

**Minutes**  
**WEST LIBERTY STATE COLLEGE**  
**BOARD OF GOVERNORS**  
**Friday, October 21, 2005**

**ATTENDANCE:**

**Board Members:** Clyde Campbell, Al de Jaager, Lynne Exley, Dan Greathouse, Dan Joseph, Roseanna Keller, Mary Kosar, Larry Miller, John Moore, Will Turani, Bernie Twigg, Aaron Wilkinson

**Unable to Attend:**

**Administration/Faculty/Staff:** J. D. Carpenter, John Davis, Patrick Henry, John McCullough, Genny McIntyre, Tammi Secrist, Barb Neuman, Cheryl Harshman, Ted Nesbitt

1. **Call to Order:**

Mr. Twigg called the meeting to order at 4:00 p.m. Pursuant to WV Code § 6-9A-4, a motion to retire to executive session was made by Mr. Twigg and seconded by John Moore; motion passed unanimously.

Following discussion in executive session; a motion to rise from executive session at 4:14 p.m. was made by Larry Miller and seconded by Dan Greathouse; by unanimous approval, the Board rose from executive session.

2. **Discuss, consider and accept the resignation and terms of resignation of the current President, Richard Owens:**

A motion was made to accept the resignation and terms of resignation of the current President, Richard H. Owens, by Mr. Twigg. The motion was moved by Dan Greathouse and seconded by Roseanna Keller; motion passed unanimously.

3. **Discuss, appoint and approve terms of employment of an Interim President for WLSC:**

A motion was made to appoint and approve the terms of employment of Interim President, John P. McCullough, by Mr. Twigg. The motion was moved by John Moore and seconded by Will Turani; motion passed unanimously.

4. **Nominate and elect a member of the Board of Governors to fill the vacated office of Secretary of the Board of Governors of WLSC:**

A motion was made by Mr. Twigg to elect Will Turani as Secretary of the Board of Governors to fill the position vacated by John Gompers. The motion was moved by Dan Greathouse and seconded by John Moore; motion passed unanimously.

5. **Hear the announcement of the Chairperson of the Board appointing additional members of the Board of Governors to the executive committee:**

Mr. Twigg appointed Will Turani to the Executive Committee.

6. **Adjournment:**

The meeting adjourned at 4:16 p.m.

Bernie Twigg \_\_\_\_\_  
Chair

Will Turani \_\_\_\_\_  
Secretary

West Liberty State College  
 Budget Fiscal Year 2006  
 As of November 7, 2005

|  | <u>Percent (%)<br/>of Budget</u> | <u>Original<br/>Budget<br/>Totals</u> | <u>Adjusted<br/>Budget<br/>Totals</u> | <u>Revised<br/>Budget<br/>Totals</u> | <u>Actual<br/>Totals</u> | <u>Variance to<br/>Budget</u> | <u>Percent<br/>Budget</u> |
|--|----------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|--------------------------|-------------------------------|---------------------------|
| <b>Revenues:</b>                                     |                                  |                                       |                                       |                                      |                          |                               |                           |
| Tuition and Fees Less Waivers \$327,970              | 41.87%                           | 11,003,650                            | 10,023,095                            |                                      | 5,098,793                | (4,924,302)                   | 50.87%                    |
| State Government Appropriations                      | 31.81%                           | 8,358,965                             | 8,358,965                             |                                      | 3,510,766                | (4,848,199)                   | 42.00%                    |
| Auxiliary Enterprise Revenues Less Waivers \$376,446 | 23.32%                           | 6,127,926                             | 6,185,520                             |                                      | 3,717,594                | (2,467,926)                   | 60.10%                    |
| Other Sources  | 3.01%                            | 791,096                               | 791,096                               |                                      | 919,031                  | 127,935                       | 116.17%                   |
| <b>Total Revenues</b>                                | <b>100.00%</b>                   | <b>26,281,637</b>                     | <b>25,358,676</b>                     |                                      | <b>13,246,185</b>        | <b>(12,112,491)</b>           | <b>52.24%</b>             |
| <b>Expenditures:</b>                                 |                                  |                                       |                                       |                                      |                          |                               |                           |
| Personal Services                                    | 43.52%                           | 11,371,842                            | 11,209,113                            | (105,887)                            | 3,513,449                | 7,695,664                     | 31.34%                    |
| Fringe Benefits                                      | 12.36%                           | 3,230,439                             | 3,088,406                             | (10,000)                             | 958,928                  | 2,129,478                     | 31.05%                    |
| Other  | 44.12%                           | 11,529,964                            | 11,216,259                            | (45,000)                             | 4,461,259                | 6,755,000                     | 39.77%                    |
| <b>Total Expenditures</b>                            | <b>100.00%</b>                   | <b>26,132,245</b>                     | <b>25,513,778</b>                     | <b>(160,887)</b>                     | <b>8,933,636</b>         | <b>16,580,142</b>             | <b>35.01%</b>             |

