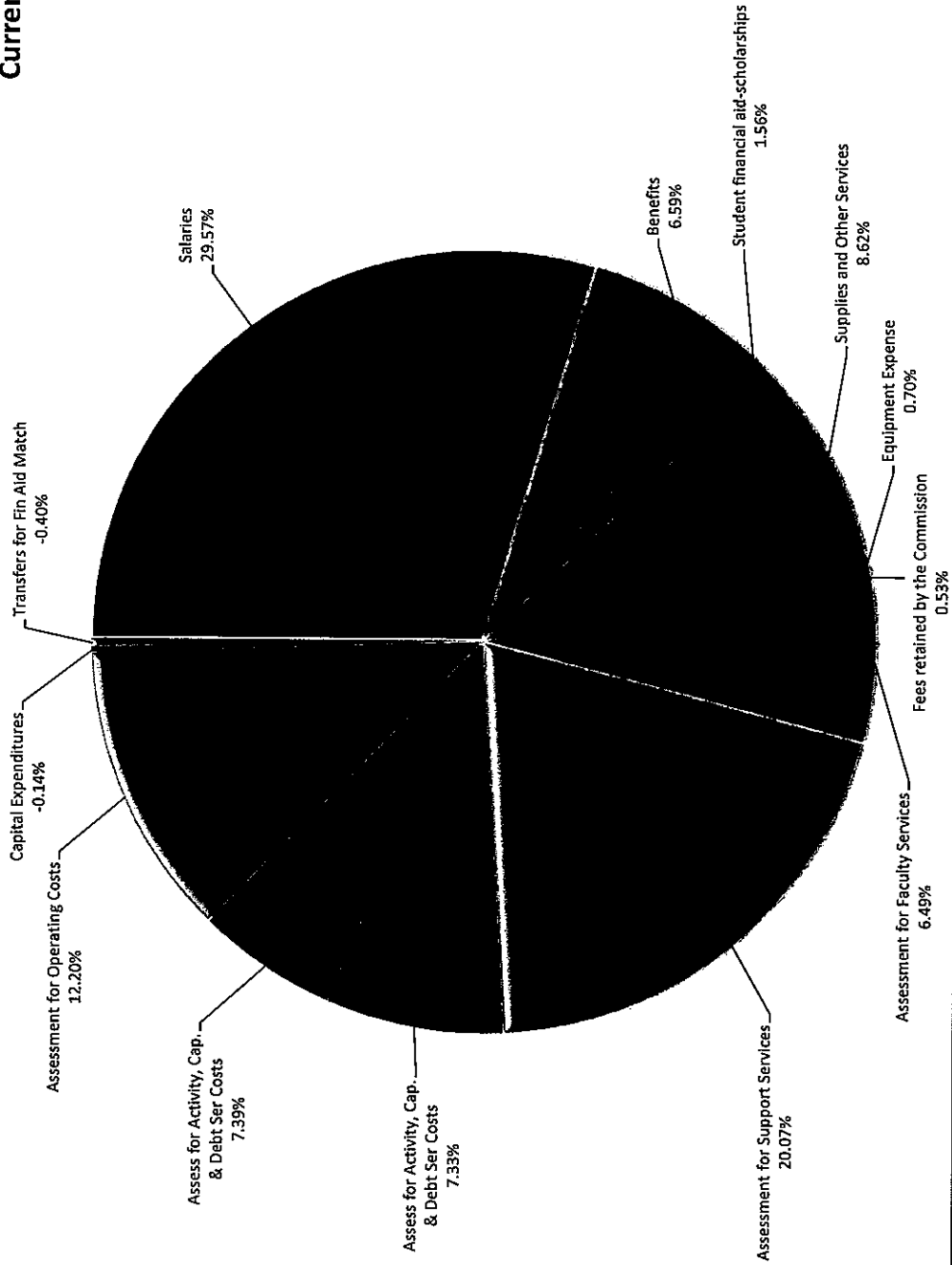
- Tuition and Fees
- Faculty Services Revenue
- Operating Costs Revenue
- Support Services Revenue
- Other Operating Revenue
- State Appropriations
- State Fiscal Stabilization Funds
- Gifts
- Investment Income
- Reappropriated State Funding

Current Unrestricted Revenue Budget to YTD Actual Revenue

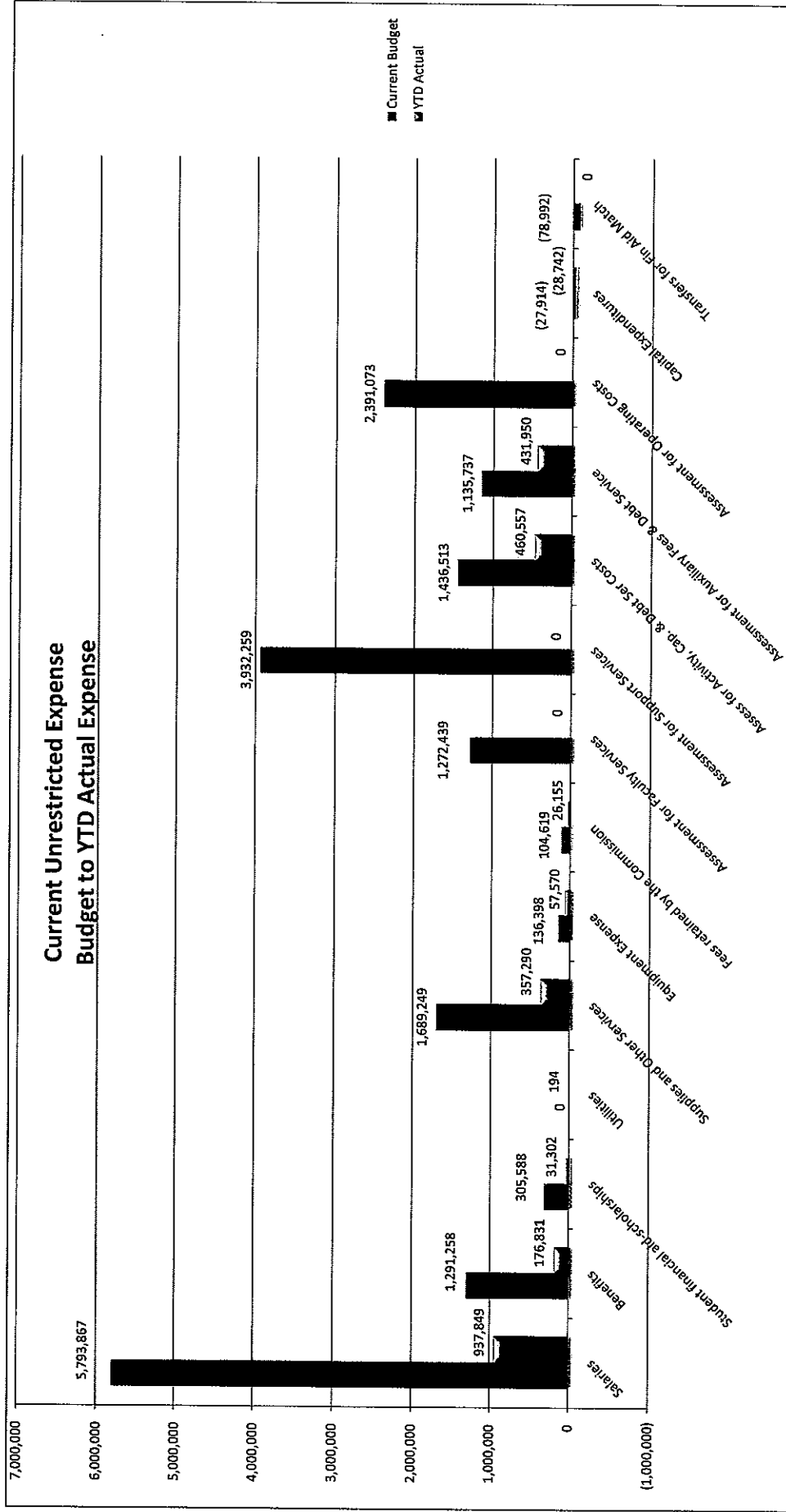


Current Unrestricted Expense Budget

- Salaries
- Benefits
- ▣ Student financial aid-scholarships
- Supplies and Other Services
- ▣ Equipment Expense
- Assessment for Faculty Services
- ▣ Assessment for Support Services
- Assess for Activity, Cap. & Debt Ser Costs
- Assessment for Auxiliary Fees & Debt Service
- ▣ Assessment for Operating Costs
- Capital Expenditures
- ▣ Transfers for Fin Aid Match



**Current Unrestricted Expense
Budget to YTD Actual Expense**



**Board of Governors
Financial Report
Pierpont Community and Technical College
Restricted Fund
For the period as of September 30, 2010**

New Grant Funds

Barnes & Noble Scholarship	\$3,500.00
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Net Change	0.00
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The budget balance of **(\$739,572)** is covered by the restricted fund cash balance of \$1,455,695 on June 30, 2010.

