

Board of Trustees Meeting

Mar 15, 2019 9:00 AM - 12:00 PM EDT

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**Winston-Salem State University
Board of Trustee Meeting**

Roll Call

Name:	Present	Not Present
1. Harris, William		
2. Barr, Robert		
3. Bigelow, Coretta		
4. Clark, Robert		
5. Farmer, Kelvin		
6. Gibson, William		
7. Henderson, Sue		
8. Kelly, Kathleen		
9. Nostitz, Drewry		
10. Shortt, Mike		
11. Sides, Ricky		
12. Smith, David		
13. Wierman, Scott		

**WINSTON-SALEM STATE UNIVERSITY
MINUTES OF THE BOARD OF TRUSTEES MEETING
FRIDAY, DECEMBER 14, 2018
DRAFT PENDING BOARD APPROVAL**

CALL TO ORDER

Dr. Harris called the meeting to order at 9:00 am. He announced that WSSU had been awarded the prestigious Mellon Grant for \$600,000. The board congratulated the Chancellor and WSSU Administration

CONFLICT OF INTEREST STATEMENT

Chairman Harris read the following statement:

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

There were no conflicts noted.

ROLL CALL

Mrs. Kluttz-Leach conducted roll call. All members were present. A copy of the attendance roster is attached.

ADOPTION OF AGENDA

Trustee Kelly moved to adopt the agenda. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees adopt the current agenda as distributed.

APPROVAL OF SEPTEMBER 21, 2018 BOARD OF TRUSTEES MEETING MINUTES

Trustee Bigelow moved to approve the September 21, 2018 minutes. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve the minutes of September 21, 2018.

CONSENT AGENDA

- A. Fundraising and Solicitation Policy*
- B. Improper Relations between Students and Employees Policy*
- C. Risk Appetite Statement*
- D. Brushy Fork Greenway (City of Winston-Salem) Easement Resolution*

Trustee Nostitz moved to approve the items listed on the consent agenda. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve all items listed on the consent agenda as listed.

CHANCELLOR'S REPORT

Presentation by Chancellor Robinson

Chancellor Robinson presented his year-end report. WSSU had 3 consecutive years of 900+ students, with improvements in retention and graduation rates as the caliber of students that we have been able to recruit. Our social mobility is one of the highest for our students who traditionally are minorities from rural, underserved areas. WSSU will host the 1st Social Mobility National Conference. Chancellor Robinson announced that we have a full leadership team.

The Mellon Foundation reached out to WSSU to engage them with being a part of their portfolio for the Humanities. He also highlighted the new partnership with the City of Winston-Salem regarding Bowman Gray Stadium. Chancellor reviewed the engagement and development results of Homecoming 2018: Forever Red.

A copy of the presentation can be found in the archived December 14, 2018 board materials.

Tuition and Fees Proposal Presentation

Mrs. Mallette presented the tuition and fees proposal for board approval. The university is requesting an overall fee increase of \$50 (\$35 for athletics, and \$15 for student activities).

The proposal also included proposed meal plan rates for residential and commuter plans. The Master of Healthcare Administration requested a fee of \$1,000 for in-state students and \$2,000 for out-of-state students to enhance programs.

A copy of the presentation can be found in the archived December 14, 2018 board materials.

Trustee Nostitz moved to approve the tuition and fees proposals. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve the tuition and fee proposal for 2019-2020.

WSSU Brand Champions

Ms. Hunt presented a new initiative to facilitate advocacy, WSSU Champions. This initiative will target faculty and staff, alumni, current students, Board of Trustee members, Foundation Board members, parents, and community stakeholders.

A copy of the presentation can be found in the archived December 2018 board materials.

REPORT OF BOARD CHAIR

Dr. Harris advised trustees that WSSU has a new Board of Governors liaison, Judge William A. Webb, who serves as chair of Military Affairs, ARCC committee, and the Governance Committee. He is a veteran with an outstanding legal career.