**Net Increase/(Decrease)**

149,392      (155,102)      160,887      4,312,549      4,467,651

**Net Increase/(Decrease) Adjustment**

5,785

**Budget Assumptions:**

- 1 Adjusted Budget is based on 2,146 HC
- 2 Raises 2%
- 3 Small reserves
- 4 Mercer scale adjustment via raise

| Bond<br>Covenants<br>Compliance % | Covenant<br>Balance | Cash<br>Balance | Actual<br>Percent | Fund # |
|-----------------------------------|---------------------|-----------------|-------------------|--------|
| 110% A                            | 678,354             | 844,315         | 124%              | 8322   |
| 154% B                            | 120,329             | 189,021         | 157%              | 8342   |
| 163% C                            | 295,129             | 622,321         | 211%              | 8653   |
|                                   | 1,093,811           | 1,655,657       |                   |        |



# WEST LIBERTY STATE COLLEGE

WEST LIBERTY, WV 26074-0295

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## *INTERIM FINANCIAL STATEMENTS*

*First Quarter*

*September 30, 2005 and 2004*

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

**WEST LIBERTY STATE COLLEGE**

**STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2005 and 2004**

| ASSETS:   | 9/30/2005            | 9/30/2004            |
|---|----------------------|----------------------|
| Current assets:   |                      |                      |
| Cash and cash equivalents                                     | \$ 8,884,507         | \$ 6,120,653         |
| Appropriation due from Primary Government                     | 290,002              | 18,509               |
| Accounts receivable—net                                       | 4,228,987            | 4,446,739            |
| Due from commission   | 31,542               | 3,656                |
| Loans to students—current portion                             | 374,255              | 326,535              |
| Prepaid expenses  | 14,203               | 12,586               |
| Inventories   | 87,000               | 77,400               |
| Total current assets  | <u>13,910,496</u>    | <u>11,006,078</u>    |
| Noncurrent assets:  |                      |                      |
| Cash and cash equivalents                                     | 5,126,801            | 9,605,905            |
| Loans to students—net of allowance of \$693,933 and \$645,273 | 1,100,352            | 1,106,894            |
| Capital assets—net  | 36,078,761           | 31,631,308           |
| Total noncurrent assets                                       | <u>42,305,914</u>    | <u>42,344,107</u>    |
| <b>TOTAL ASSETS</b>   | <u>\$ 6,216,410</u>  | <u>\$ 53,350,185</u> |
| LIABILITIES:  |                      |                      |
| Current liabilities:  |                      |                      |
| Accounts payable  | \$ 876,511           | \$ 468,987           |
| Due to commission   | 23,204               | 94,353               |
| Accrued liabilities   | 2,776,863            | 1,537,789            |
| Deferred revenue  | 94,272               | 6,670                |
| Compensated absences—current portion                          | 654,043              | 562,606              |
| Debt obligation to commission—current portion                 | 222,725              | 217,019              |
| Capital leases—current portion                                | 356,767              | 388,548              |
| Bonds payable—current portion                                 | 355,000              | 275,000              |
| Total current liabilities                                     | <u>5,359,385</u>     | <u>3,550,972</u>     |
| Noncurrent liabilities:                                       |                      |                      |
| Advances from federal sponsors                                | 1,526,272            | 1,570,422            |
| Compensated absences  | 2,027,560            | 2,297,620            |
| Debt obligation to commission                                 | 3,784,195            | 4,006,870            |
| Capital leases  | 896,183              | 1,200,811            |
| Bonds payable   | 12,845,423           | 13,193,066           |
| Total noncurrent liabilities                                  | <u>21,079,633</u>    | <u>22,268,789</u>    |
| Total liabilities   | <u>26,439,018</u>    | <u>25,819,761</u>    |
| NET ASSETS:   |                      |                      |
| Invested in capital assets—net of related debt                | <u>20,216,036</u>    | <u>21,677,130</u>    |
| Restricted for:   |                      |                      |
| Expendable:   |                      |                      |
| Scholarships  | 113,021              | 639,102              |
| Debt service  | 1,121,095            | 1,120,728            |
| Capital Projects  | (180,696)            | (145,014)            |
| Total restricted expendable                                   | <u>1,053,420</u>     | <u>1,614,816</u>     |
| Unrestricted  | 8,507,936            | 4,238,478            |
| Total net assets  | <u>29,777,392</u>    | <u>27,530,424</u>    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b>                       | <u>\$ 56,216,410</u> | <u>\$ 53,350,185</u> |