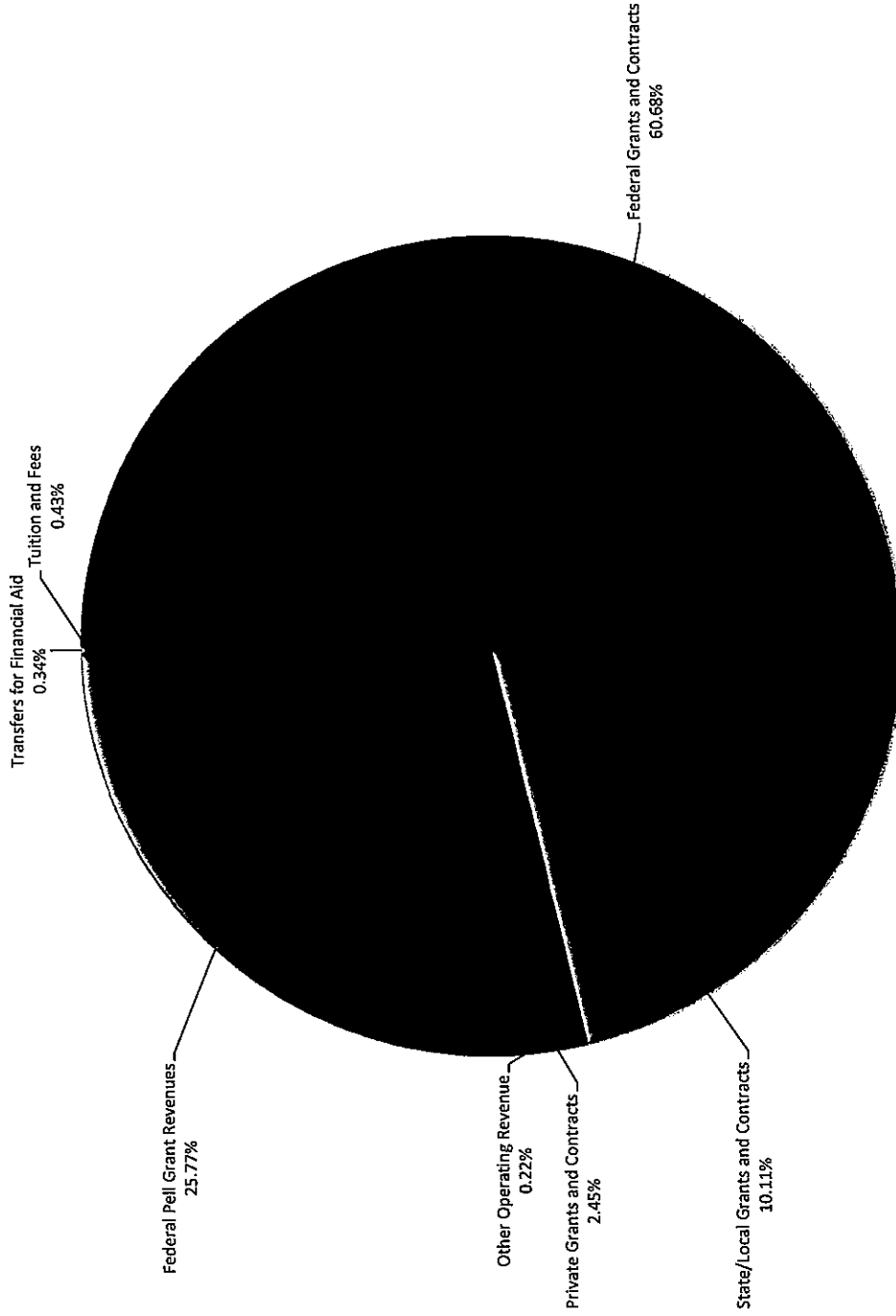
PIERPONT COMMUNITY AND TECHNICAL COLLEGE
Actual vs Budget Statement of Revenues and Expenses

Current Restricted

As of September 30, 2010

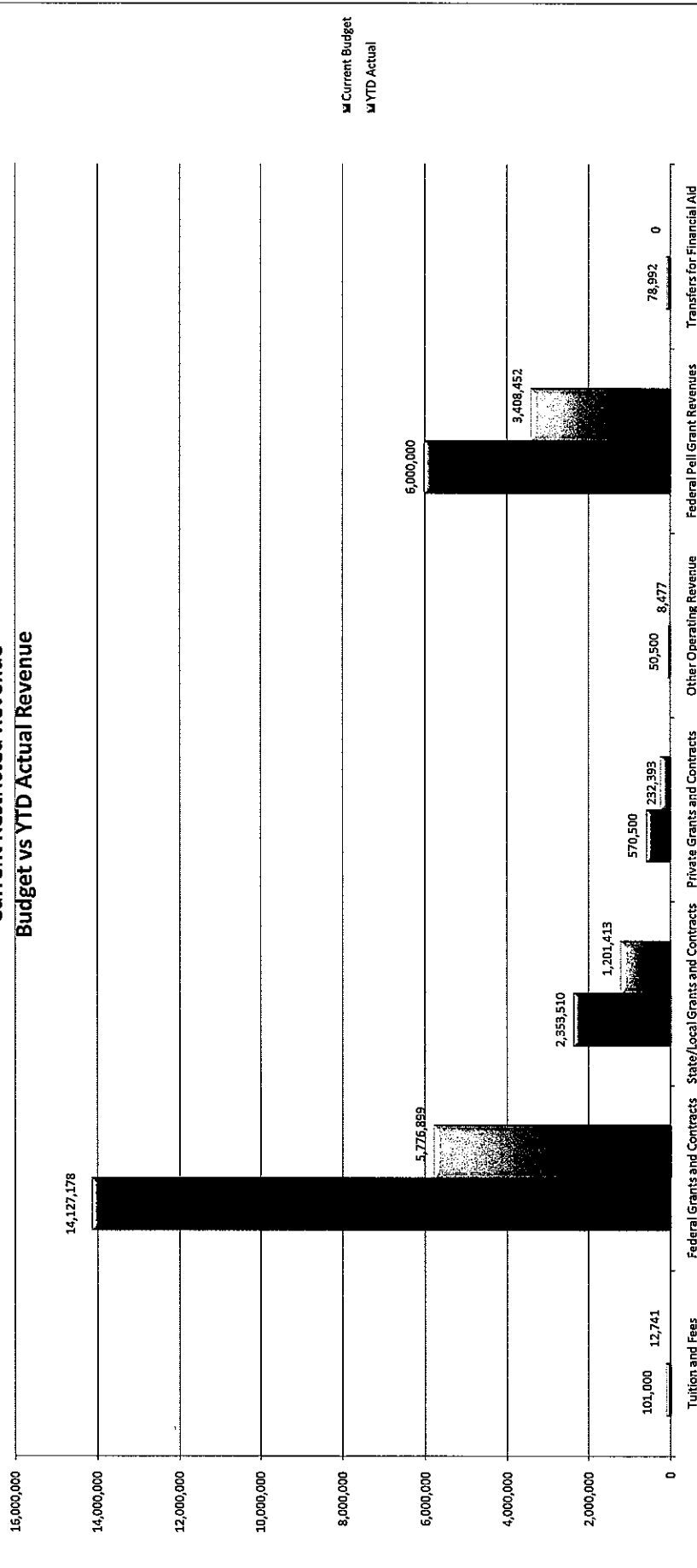
		Approved Budget	Current Budget	YTD Actual	YTD Actual to Current Budget
OPERATING REVENUE	Tuition and Fees	101,000	101,000	12,741	12.61
	Federal Grants and Contracts	14,127,178	14,127,178	5,776,899	40.89
	State/Local Grants and Contracts	2,400,453	2,353,510	1,201,413	51.05
	Private Grants and Contracts	567,000	570,500	232,393	40.73
	Other Operating Revenue	50,500	50,500	8,477	16.79
	Total:	17,246,131	17,202,689	7,231,922	42.04
OPERATING EXPENSE	Salaries	826,924	871,014	70,068	8.04
	Benefits	138,299	132,868	9,402	7.08
	Student financial aid-scholarships	22,234,369	22,211,420	9,949,857	44.80
	Utilities	100	100	223	222.68
	Supplies and Other Services	751,849	681,952	47,210	6.92
	Equipment Expense	85,289	104,856	68,540	65.37
	Total:	24,036,830	24,002,209	10,145,299	42.27
OPERATING INCOME / (LOSS)		(6,790,699)	(6,799,521)	(2,913,377)	42.85
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	6,000,000	6,000,000	3,408,452	56.81
	Total:	6,000,000	6,000,000	3,408,452	56.81
TRANSFERS & OTHER	Capital Expenditures	(11,281)	(12,431)	(1,800)	14.48
	Transfers for Fin Aid Match	78,992	78,992	0	0.00
	Indirect Cost Recoveries	(6,612)	(6,612)	(638)	9.64
	Transfers - Other	0	0		
	Total:	61,099	59,949	(2,438)	-4.07
BUDGET BALANCE		(729,600)	(739,572)	492,638	
* Add: PROJECTED RESTRICTED NET ASSETS - Beginning of Year		1,459,063	1,455,695		
** Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>729,463</u>	<u>716,123</u>		

Current Restricted Revenue Budget



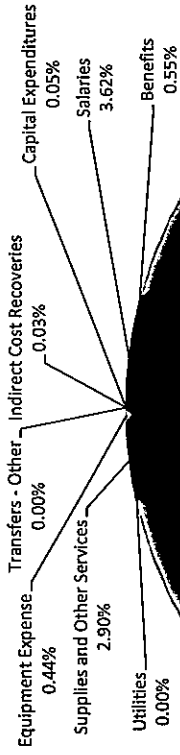
- Tuition and Fees
- Federal Grants and Contracts
- State/Local Grants and Contracts
- Federal Pell Grant Revenues
- Transfers for Financial Aid