REPORT OF THE COMMITTEES

(A) Academic Affairs

The Academic Affairs Committee report for December 13, 2018 was given by Trustee Henderson. Trustee Gibson noted four priorities for the university for this quarter, with the main one being SACSCOC accreditation reaffirmation, QEP, Student Success, and the Mellon Grant for Humanities. The full report can be found in the archived December 2018 board materials.

(B) Student Affairs

The Student Affairs Committee report for December 13, 2018 was given by Trustee Bigelow. She noted that Mr. Banks thanked the staff for their professionalism and services this year. He noted that there are a high number of students that live on campus so programming is more robust. The proposed fee increase for student activities was discussed. It was noted that The Wellness Center just received its accreditation. Mr. Pittman gave a report on the impact of mental health with over 2000 appointments, 800 alcohol and drugs violations, and 6 involuntary commitments this year.

Trustee Gibson presented the SGA update. He noted that his team worked on its four pillars and looked for ways to collaborate better next semester. He highlighted the safety messages what were sent out during homecoming. Trustee Gibson also mentioned that our SGA Attorney General sits on the local college advisory board, which is comprised of representatives from all local colleges and universities. The full report can be found in the archived December 2018 board materials.

(C) University Advancement

The University Advancement Committee report for December 13, 2018 was given by Trustee Farmer. Trustee Farmer reported on the success of WSSU Giving Tuesday. We raised over \$88,000. The new technologies in Advancement helped facilitate the goals. More than \$600,000 has been raised in recent months and Advancement is working to cultivate more relationships. We have a new General Manager at WSNC 90.1 FM, Brian Anthony Yandle. Trustee Farmer stated that fundraising efforts will be centralized through Advancement. He noted that there are several key positions that the university is currently recruiting within Advancement. Trustees are encouraged to introduce Dr. Afolayan to new donors, host events, and invite Chancellor Robinson, Dr. Afolayan and university administrators to key events. The annual golf classic scholarship fundraiser will be held on April 26, 2019. The full report can be found in the archived December 2018 board materials.

(D) Finance and Administration

The Finance and Administration Committee report for December 13, 2018 was given by Trustee Shortt. Trustee Shortt reported that the university has spent about 24% of its annual appropriated budget for operating expenses, which is right on point. The committee heard the tuition and fee proposal and received an update on capital projects. The new science building is scheduled for completion in the Fall 2019. In addition, renovations for KR Williams have been scheduled and emergency generators will be installed in Thompson and Anderson Center for emergency backup and continuity of services. The full report can be found in the archived December 2018 board materials.

(E) Audit, Risk, and Compliance

The Audit, Risk, and Compliance Committee report for December 13, 2018 was given by Trustee Farmer. Trustee Farmer believes that the work of audit protects the brand. The university has undergone a risk appetite calculation process and adopted a Risk Appetite Statement. The committee received updates on current audits and the progress for open audits. The committee met the new Emergency Management Director, Jason Stogner, and learned about the importance of managing safety risks. The committee heard the report of the CSL audit and the corrective actions update from Human Resources. The full report can be found in the archived December 2018 board materials.

(F) Board of Trustees of the Endowment

The Board of Trustees of the Endowment report for December 13, 2018 was given by Trustee Harris. The endowment fund is growing steadily. The restricted cash for spending is currently \$2 million, with an invested principal of more than \$18 million. No investments were made and no gifts were received during this period. WSSU Foundation endowment has grown significantly over the past 5 years. Over \$9 million is invested with the UNC Management endowment trust. The full report can be found in the archived December 2018 board materials.

Chancellor Robinson announced that Ivey Brown is receiving his degree in Education from the University of Nebraska and that Corlis Sellers will be retiring on February 28, 2018.

MOTION TO GO INTO CLOSED SESSION

Trustee Wierman moved to go into closed session. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees approve the motion to go into closed session.

RESUME IN OPEN SESSION

REPORT FROM THE CHAIR REGARDING CLOSED SESSION

While in closed session, the board approved closed session minutes, received an update from our attorney, and discussed an employee evaluation.

ADOPTION OF ACTIONS TAKEN IN CLOSED SESSION *

Trustee Farmer moved that we adopt the actions taken in closed session. Trustee Wierman seconded the motion.