**WEST LIBERTY STATE COLLEGE**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
PERIODS ENDED SEPTEMBER 30, 2005 and 2004**

|  |                      |                      |
|--|----------------------|----------------------|
| OPERATING REVENUES:  | <u>9/30/2005</u>     | <u>9/30/2004</u>     |
| Student tuition and fees (net of scholarship allowance of \$675,000 and \$538,620)     | \$ 4,428,596         | \$ 4,567,504         |
| Contracts and grants:  |                      |                      |
| Federal  | 1,593,174            | 1,459,093            |
| State  | 879,719              | 247,923              |
| Private  | 378,263              | 117,282              |
| Interest on student loans receivable   | 4,018                | 4,345                |
| Auxiliary enterprise revenue (net of scholarship allowance of \$450,000 and \$359,080) | 3,250,196            | 2,535,417            |
| Miscellaneous—net  | <u>16,604</u>        | <u>5,503</u>         |
| Total operating revenues   | <u>10,550,570</u>    | <u>8,937,067</u>     |
| OPERATING EXPENSES:  |                      |                      |
| Salaries and wages   | 2,303,850            | 2,144,132            |
| Benefits   | 737,298              | 664,482              |
| Supplies and other services  | 1,551,959            | 1,174,262            |
| Utilities  | 270,105              | 128,906              |
| Student financial aid—scholarships and fellowships                                     | 332,408              | 350,075              |
| Depreciation   | 418,376              | 335,518              |
| Loan cancellations and write-offs  | 12,390               | 8,357                |
| Fees assessed by the Commission for operations   | <u>41,296</u>        | <u>43,015</u>        |
| Total operating expenses   | <u>5,667,682</u>     | <u>4,848,747</u>     |
| OPERATING INCOME (LOSS)  | <u>4,882,888</u>     | <u>4,088,320</u>     |
| NONOPERATING REVENUES (EXPENSES):  |                      |                      |
| State appropriations   | 1,671,794            | 1,662,208            |
| Investment income  | 85,771               | 56,850               |
| Interest on indebtedness   | (202,359)            | (212,218)            |
| Fees assessed by the Commission for debt service                                       | (247,131)            | (252,243)            |
| Other nonoperating expenses—net  |                      |                      |
| Net nonoperating revenues (expenses)   | <u>1,308,075</u>     | <u>1,254,597</u>     |
| INCREASE (DECREASE) IN NET ASSETS BEFORE TRANSFER                                      | 6,190,963            | 5,342,917            |
| CAPITAL PROCEEDS FROM POLICY COMMISSION  |                      |                      |
| CAPITAL GIFTS AND GRANTS   |                      |                      |
| TRANSFER OF LIABILITY FROM POLICY COMMISSION   |                      |                      |
| INCREASE (DECREASE) IN NET ASSETS  | 6,190,963            | 5,342,917            |
| NET ASSETS—Beginning of year   | <u>23,586,429</u>    | <u>22,187,507</u>    |
| NET ASSETS—End of period   | <u>\$ 29,777,392</u> | <u>\$ 27,530,424</u> |