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



■ Current Budget
▨ YTD Actual

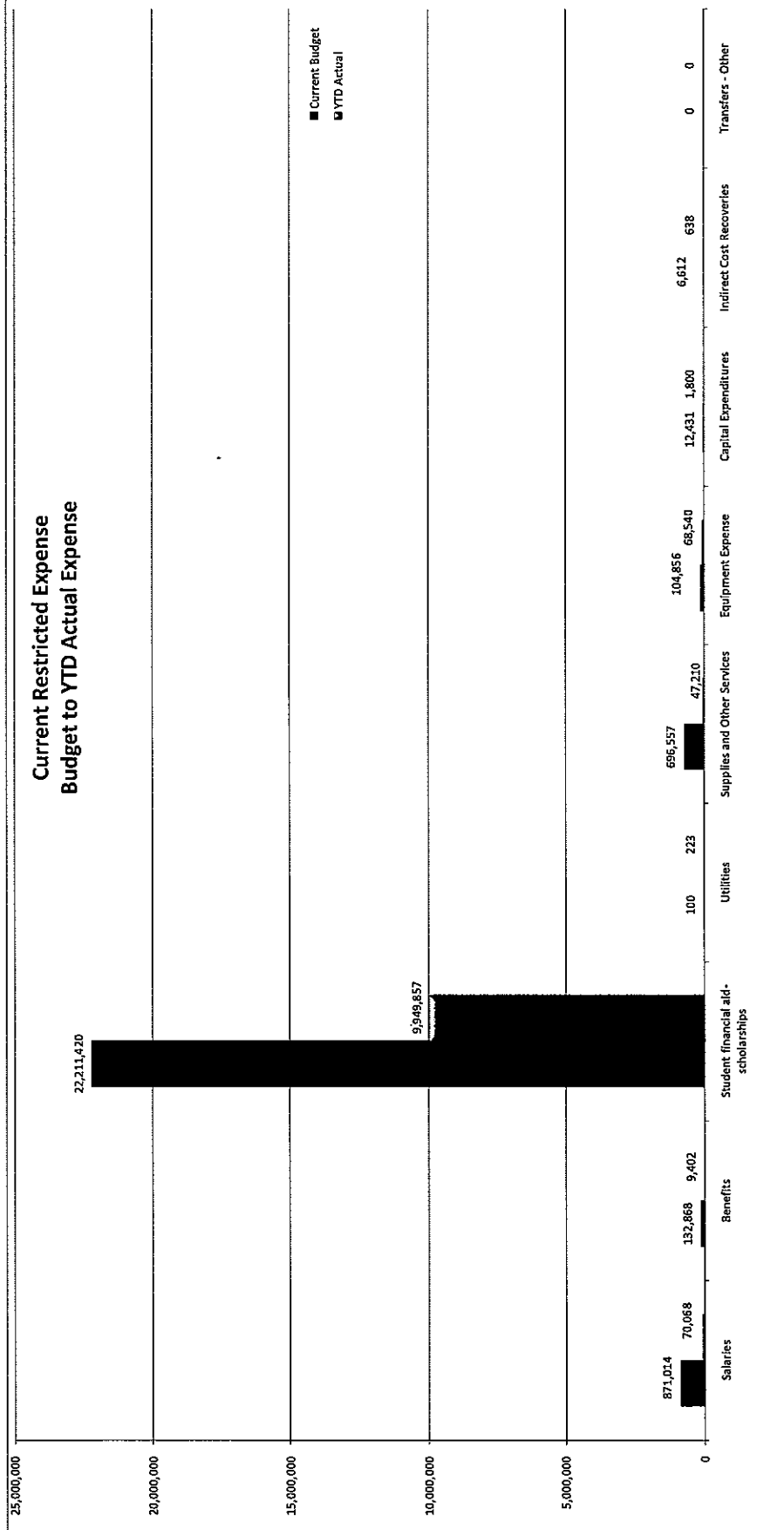
Current Restricted Expense Budget

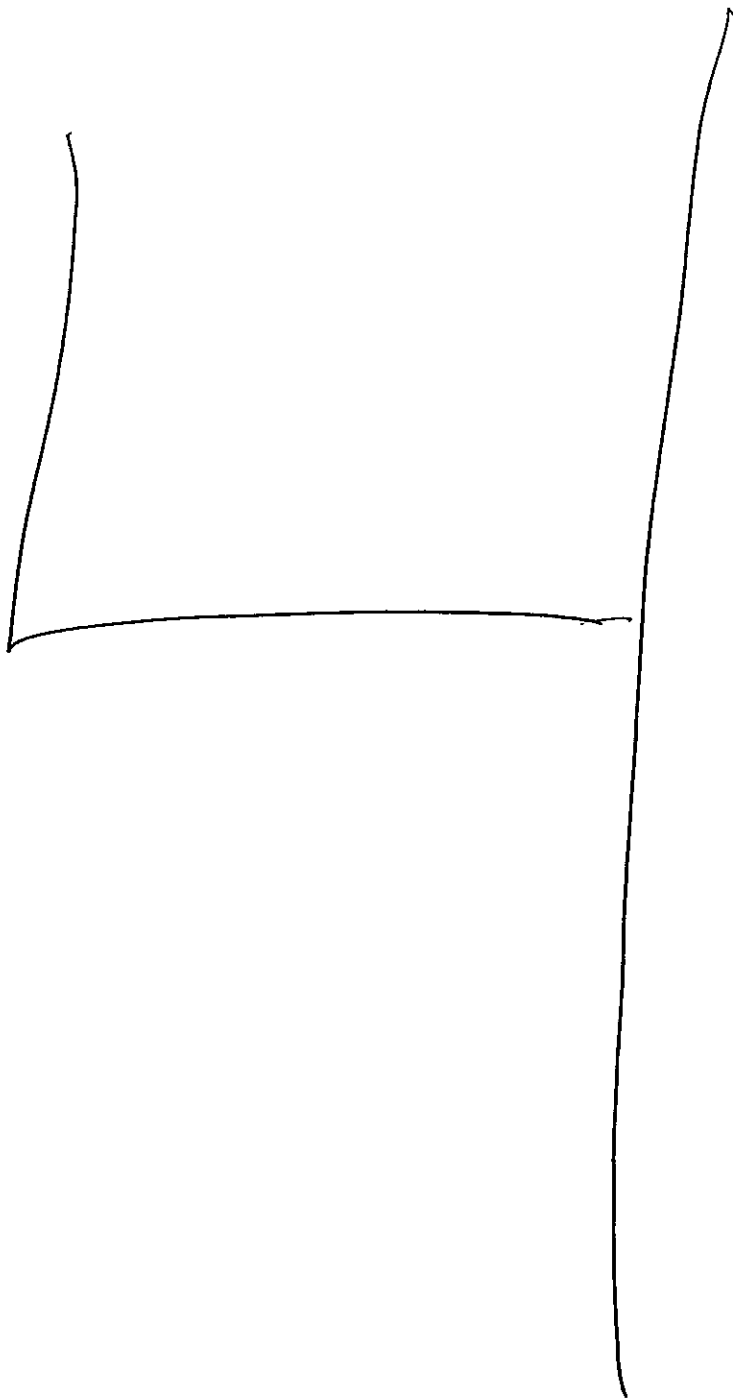


- Salaries
- Benefits
- Student financial aid-scholarships
- Utilities
- Supplies and Other Services
- Equipment Expenditure
- Indirect Cost Recoveries
- Transfers - Other

Student financial aid-scholarships
92.41%

Current Restricted Expense Budget to YTD Actual Expense





**Pierpont Community & Technical College Board of Governors
Meeting of October 19, 2010**

ITEM: Policy 25 – Salary Policy

COMMITTEE: Committee of the Whole

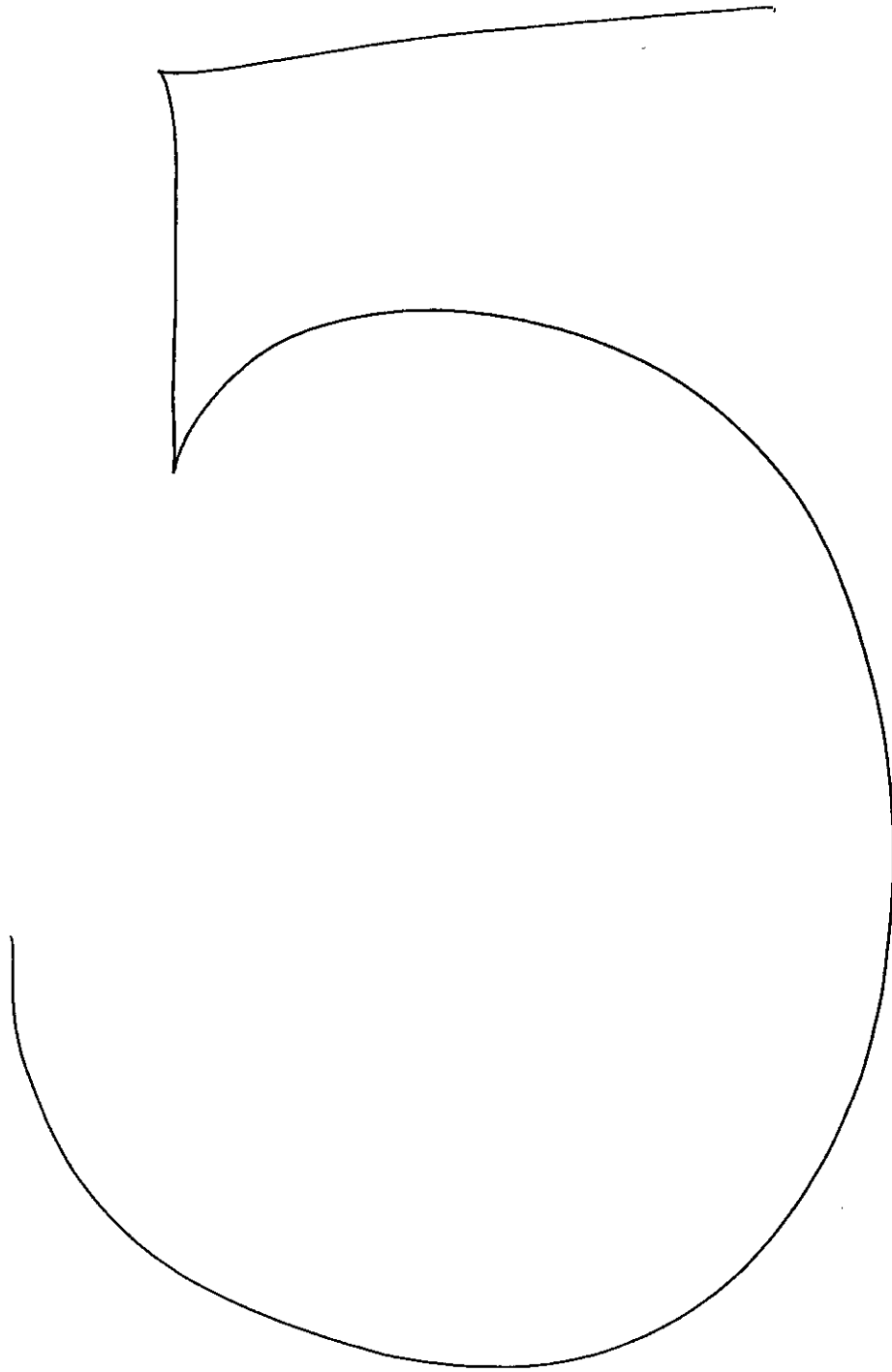
RECOMMENDED RESOLUTION: Resolved, that the Pierpont Community & Technical College Board of Governors approves a final version of Policy 25 – Salary Policy based on the draft revision circulated for public comment and modifications to this draft revision based on comments received.