FORMER BUSINESS

No new business

NEW BUSINESS

Trustee Harris thanked the trustees for their commitment to WSSU.

II. Next Meeting Date- March 15, 2019.

DRAFT

**Winston-Salem State University
Board of Trustee Meeting**

Roll Call

Name:	Present	Not Present
1. Harris, William	X	
2. Barr, Robert	X	
3. Bigelow, Coretta	X	
4. Clark, Robert		X
5. Farmer, Kelvin	X	
6. Gibson, William	X	
7. Henderson, Sue	X	
8. Kelly, Kathleen	X	
9. Nostitz, Drewry	X	
10. Shortt, Mike	X	
11. Sides, Ricky	X	
12. Smith, David	X	
13. Wierman, Scott	X	

Quorum
Voting Strength is 12
Majority is 7
2/3rds is 9



**WINSTON-SALEM STATE UNIVERSITY
MINUTES OF THE BOARD OF TRUSTEES MEETING
TUESDAY, JANUARY 22, 2019
DRAFT PENDING BOARD APPROVAL**

CALL TO ORDER

Dr. Harris called the meeting to order at 5:02pm.

CONFLICT OF INTEREST STATEMENT

Chairman Harris read the following statement:

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

There were no conflicts noted.

ROLL CALL

Mrs. Kluttz-Leach conducted roll call. A copy of the attendance roster is attached.

MOTION TO GO INTO CLOSED SESSION

Trustee Nostitz moved that we go into closed session to: (1) prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1), specifically state employee personnel records, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes; (2) establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract under N.C.G.S. 143-318.11(a)(5); and consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6). Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the Winston-Salem State University Board of Trustees shall convene in Closed Session.

CLOSED SESSION

A copy of the Closed Session minutes are available.

RESUME IN OPEN SESSION

REPORT FROM THE CHAIR REGARDING CLOSED SESSION

While in closed session, the board approved the appointment of Dr. Mel Norwood as Associate Provost for Student Development.

ADOPTION OF ACTIONS TAKEN IN CLOSED SESSION *

Trustee Kelly moved that we adopt the actions taken in closed session. Trustee Farmer seconded the motion. The motion passed.

Motion: Resolved, that the actions taken by the Winston-Salem State University Board of Trustees is hereby adopted.

ADJOURNMENT

Trustee Sides moved that the meeting adjourn. Trustee Henderson seconded the motion. The motion passed.

Motion: Resolved, that the called meeting of the Winston-Salem State University Board of Trustees is hereby adjourned.

**Winston-Salem State University
Board of Trustee Meeting
January 22, 2019 Called Meeting**

Roll Call

Name:	Present	Not Present
1. Harris, William	X	
2. Barr, Robert		
3. Bigelow, Coretta		
4. Clark, Robert		
5. Farmer, Kelvin	X	
6. Gibson, William	X	
7. Henderson, Sue	X	
8. Kelly, Kathleen	X	
9. Nostitz, Drewry	X	
10. Shortt, Mike	X	
11. Sides, Ricky	X	
12. Smith, David		
13. Wierman, Scott	X	

Faculty Credentialing and Verification Policy

Purpose

This policy is designed to ensure that all individuals assigned instructional responsibilities for credit-bearing courses are qualified to teach at Winston-Salem State University.

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) sets standards on faculty qualifications for accreditation purposes. Standard 6.2.a of the *Principles of Accreditation* reads, “For each of its educational programs, the institution justifies and documents the qualifications of its faculty members.” This policy provides clear policy and procedure by which Winston-Salem State University meets this standard of accreditation.

Definitions

Instructional role is defined by the academic level of the course section assigned and the individual’s responsibility for that course section. The following are the categories of instructional roles that may be assigned to faculty members.

Instructor of Record (often referred to as “Course Director”) -- Responsible for: (1) the overall design, contents, and delivery of the course section; (2) overseeing all other faculty or graduate teaching assistants who participate in delivering some component of the course (such as conducting lectures, labs, field work, or related activities); and (3) approval of the final course grade assigned to each student. There must be a qualified Instructor of Record for each credit-bearing course section offered.