**WEST LIBERTY STATE COLLEGE**

**STATEMENT OF CASH FLOWS  
PERIODS ENDED SEPTEMBER 30, 2005 and 2004**

|   | <u>9/30/2005</u>           | <u>9/30/2004</u>           |
|---|----------------------------|----------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                |                            |                            |
| Student tuition and fees                                    | \$ 3,517,788               | \$ 2,113,704               |
| Contracts and grants  | 2,859,340                  | 1,834,129                  |
| Payments to and on behalf of employees                      | (3,346,155)                | (3,080,647)                |
| Payments to suppliers                                       | (915,355)                  | (984,467)                  |
| Payments to utilities                                       | (297,792)                  | (201,736)                  |
| Payments for scholarships and fellowships                   | (1,457,408)                | (1,247,775)                |
| Loans issued to students                                    | (209,417)                  | (130,471)                  |
| Collection of loans to students                             | 37,487                     | 58,325                     |
| Auxiliary enterprise charges                                | 2,079,576                  | 1,602,370                  |
| Debt service assessed by Commission                         | (41,296)                   | (43,015)                   |
| Other receipts—net  | <u>12,341</u>              | <u>10,295</u>              |
| Net cash provided (used) in operating activities            | <u>2,239,109</u>           | <u>(69,288)</u>            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>     |                            |                            |
| State appropriations  | 1,400,301                  | 1,662,208                  |
| William D. Ford direct lending receipts                     | 2,988,908                  | 3,053,694                  |
| William D. Ford direct lending payments                     | <u>(2,988,943)</u>         | <u>(3,054,387)</u>         |
| Cash provided by noncapital financing activities            | <u>1,400,266</u>           | <u>1,661,515</u>           |
| <b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:</b>        |                            |                            |
| Purchases of capital assets                                 | (1,321,472)                | (2,752,142)                |
| Capital gifts and grants                                    |                            |                            |
| Proceeds from sale of assets                                |                            |                            |
| Principal paid on long term liabilities                     | (199,467)                  | (202,604)                  |
| Principal paid on bond obligations                          |                            |                            |
| Interest paid on bond obligations                           |                            |                            |
| Interest paid on long term liabilities                      | (115,690)                  | (127,319)                  |
| Decrease (Increase) in noncurrent cash and cash equivalents | 1,274,138                  | 2,697,406                  |
| Debt service assessed by Commission                         | <u>(247,131)</u>           | <u>(252,243)</u>           |
| Cash used in capital financing activities                   | <u>(609,622)</u>           | <u>(636,902)</u>           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                |                            |                            |
| Interest on investments                                     | <u>66,507</u>              | <u>55,444</u>              |
| Cash provided by investing activities                       | <u>66,507</u>              | <u>55,444</u>              |
| <b>INCREASE (DECREASE) IN CASH</b>                          | <b>3,096,260</b>           | <b>1,010,769</b>           |
| <b>CASH AND CASH EQUIVALENTS—Beginning of year</b>          | <b><u>5,788,247</u></b>    | <b><u>5,109,884</u></b>    |
| <b>CASH AND CASH EQUIVALENTS—End of year</b>                | <b><u>\$ 8,884,507</u></b> | <b><u>\$ 6,120,653</u></b> |

**WEST LIBERTY STATE COLLEGE**

**STATEMENT OF CASH FLOWS**  
**PERIODS ENDED SEPTEMBER 30, 2005 and 2004**

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|   | <u>9/30/2005</u>    | <u>9/30/2004</u>   |
|---|---------------------|--------------------|
| RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES: |                     |                    |
| Operating income (loss)   | \$ 4,882,888        | \$ 4,088,320       |
| Adjustments to reconcile net income (loss) to net cash used in operating activities:    |                     |                    |
| Depreciation expense  | 418,376             | 335,518            |
| Changes in assets and liabilities:  |                     |                    |
| Due from Primary Government   | (271,493)           | 197                |
| Accounts receivable, net  | (3,527,010)         | (3,981,552)        |
| Due from Commission   | (10,219)            |                    |
| Loans to students, net  | (163,558)           | (68,821)           |
| Prepaid expenses  | (2,385)             | (2,545)            |
| Inventories   | 26                  | 1,013              |
| Accounts payable  | 433,718             | 9,147              |
| Due to Commission   | (2,706)             |                    |
| Accrued liabilities   | 566,661             | (150,534)          |
| Compensated absences  | 55,287              | 47,375             |
| Deferred revenue  | (208,426)           | (263,511)          |
| Advances from federal sponsors  | (5,124)             | (3,291)            |
| Other operating activities  | <u>73,074</u>       | <u>(80,604)</u>    |
| NET CASH PROVIDED (USED) IN OPERATING ACTIVITIES  | <u>\$ 2,239,109</u> | <u>\$ (69,288)</u> |