STAFF MEMBER: Jennifer Weist

BACKGROUND: The changes made to Policy 25 – Salary Policy are intended to establish flexibility related to increases in compensation for faculty, classified and non-classified staff of Pierpont Community & Technical College. Language was added to the policy allowing for across the board and flat rate increases to be awarded to employees on the recommendation of the President and the approval of the Board of Governors.

The Public Comment Period was established from September 10-October 11, 2010. The public comment period was announced via campus email to faculty, staff, students and staff members at the Council for Community and Technical College Education. The policy was also listed as a Draft Policy on the Board of Governors page on the Pierpont website.

All comments received during the comment period were prepared and circulated to members of the Board of Governors and are available for public inspection in Hardway Hall, room 203A.



**Pierpont Community and Technical College
Board of Governors
Meeting of October 19, 2010**

ITEM: FY 2011 Capital Projects Update

COMMITTEE: Committee of the Whole

INFORMATION ITEM

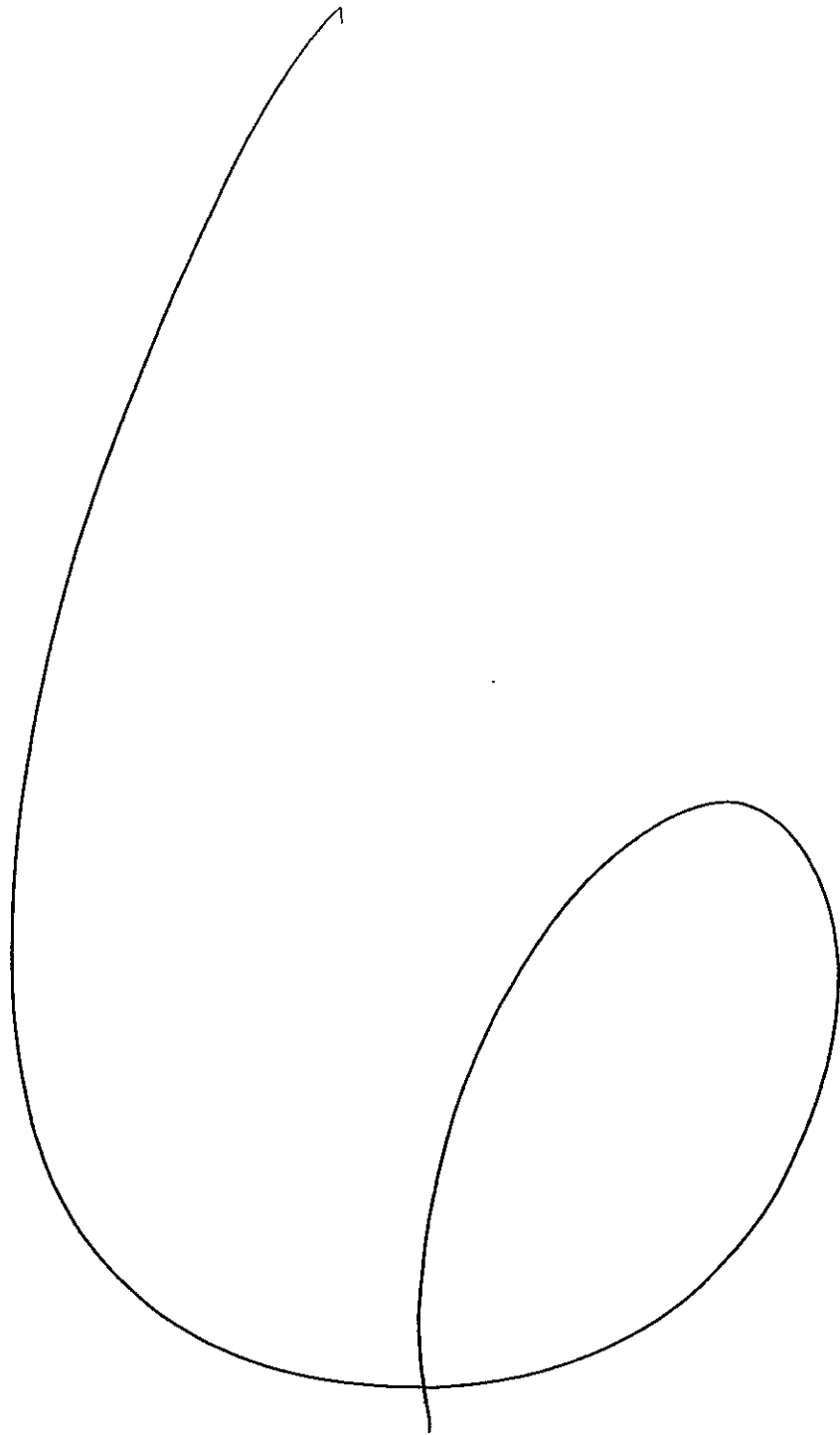
STAFF MEMBER: James Decker

ATTACHMENTS: Summary of FY 2011 Capital Projects Completion Status.

CAPITAL PROJECTS

FY 2011

Project	Approved Budget	Expended Through 9/30/2010	Approved Through 9/30/2010	Project Completion/Status/Notes	
Byrd Center - HVAC Units (2)	\$ 50,000.00	\$ -	\$ 50,000.00	Expressions of Interest were received 8/27. A total of 10 firms responded to the advertisement	In Progress
Byrd Center - Roof Renewal	\$ 400,000.00	\$ -	\$ 400,000.00	Expressions of Interest were received 8/27. A total of 10 firms responded to the advertisement	
Hardway Hall - HVAC Unit	\$ 58,472.00	\$ 58,472.00	\$ -	Project is complete	
Hardway Hall Renovations	\$ 5,500,000.00	\$ -	\$ 5,500,000.00	Request for Expression of Interest is prepared and ready to advertise	
Hunt Haught Hall Glass Front	\$ 238,386.00	\$ -	\$ 238,386.00	Contract has been finalized with design firm and project is currently in design stage	
Hunt Haught Hall - HVAC Units	\$ 500,000.00	\$ -	\$ 500,000.00	Contract has been finalized with design firm and project is currently in design stage	
Infrastructure - Hardway Hall	\$ 400,000.00	\$ 362,739.03	\$ 37,260.97	Project is substantially complete. Minor punchlist items remain to be completed.	
Infrastructure - IT Emergency Back-Up	\$ 197,299.00	\$ 16,550.00	\$ 180,749.00	Purchase order has been finalized with design firm.	
Infrastructure - Retaining Walls	\$ 130,000.00	\$ 9,000.00	\$ 121,000.00	Bids are due on October 13, 2010	
Infrastructure - Retaining Wall Merchant Street	\$ 175,000.00	\$ 3,500.00	\$ 171,500.00	Bids are due on October 14, 2010	
Turley Center Renovations	\$ 6,000,000.00	\$ -	\$ 6,000,000.00	Request for Expression of Interest is prepared and ready to advertise	
Wallman Hall Renovations	\$ 5,200,000.00	\$ -	\$ 5,200,000.00	Request for Expression of Interest is prepared and ready to advertise	
Infrastructure - Paving Lot #15	\$ 58,560.00	\$ -	\$ 58,560.00		Not Started
Locust Avenue	\$ 40,000.00	\$ -	\$ 40,000.00		
Musick Library Elevator	\$ 2,000,000.00	\$ -	\$ 2,000,000.00		
Turley Center Renovations - FF&E	\$ 550,000.00	\$ -	\$ 550,000.00		
Academic Fund	\$ 100,000.00	\$ -	\$ 100,000.00	On-going - Numerous projects through-out year	On-Going
Landscaping	\$ 100,000.00	\$ 23,639.34	\$ 76,360.66	On-going - Numerous projects through-out year	
Physical Plant - Small Projects	\$ 197,000.00	\$ 30,005.61	\$ 166,994.39	On-going - Numerous projects through-out year	
	\$15,886,245.00	\$ 445,433.98	\$15,440,811.02		



**Pierpont Community and Technical College
Board of Governors
Meeting of October 19, 2010**

ITEM: Acceptance of the Bond Audits

COMMITTEE: Committee of the Whole

**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 175%, 243%, and 264% respectively; and

Whereas, the Board 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.

Further, let it be resolved that these audit reports be accepted as official audited bond statements for the year ending June 30, 2010.

STAFF MEMBER: Dale Bradley

BACKGROUND: We are required to have annual audits of these bonds.

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

Combined Special-Purpose Modified Cash Basis
Financial Statements as of and for the
Years Ended June 30, 2010 and 2009, and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the West Virginia Higher Education Policy Commission
Charleston, West Virginia

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, 2010 and 2009, 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, 2010 and 2009, 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 West Virginia Higher Education Policy Commission, the Board of Governors of Fairmont State University, management of Fairmont State University and the West Virginia Higher Education Policy Commission, and the bondholders and should not be used for any other purpose.

