

WLU Board of Governors

Finance Committee

Wednesday, September 28, 2022 – 9:00 a.m.

Location: Shaw Hall Board Room

Meeting ID: 929 8055 3812

Passcode: 589552

1. Call to Order/Roll Call
2. Approval of Minutes
 - A. August 3, 2022
3. FY23 Budget to Actual through August
4. Enrollment Impact on FY23 Budget
5. HEPC Loan Request
6. Overview of Current Debt (bonds/loans)
7. Update on Sale of 2-Acre Property
8. FY22 Audit Update
9. Adjournment

**West Liberty University
Board of Governors**

**Finance Committee
Minutes
August 3, 2022**

Attendance:

David McKinley, Jack Adams, Michael Baker, Rich Lucas

Unable to Attend:

Richard Carter, Jason Metz

Administration/Faculty/Staff:

W. Franklin Evans, Monique Akassi, Mary Ann Edwards, Angie Hill, Lori Hudson, Sherry Rocchio, Joe Rodella

1. Call to Order/Roll Call

Chair McKinley called the meeting to order at 9:00 a.m.

2. Approval of Minutes

A. May 18, 2022

On motion by Rich Lucas and seconded by Michael Baker, the West Liberty University Finance Committee unanimously approved the minutes of May 18, 2022.

3. June 30, 2022 Year End Status Report

Ms. Hudson provided the FY22 Operating Budget Status report through 06/30/22, noting that we ended the year in a good position overall with tuition and fees, undergraduate and graduate at \$212,000 over the adjusted budget. We did fall short on room and board revenue due to decreased enrollment. Discounts were well over the original budget and did end slightly over the adjusted budget by \$79,000. Keep in mind this is one area we knew we would take a pretty large hit, which was originally budgeted at \$6.1 million for institutional waivers, with an actual of \$6.7 million. The appropriation received was \$9.1 million, which goes to positions and salaries. The other revenue line performed very well with a great year for royalty income, which we budgeted for \$354,000 and received \$1,072,000. The bottom-line revenue number ended with an additional \$849,000 to the good in revenue.

Expenses ended slightly under the adjusted budget for personal services and fringe benefits, which all make up the salaries at the University, at 99% of what was budgeted. Utilities went over budget, but as mentioned in prior meetings there are water issues we are looking to address and also some rate increases that Ms. Hudson found in water and sewage that were not accounted for in the original budget. All other categories were on target, leaving us with \$204,000 to the good in the adjusted expense budget. Overall, we were facing a \$2.7 million deficit, but offsetting lost revenue with what we were able to recoup from CARES Act funding, our overall lost was \$243,220, compared to \$2.7 million. We were able to obtain a little over \$3 million in institutional CARES Act funding to use for various things we needed for COVID and bring courses online. Under the guidelines we were also able to pull in lost revenue due to the decreased enrollment and other factors. This money is a onetime adjustment and will not happen again.

4. FY22 Preliminary Cash Position/Unrestricted Cash at Year End

Ms. Hudson stated that the preliminary cash position, which takes state, local, and any remaining dollars in our bond cash total, is at \$10.1 million, and subtract from that things that are restricted. In the past people were told we have over \$12 million in total but that has never been the case. The focus on unrestricted cash is \$3.8 million.

5. FY22 Financial Statement Audit Has Begun with CLA

Ms. Hudson stated that our financial statement audit has begun and happens yearly. We had to get preliminary documents to CLA, our auditors, on July 11th. We are going to be giving follow-up documents in mid-August with the preliminary audit due September 15th and the final audit is due October 15th. Dr. Evans had his phone call with the auditors to ask him certain questions, as they will

do with various individuals, and are moving forward and on target. Dr. Evans commended Ms. Hudson and her team for doing something that has not be done in the past, by involving people throughout the Financial Affairs division in the process. This insures and instills the whole team with the importance of the audit and the role all persons play, not just a few people knowing what's involved. They are all working and providing information and training her people to have a better understanding of the process.

6. Salary Enhancement

The salary enhancement was tabled at the last BOG meeting when all agreed we could not add \$500,000 to the operating budget and not know what our future held. Ms. Hudson reached out to Ed McGee, Vice Chancellor of Finance at the HEPC, and he verified that this amount will be added to our base appropriation, making the new budget \$9.5 million. We are looking, based on equity for the staff, to get them closer to the mid-point range; there are a lot of equity issues. This will be determined by HR, who is looking at all of the quartiles where people fall in their positions. The Governor did specify that this was for salary increases only and that amount of money will be added to future appropriations. Mr. Lucas stated that in August we will vote for the recommendation brought to the table at the BOG meeting. Ms. Hudson stated we are also looking at a new funding model as well that could bring additional dollars.

7. West Rentals Donation of Land

Dr. Evans stated that we own the West Event Center, but not the apartment just a few yards away. Mr. West has agreed to give this property to the University, has submitted paperwork, and Attorney Hooper is working on and revising these documents. We have to accept this property as a Board, it does not count towards any revenue that we have generated, but the good thing is it will become ours. At the Executive Committee meeting Ms. Hooper will present the official document so we can move forward with this, and Mr. West has agreed to give this to us so we will have that whole piece of property to use as our aquatic conservation center and not have to worry about somebody else on the land.

8. Sale of Property

- Portions of Parcels 53, 54, 58 and/or 60

Developers for Dollar General have reached out to us and are interested in a small piece of the six-acre property toward Girty's Point. We purchased approximately six (6) acres in 2018 for \$623,903 and will be making the final payment of \$78,000 this year. They are interested in a little less than two acres and have offered \$250,000, without the possibility of a land lease. We will have the property appraised to see if this is a fair offer. Ms. Hooper is involved in the negotiations and will be presenting the information to the Executive Committee and BOG. This will be a lengthy process with the city and county with many hoops to jump through as we move in that direction. Currently there are no plans for the remaining property. They were first focused on the corner lot, but that would have landlocked the back property. They are currently looking at the property between the house beside the church and the house the Executive Director of Housing & Student Life occupies. No action is required today but will take place at the Executive Committee and BOG meetings.

9. Adjournment

The meeting was adjourned on motion by Michael Baker and seconded by Rich Lucas at 9:26 a.m.

David McKinley

Chair