August 5, 2010

**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, 2010 AND 2009**

	2010		2009	
	Revenue Fund	Bond Fund	Revenue Fund	Bond Fund
ASSETS				
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$ 73	\$ -	\$ 335
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	<u>1,201,781</u>	<u>1,201,781</u>	<u>1,073,904</u>	<u>1,073,904</u>
TOTAL	<u>\$ 1,201,781</u>	<u>\$ 1,201,854</u>	<u>\$ 1,073,904</u>	<u>\$ 1,074,239</u>
LIABILITIES AND FUND BALANCE (DEFICIT)				
LIABILITIES — Bond indebtedness	\$ 7,860,000	\$ -	\$ 8,070,000	\$ -
FUND (DEFICIT) BALANCE	<u>(6,658,219)</u>	<u>73</u>	<u>(6,996,096)</u>	<u>335</u>
TOTAL	<u>\$ 1,201,781</u>	<u>\$ 73</u>	<u>\$ 1,073,904</u>	<u>\$ 1,074,239</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 — MODIFIED CASH BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

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 (PC&TC) 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 [\$15,595,000] *updated as of June 30, 2010;*

- (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 [\$7,860,000] *updated as of June 30, 2010*;
- (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 [\$11,850,000] *updated as of June 30, 2010*;
- (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 [\$20,385,000] *updated as of June 30, 2010*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the “Series 2006 Bonds”; the Series 2002A Bonds, the Series 2002B Bonds, the Series 2003A Bonds, the Series 2003B Bonds and the Series 2006 Bonds are hereinafter referred to together as the “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 [\$7,306,452.73] *updated as of June 30, 2010*.

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 PCTC, and both FSU and PCTC 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 another 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, 2010 and 2009, include \$73 and \$335, 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 \$1,165,000 of serial bonds, with varying interest rates from 3.625% to 4.2% and mature serially from June 1, 2011 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, 2010 and 2009, 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 (FGIC).

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, 2010 and 2009, the University had revenues, as defined in the Indenture, which approximated 175% and 166%, 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
2011	\$ 215,000	\$ 375,958	\$ 590,958
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	7,860,000	5,175,288	13,035,288
Cumulative bonds retired and interest paid through June 30, 2010	1,450,000	3,147,329	4,597,329
	<u>\$9,310,000</u>	<u>\$8,322,617</u>	<u>\$17,632,617</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
University Facilities Revenue
Bonds 2002 Series A and 2003
Series A

Combined Special-Purpose Modified Cash Basis
Financial Statements as of and for the
Years Ended June 30, 2010 and 2009, and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the West Virginia Higher Education Policy Commission
Charleston, West Virginia

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, 2010 and 2009, 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, 2010 and 2009, 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 West Virginia Higher Education Policy Commission, the Board of Governors of Fairmont State University, management of Fairmont State University, the West Virginia Higher Education Policy Commission, and the bondholders, and should not be used for any other purpose.

August 5, 2010

**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, 2010 AND 2009**

	2010				2009			
	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined
ASSETS								
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$ 23,369	\$ 2,106,500	\$ 2,129,869	\$ -	\$ 39,654	\$ 2,106,500	\$ 2,146,154
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	3,044,279			3,044,279	2,619,095			2,619,095
TOTAL	<u>\$ 3,044,279</u>	<u>\$ 23,369</u>	<u>\$ 2,106,500</u>	<u>\$ 5,174,148</u>	<u>\$ 2,619,095</u>	<u>\$ 39,654</u>	<u>\$ 2,106,500</u>	<u>\$ 4,765,249</u>
LIABILITIES AND FUND BALANCE (DEFICIT)								
LIABILITIES — Bond indebtedness	\$ -	\$ -	\$ -	\$ 27,445,000	\$ 28,155,000	\$ -	\$ -	\$ 28,155,000
FUND (DEFICIT) BALANCE	(24,400,721)	23,369	2,106,500	(22,270,852)	(25,535,905)	39,654	2,106,500	(23,389,751)
TOTAL	<u>\$ 3,044,279</u>	<u>\$ 23,369</u>	<u>\$ 2,106,500</u>	<u>\$ 5,174,148</u>	<u>\$ 2,619,095</u>	<u>\$ 39,654</u>	<u>\$ 2,106,500</u>	<u>\$ 4,765,249</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, 2010 AND 2009**

	2010			2009				
	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined	Revenue Fund	Bond Fund	Debt Service Reserve Fund	Combined
REVENUES COLLECTED:								
Parking and housing fees	\$ 5,301,973	\$ -	\$ -	\$ 5,301,973	\$ 5,361,951	\$ -	\$ -	\$ 5,361,951
Other operating revenue	39,994			39,994	37,198			37,198
Interest on investments	9,047	296	46,218	55,561	38,766	3,244	83,457	125,467
Total revenues collected	5,351,014	296	46,218	5,397,528	5,437,915	3,244	83,457	5,524,616
EXPENSES AND COSTS PAID:								
Salaries and employee benefits	1,148,733			1,148,733	1,078,151			1,078,151
Utilities	433,310			433,310	407,015			407,015
Administrative	869,207			869,207	988,409			988,409
Repairs and alterations	175,801			175,801	179,591			179,591
Equipment and supplies	145,970			145,970	125,572			125,572
Construction	114,569			114,569	198,299			198,299
Interest		1,391,039		1,391,039		1,412,909		1,412,909
Total expenses and costs paid	2,887,590	1,391,039	-	4,278,629	2,977,037	1,412,909	-	4,389,946
EXCESS (DEFICIENCY) OF REVENUES COLLECTED OVER EXPENSES AND COSTS PAID	2,463,424	(1,390,743)	46,218	1,118,899	2,460,878	(1,409,665)	83,457	1,134,670
RETIREMENT OF BONDS	710,000	(710,000)	-	-	690,000	(690,000)	-	-
TRANSFERS (FROM) TO — For payment of current debt service	(2,038,240)	2,084,458	(46,218)	-	(1,997,234)	2,080,691	(83,457)	-
FUND (DEFICIT) BALANCE — Beginning of year	(25,535,905)	39,654	2,106,500	(23,389,751)	(26,689,549)	58,628	2,106,500	(24,524,421)
FUND (DEFICIT) BALANCE — End of year	\$(24,400,721)	\$ 23,369	\$2,106,500	\$(22,270,852)	\$(25,535,905)	\$ 39,654	\$2,106,500	\$(23,389,751)

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 MODIFIED CASH BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

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 (PC&TC) 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 [\$15,595,000] *updated as of June 30, 2010;*

- (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 [\$7,860,000] *updated as of June 30, 2010*;
- (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 [\$11,850,000] *updated as of June 30, 2010*;
- (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 [\$20,385,000] *updated as of June 30, 2010*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the “Series 2006 Bonds”; the Series 2002A Bonds, the Series 2002B Bonds, the Series 2003A Bonds, the Series 2003B Bonds and the Series 2006 Bonds are hereinafter referred to together as the “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 [\$7,306,452.73] *updated as of June 30, 2010*.

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 PCTC, and both FSU and PCTC 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, 2010 and 2009, include \$2,129,869 and \$2,146,154, 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 \$2,240,000 and \$1,725,000 of serial bonds, respectively, with varying interest rates from 3.6% to 4.2%, and mature serially from June 1, 2011 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 (FGIC).

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, 2010 and 2009, the University had net revenues when combined with other monies legally available, as defined in the Indentures, that approximated 243% and 222%, 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 both at June 30, 2010 and 2009.

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)			
2011	\$ 415,000	\$ 785,714	\$ 320,000	\$ 581,095	\$ 735,000	\$ 1,366,809	\$ 2,101,809
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	15,595,000	10,815,557	11,850,000	7,967,299	27,445,000	18,782,856	46,227,856
Cumulative bonds retired and interest paid through June 30, 2010	2,575,000	6,538,110	1,470,000	4,429,463	4,045,000	10,967,573	15,012,573
	\$18,170,000	\$17,353,667	\$13,320,000	\$12,396,762	\$31,490,000	\$29,750,429	\$61,240,429

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 Modified Cash
Basis Financial Statements as of and for the
Years Ended June 30, 2010 and 2009, and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the West Virginia Higher Education Policy Commission
Charleston, West Virginia

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, 2010 and 2009, 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, 2010 and 2009, 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 West Virginia Higher Education Policy Commission, the Board of Governors of Fairmont State University, managements of Fairmont State University and the West Virginia Higher Education Policy Commission, and the bondholders and should not be used for any other purpose.

August 5, 2010

**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, 2010 AND 2009**

	2010		2009	
	Revenue Fund	Bond Fund	Revenue Fund	Bond Fund
ASSETS				
DEPOSITS WITH THE TRUSTEE BANK	\$ -	\$ 190	\$ -	\$ 864
DEPOSITS WITH THE STATE TREASURY HELD IN ACCOUNTS OF FAIRMONT STATE UNIVERSITY	<u>2,549,745</u>	<u>2,549,745</u>	<u>2,063,879</u>	<u>2,063,879</u>
TOTAL	<u>\$ 2,549,745</u>	<u>\$ 2,549,935</u>	<u>\$ 2,063,879</u>	<u>\$ 2,064,743</u>
LIABILITIES AND FUND BALANCE (DEFICIT)				
LIABILITIES — Bond indebtedness	\$ 20,385,000	\$ -	\$ 20,920,000	\$ -
FUND (DEFICIT) BALANCE	<u>(17,835,255)</u>	<u>190</u>	<u>(18,856,121)</u>	<u>864</u>
TOTAL	<u>\$ 2,549,745</u>	<u>\$ 190</u>	<u>\$ 2,063,879</u>	<u>\$ 864</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 MODIFIED CASH BASIS FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

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.

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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 (PC&TC) 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 [\$15,595,000] *updated as of June 30, 2010*;

- (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 [\$7,860,000] *updated as of June 30, 2010*;
- (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 [\$11,850,000] *updated as of June 30, 2010*;
- (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 [\$20,385,000] *updated as of June 30, 2010*; and
- (E) Fairmont State University Board of Governors Subordinate Facilities Improvement Revenue Bonds, Series 2006 (the “Series 2006 Bonds”; the Series 2002A Bonds, the Series 2002B Bonds, the Series 2003A Bonds, the Series 2003B Bonds and the Series 2006 Bonds are hereinafter referred to together as the “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 [\$7,306,452.73] *updated as of June 30, 2010*.

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 PCTC, and both FSU and PCTC 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.

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 another 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, 2010 and 2009, include \$190 and \$864, 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.

The Bonds outstanding consist of \$2,965,000 of serial bonds, with varying interest rates from 3.6% to 4.1%, and mature serially from June 1, 2011 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 (FGIC).

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.

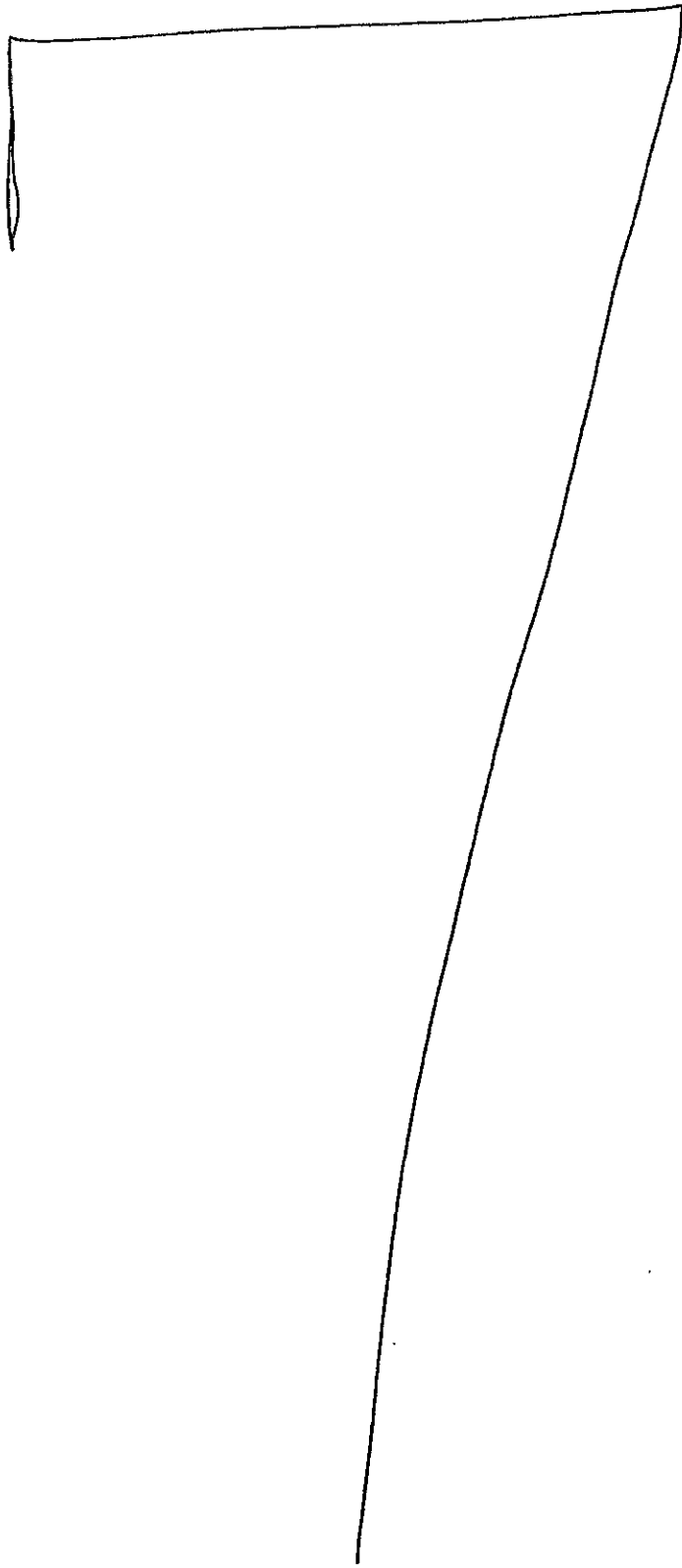
The University must maintain Student Union Fees and Operating Fees to pay operating expenses and to make the prescribed payments into the funds and accounts created under the Indenture, and such schedule of rents, charges, and fees shall be revised from time to time to provide for all reasonable operating 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, 2010 and 2009, the University had pledged revenues, as defined in the Indenture, which approximated 264% and 233%, 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	2003 Series B		Grand Total
	Principal Payments Due June 1	Interest (Due June 1 and December 1)	
2011	--\$ 550,000	\$ 998,038	\$ 1,548,038
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	20,385,000	13,689,972	34,074,972
Cumulative bonds retired and interest paid through June 30, 2010	<u>2,540,000</u>	<u>7,609,726</u>	<u>10,149,726</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.



**Pierpont Community and Technical College
Board of Governors
Meeting of October 19, 2010**

ITEM: Approval of One-Time Salary Enhancement

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Whereas, the Community and Technical College System supports a one-time salary enhancement for higher education employees; and

Whereas, due to enrollment increases sufficient budget exists in FY 2011 to fund a pay raise.

Be it resolved, that the Pierpont Community and Technical College Board of Governors approves a 2.3% pay increase for FY 2011 for eligible Pierpont Employees effective December 1, 2010 through June 30, 2011.

STAFF MEMBER: Dale Bradley

BACKGROUND: Both the Community and Technical College System of WV and the Higher Education Policy Commission have engaged the Governor's Office of Personnel regarding salary increases for faculty and staff for FY 2011. Due to the uncertainty of future budgetary demands, the Governor's Office of Personnel has agreed that institutions may provide a one-time salary enhancement that will not become a part of the recipient's continuing base salary.

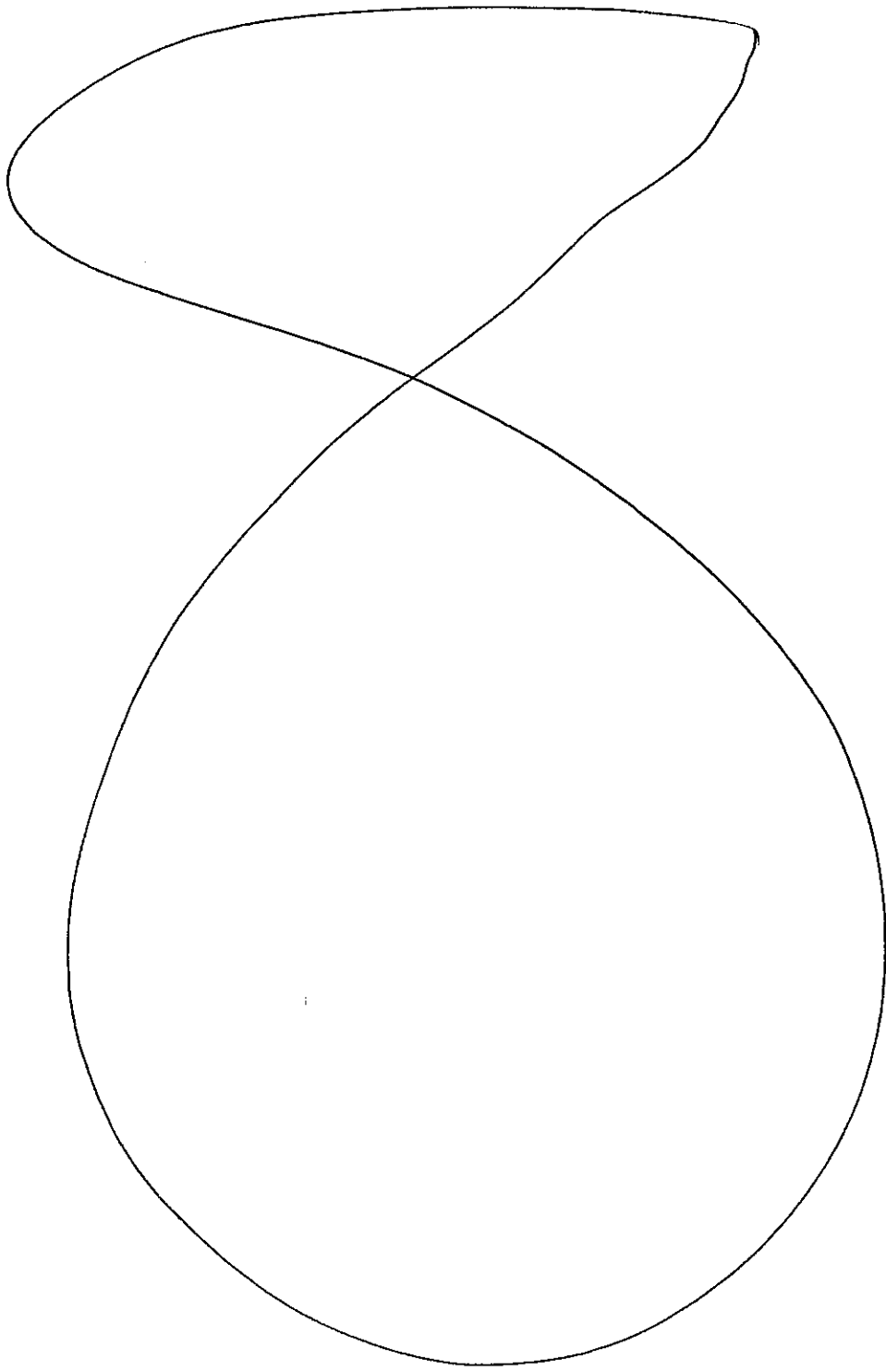
The following employee groups will be eligible to receive this pay increase:

- Consistent with past practice full-time faculty, full-time and part-time faculty equivalent academic professional (FEAP), full-time and part-time classified staff, and full-time and part-time non-classified staff, except the President, hired prior to July 1, 2010 and who have not received a promotion and/or or salary increase since July 1, 2010 will be considered eligible.

- Full and part-time classified staff meeting the previous criteria and who have reached full funding on the current classified staff salary schedule for their years of experience and pay grade and did not receive an October 2010 Mercer step increase will be considered eligible.
- Adjunct faculty effective for the spring 2011 semester will be considered eligible.

Pierpont Estimates of 2.3% Raise - December 1, 2010

	2.3% Raise	Benefits	Total	FSU \$	CTC\$
<i>Unrestricted</i>					
Retirees	680	102	782	0	782
FEAP	984	148	1,132	484	648
Non-Classified Staff	15,025	2,254	17,279	825	16,454
Faculty	68,607	10,294	78,901	1,397	77,504
Classified Staff	3,069	461	3,530	1,275	2,255
Part-Time Staff	1,389	209	1,598	811	787
Adjunct Faculty	13,573	2,037	15,610	0	15,610
University Assessment					49,181
	103,327	15,505	118,832	4,792	163,221
<i>Restricted</i>					
FEAP	2,484	372	2,856	0	2,856
Faculty	2,484	373	2,857	0	2,857
Part-Time Staff	824	123	947	0	947
Adjunct Faculty	200	30	230	0	230
	5,992	898	6,890	0	6,890



**Pierpont Community and Technical College
Board of Governors
Meeting of October 19, 2010**

ITEM: Approval of Recommended Budget Changes to Unrestricted and Restricted Funds for Fiscal Year 2011.

COMMITTEE: Committee of the Whole

RECOMMENDED RESOLUTION: Whereas, enrollment growth for the current academic year is providing over \$500,000 in additional tuition and fee revenue; and

Whereas, recognition of additional revenues from these enrollment increases creates sufficient budget to support a pay raise for FY 2011 without the spending of reserves.

Be it resolved, that the Pierpont Community and Technical College Board of Governors approves the attached adjusted budget plan for FY 2011.

STAFF MEMBER: Dale Bradley

BACKGROUND: Enrollment growth for fall 2010 of approximately 8% has yielded additional revenues that support a recommended increase to the revenue budget projections for FY 2011.

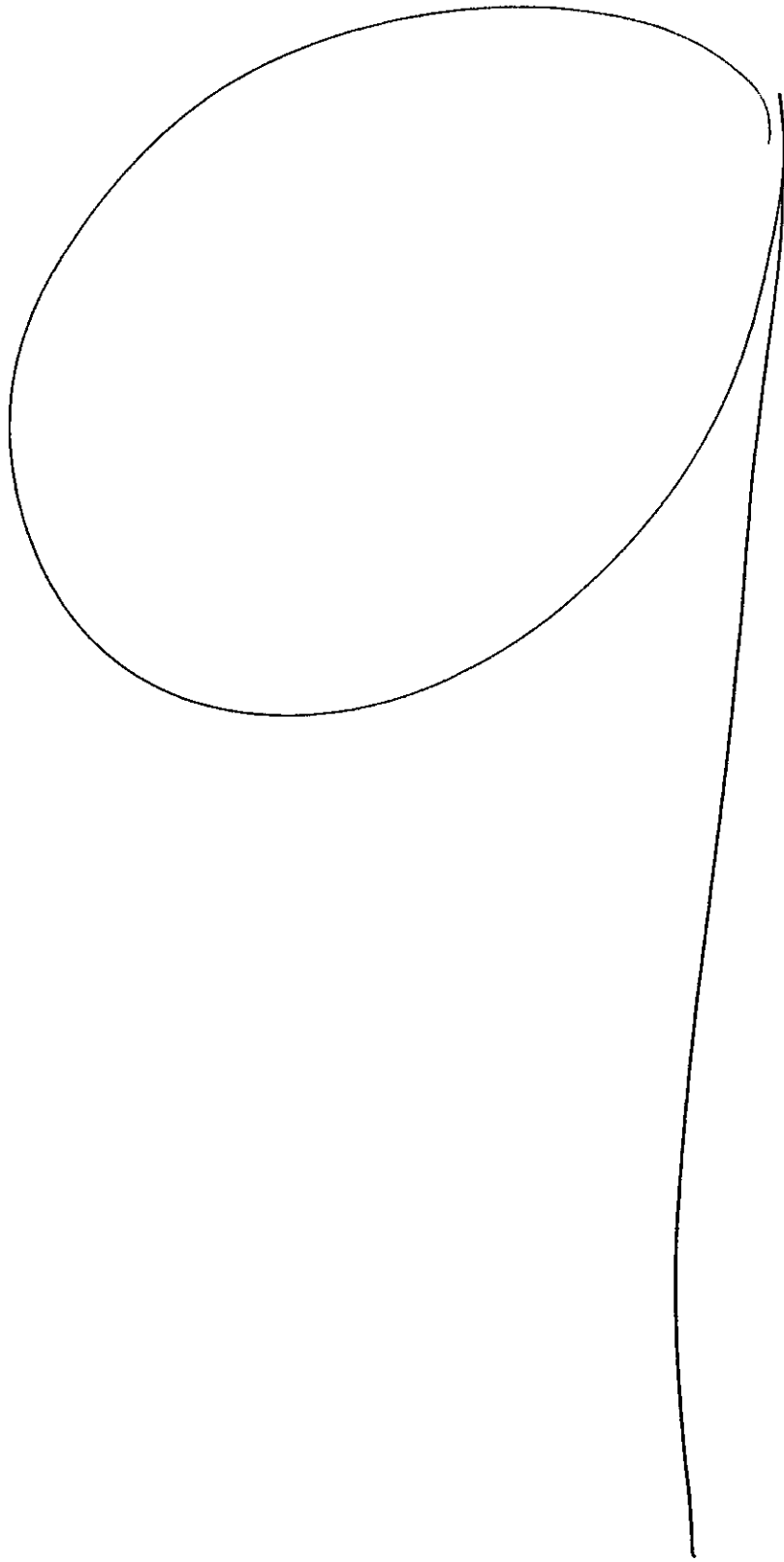
This increase in revenue budget projections enables the one-time pay raise for eligible Pierpont employees without spending reserves. These estimated additional costs are included as a part of the budget changes represented on the attached documents.

Pierpont Community & Technical College
Actual vs Budget Statement of Revenues and Expenses
Current Unrestricted
As of September 30, 2010

		Approved Budget	Current Budget	Projected Change	Adjusted Budget - Oct 31
OPERATING REVENUE	Tuition and Fees	7,623,362	7,822,462	449,400	8,271,862
	Faculty Services Revenue	1,502,589	1,502,589	0	3,502,589
	State/Local Grants and Contracts	0	0	0	0
	Auxiliary Enterprise Revenue	1,135,737	1,135,737	56,900	1,192,637
	Operating Costs Revenue	208,947	205,234	0	205,234
	Support Services Revenue	422,098	432,411	4,792	437,203
	Other Operating Revenue	242,165	271,409	0	271,409
	Total:	11,134,887	11,389,842	511,092	11,880,934
OPERATING EXPENSE	Salaries	6,624,689	5,793,867	103,327	5,897,194
	Benefits	1,222,128	1,291,258	15,505	1,306,763
	Student financial aid-scholarships	305,588	305,588	0	305,588
	Utilities	0	0	0	0
	Supplies and Other Services	1,625,463	1,689,249	0	1,689,249
	Equipment Expense	137,061	136,398	0	136,398
	Loan cancellations and write-offs	0	0	0	0
	Fees retained by the Commission	104,619	104,619	0	104,619
	Assessment for Faculty Services	1,288,269	1,272,439	0	1,272,439
	Assessment for Support Services	3,902,633	3,932,259	49,181	3,981,440
	Asses for Activity, Cap. & Debt Ser Costs	1,436,613	1,436,613	119,400	1,555,913
	Assessment for Auxiliary Fees & Debt Service	1,135,737	1,135,737	56,900	1,192,637
	Assessment for Operating Costs	2,375,830	2,391,673	0	0
	Total:	19,138,030	19,489,000	344,313	19,833,313
OPERATING INCOME / (LOSS)		(8,003,143)	(8,119,158)	166,779	(7,952,379)
NONOPERATING REVENUE (EXPENSE)	State Appropriations	7,683,748	7,683,748	0	7,683,748
	State Fiscal Stabilization Funds	659,694	659,694	0	659,694
	Gifts	1,000	1,000	0	1,000
	Investment Income	97,194	97,194	0	97,194
	Reappropriated State Funding	0	22,217	0	22,217
	Total:	8,441,636	8,463,853	0	8,463,853
TRANSFERS & OTHER	Capital Expenditures	0	(27,914)	0	(27,914)
	Transfers for Fin Aid Match	(78,992)	(78,992)	0	(78,992)
	Indirect Cost Recoveries	0	6,612	0	6,612
	Transfers - Other	0	0	0	0
	One-time use of reserve	0	0	0	0
	Total:	(78,992)	(100,294)	0	(100,294)
BUDGET BALANCE		359,501	244,401	166,779	411,180
PERSONNEL BUDGET SAVINGS		0	0	0	0
PROJECTED EFFECT ON NET ASSETS AT JUNE 30		359,501	244,401	166,779	411,180
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		4,444,028	4,444,028	4,444,028	4,444,028
Less: USE OF RESERVE		0	0	0	0
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		4,803,529	4,688,429	4,610,807	4,855,208

Pierpont Community & Technical College
 Actual vs Budget Statement of Revenues and Expenses
 Current Restricted
 As of September 30, 2010

		Approved Budget	Current Budget	Projected Change	Adjusted Budget - Oct 31
OPERATING REVENUE	Tuition and Fees	101,000	101,000	0	101,000
	Federal Grants and Contracts	14,127,178	14,127,178	0	14,127,178
	State/Local Grants and Contracts	2,400,453	2,353,510	0	2,353,510
	Private Grants and Contracts	567,000	570,500	0	570,500
	Other Operating Revenue	50,500	50,500	0	50,500
	Total:	17,246,131	17,202,688	0	17,202,688
OPERATING EXPENSE	Salaries	826,924	871,014	5,992	877,006
	Benefits	138,259	141,609	898	142,507
	Student Financial Aid-Scholarships	22,234,369	22,211,420	0	22,211,420
	Utilities	100	100	0	100
	Supplies and Other Services	751,848	696,557	(6,890)	689,667
	Equipment Expense	85,289	104,856	0	104,856
	Loan cancellations and write-offs	0	0	0	0
	Total:	24,036,830	24,025,555	0	24,025,555
OPERATING INCOME / (LOSS)		(6,790,699)	(6,822,867)	0	(6,822,867)
NONOPERATING REVENUE (EXPENSE)	Federal Pell Grant Revenues	6,000,000	6,000,000	0	6,000,000
	Total:	6,000,000	6,000,000	0	6,000,000
TRANSFERS & OTHER	Capital Expenditures	(11,281)	2,173	0	2,173
	Transfers for Fin Aid Match	78,992	78,992	0	78,992
	Indirect Cost Recoveries	(6,612)	(6,612)	0	(6,612)
	Transfers - Other	0	0	0	0
	Total:	61,099	74,553	0	74,553
BUDGET BALANCE		(729,600)	(748,314)	0	(748,314)
Add: PROJECTED UNRESTRICTED NET ASSETS - Beginning of Year		<u>1,459,063</u>	<u>1,455,695</u>	0	<u>1,455,695</u>
Equals: PROJECTED UNRESTRICTED NET ASSETS - End of Year		<u>729,464</u>	<u>716,122</u>	0	<u>716,122</u>



**Pierpont Community and Technical College
Board of Governors
Meeting of October 19, 2010**

ITEM: Folklife Center – Phase III Design

COMMITTEE: Committee of the Whole

**RECOMMENDED
RESOLUTION:**

Whereas, the Folklife Center Phases I and II are complete and the Governing Boards resolved that the completion of the last Phase (III) will be contingent on the Foundation raising 50 percent for the entire project, and

Whereas, administration wishes to begin design work for Phase III at a cost of \$24,100.00; and

Whereas, the Foundation has agreed to fund the design costs for Phase III; and

Be it resolved, that the Board of Governors approves the administration to contract with WYK Architects (who was the architect for Phases I & II) for design work in the amount of \$24,100.00, to be reimbursed by Foundation Funds already available for this design work.

Further let it be resolved, that the completion of the last Phase (III) of the Folklife Center project continues to be contingent on the Foundation raising 50 percent of the total funds for the entire project, including funds that will come to the Foundation through estate gifts.

STAFF MEMBER: Dale Bradley

BACKGROUND: Attached is the December 11, 2008 Board of Governor's resolution approving Phase II funding of the Folklife Center, and the requirement of the Board for the funding of the last Phase (III).

Also attached is:

- Architects invoice for designing Phase III (exclusive of bidding and construction administration costs).
- Foundation approval to reimburse for the design fees in the amount of \$24,100.00.

**Fairmont State University Board of Governors
Meeting of December 11, 2008**

ITEM: Folklife Center Project

COMMITTEE: Committee of the Whole

Whereas, the first phase of the Frank and Jane Gabor Folklife Center is scheduled to be completed by the end of December 2008; and

Whereas, the next phase needs to be completed for the building to be occupied; and

Whereas, by deferring other capital projects, funds can be made available to complete the next phase according to the cost estimates provided by WYK Architects; and

Whereas, funding the entire project would result in a deficit in capital spending; and

Whereas, the Fairmont State Foundation has raised funds for the project and committed to a \$2 million fund raising campaign;

Now, therefore, be it resolved, that this Board of Governors approves the plan presented by the administration to fund the next phase of the Frank and Jane Gabor Folklife Center in the amount of \$635,000; and

Be it further resolved, that the completion of the last phase of the project will be contingent on the Foundation raising 50 percent of the total funds for the entire project, including funds that will come to the Foundation through estate gifts.

STAFF MEMBER: Sarah Hensley

MEMORANDUM
WYK Associates, Inc.

TO: Jim Decker; Assistant VP for Physical Facilities, FSU

FM: Bill Yoke

RE: Gabor Folklife Center; Phase 3

DATE: June 10, 2010

As we discussed, FSU is considering completing the design and construction documents for Phase 3 of the Gabor Center, and waiting until the funding is in place to bid and complete construction for the project. We have reviewed all of the design work and the construction completed to date, and based our fee calculations on construction of this phase at a later date.

We propose the following Architectural/Engineering fees for Phase 3:

A/E Fee for complete services	\$32,700.00
• Design thru completion of the Construction Documents	\$24,100.00
• Bidding and Construction Administration	\$ 8,600.00

We will prepare and AIA contract form for review and execution if these values are acceptable. Please let us know if you have any questions or need any additional information.

Distribution: Jim Decker, James B. Swiger, AIA, LEED AP; file

MINUTES
EXECUTIVE COMMITTEE MEETING
FAIRMONT STATE FOUNDATION, INC.
Thursday, September 16, 2010
7:30 a. m. Erickson Alumni Center Conference Room

	<u>Item</u>	<u>Reporting</u>	<u>Action</u>
I.	<p>Welcome and Call to Order</p> <p><u>The meeting was called to order at 7:35 a.m.</u></p> <p><u>Directors Present:</u> Gina Fantasia, Dr. Fred Fidura, Aaron Hawkins, Kim Pellillo, Becky Phillips, Kevin Rogers, Gerry Schmidt, Melissa Watkins, Gary K. Bennett, Dr. Thomas Krepel, Dr. Doreen Larson, Rick Porto and Dixie Yann</p> <p><u>Directors Absent:</u> John Myers</p> <p><u>Invited Guests Present:</u> Dale Bradley, Emily Swain, Shannon Kelley, Jim Kettering</p> <p><u>Staff Present:</u> Devanna Corley</p> <p>A. Foundation President's Comments The committee was welcomed.</p>	<p>Pellillo</p> <p>Pellillo</p>	<p></p> <p>Information</p>
II. (Tab 2)	<p>Minutes</p> <p>A motion was made to approve the minutes of the August 19, 2010 Executive Committee meeting.</p>	<p>Pellillo</p>	<p>Motion to Approve: Schmidt Seconded: Fidura Result: APPROVED</p>
III. (Tab 3)	<p>Financial Report</p> <p>A motion was made to approve the August 2010 monthly financial report.</p>	<p>Watkins</p>	<p>Motion to Approve: Watkins Seconded: Fidura Result: APPROVED</p>
IV.	<p>Management Reports</p> <p>A. <u>Fairmont State University's Report</u> Dr. Krepel provided a report reflective of the following topics: enrollment, housing, equity funding and budget instructions from Charleston are not reflective of budget cuts in FY 2010.</p> <p>B. <u>Pierpont C&TC President's Report</u> Dr. Larson provided a report reflective of the following topics: enrollment, meeting with Governor</p>	<p>Krepel</p> <p>Larson</p>	<p>Information</p> <p>Information</p>

Manchin, Pierpont students participating in student government, upcoming meetings at the WVHTC Foundation.

- | | | | |
|----|---|------|-------------|
| C. | <u>Interim Executive Director's Report</u>
Dixie Yann provided a report that consisted of the progress being made by the development committee and others. Dixie also mentioned the continued involvement with the FLC Center project. | Yann | Information |
|----|---|------|-------------|

V. **Committee & Other Reports:**

- | | | | |
|----|---|-----------|-------------|
| A. | <u>FSU Board of Governors</u>
No report. | Kettering | Information |
| B. | <u>PC&TC Board of Governors</u>
As Kyle Hamilton was absent, there was no report. | Hamilton | Information |
| C. | <u>Athletics</u>
Shannon provided information relevant to general occurrences of the FSAA Board activities. | Kelley | Information |
| D. | <u>Alumni Relations</u>
Emily provided information relevant to general occurrences of the Fairmont State Alumni Association activities. | Swain | Information |
| E. | <u>Board Governance</u>
No report. | Yann | Information |
| F. | <u>Student Enrollment and Scholarship</u>
The committee is pleased to announce that the Foundation Scholarships are now on-line and can be viewed from the Apply Now tab on the FSU and PC&TC homepages. | Phillips | Information |
| G. | <u>Finance and Investment</u>
Melissa Watkins provided a verbal report of the completion of the FY2009-2010 audit, with an unqualified opinion. The full audit report will be included in the full board packet. | Watkins | Information |

A motion was made to accept the FY 2009-2010 audit report with unqualified opinion.

Motion to Approve:
Schmidt
Seconded:
Bennett
Result:
APPROVED

H. Bylaws Fantasia Information
No Report.

I. Development Yann Information
Dixie Yann reported on behalf of the Development Committee and discussed the OSIX grant. Dixie and the committee were pleased with the report given by David Abruzzino.

VI. Old Business:

VII. New Business:

Gary Bennett made a motion to approve payments issued to Nicole Crane for work performed for the Foundation. Bennett Approval
Motion to Approve:

Bennett

Seconded:

Fidura

Result:

APPROVED

Devanna Corley requested issuance of payment to WYK architectural firm for architectural renderings for Phase III of the WV Folklife Center. Corley Approval
Motion to Approve:

Fidura

Seconded:

Schmidt

Result:

APPROVED

Devanna Corley informed the board regarding the request from Donna Nuzum for a match of \$250.00 to be made by the Foundation in the event that Campus Compact grants funds to FSU and Pierpont for activities in honor of Martin Luther King, Jr. Corley Approval
Motion to Approve:

Fidura

Seconded:

Schmidt

Result:

APPROVED

VIII. Executive Session

The committee went into Executive Session at 8:35 a.m. Executive Session ended at 9:20 a.m. and the meeting was adjourned.

IX. Adjournment

With no further business, the meeting was adjourned at 9:20 a.m.

The next Executive Committee meeting will be held October 14 at 7:30 a.m. in the Erickson Alumni Center Conference Room.

Minutes submitted by:

Devanna Corley