Primary Instructor -- May be assigned to any of the following responsibilities: (1) development of the course section content and materials, (2) delivering lectures, (3) managing class-related activities (such as labs, field work, etc.), (4) evaluating or grading student work that contributes to final course grades, and/or approving the final course grade assigned to each student. Typically responsible for 50% or more of the total effort for the course. A Primary Instructor might or might not be the Instructor of Record for a given course.

Secondary Instructor -- May participate in any of the following: (1) development of the course section material, (2) delivering lectures, (3) managing class-related activities (such as labs, fieldwork, etc.), and (4) evaluating or grading student work that contributes to the final course grades assigned. Does not have authority to approve final course grades. Typically responsible for less than 50% of the overall effort for the course, and therefore cannot be designated as the Instructor of Record.

Qualifications for Teaching

Consistent with the *Faculty Handbook*, an Instructor’s qualifications must be appropriate for the level, discipline, and topic of each course taught. Qualifications may consist of academic credentials (earned degrees or completed coursework) or alternative credentials (professional experience or demonstrated competency) or a combination of these credentials. When determining acceptable qualifications a person must have to serve as Instructor, Winston-Salem State University gives primary consideration to the highest degree earned. The qualifying degree should be in the same discipline or one closely related to the subject matter of the course to be taught. The level of the course dictates the minimum level of the degree the instructor must hold, as described below:

Undergraduate General Education and Baccalaureate Courses:

Earned doctorate or master's degree in the same or closely related discipline as the course taught, or master's degree with a concentration in that discipline (a minimum of 18 graduate semester hours).

Graduate and Post-Baccalaureate Courses:

Earned doctorate or terminal degree in the same or closely related discipline as the course taught.

Alternative Qualifications

In lieu of an earned terminal degree or graduate coursework in an appropriate field as described above, Instructors may be qualified by professional experience or by a combination of education and experience. The University also considers other qualifications, including, as appropriate, undergraduate or graduate degrees, specialized coursework, record of research in the field, related work experiences, professional licensure and certifications, honors and awards, documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes of the course.

Credentials in the field alone are not necessarily sufficient to establish suitable expertise. Department chairs or their designees are responsible for ensuring that individuals serving as Instructor of Record have suitable expertise in the specific topic or content area of that course. When an instructor teaches a course in which s/he has no documented topical expertise (through, e.g., scholarly research in the area or graduate coursework), department chairs or their designees must document the existence of other demonstrated competencies and achievements that contribute to effective teaching and learning outcomes.

Process to Approve Teaching Qualifications and Justification of Exceptions

Within each college/school, the dean assigns responsibility to the department chair or associate dean for documenting and justifying the qualifications for each course offered by the department/program. The department chair or associate dean shall review the qualifications of the instructor at the time of initial appointment, but in all cases before an instructor begins teaching. The dean is ultimately responsible for ensuring that the qualifications of those with a pedagogical role are justified and the credentials verified. The dean or designee must review and approve all appointments and teaching assignments that are based on alternative qualifications. Written justification for exceptions from the degree requirements listed above must be kept in the school/college and filed with the Provost and Vice Chancellor for Academic and Student Affairs and Provost's Office of Faculty Affairs.

Consistent with *Policy 200.3, Approval to Teach Graduate Courses*, assignments from graduate-level courses are made in accordance with the policy and upon approval of the department, dean and Graduate Council, as required.

Documentation of Qualifications

Documents verifying the qualifications of an individual in a pedagogical role may include official transcripts, letters of recommendation, professional licenses or certifications, honors and awards, and other evidence of professional experience.

When the primary qualification for teaching a course is an earned doctoral or terminal degree or completion of 18 graduate credit hours in the discipline of the course, the appropriate documentation is an official transcript from the institution that awarded the degrees and/or course credits.

When the primary qualification is an earned degree from a foreign institution, appropriate documentation also includes an evaluation of the foreign transcript by a certified external agency.

When an individual is qualified for teaching a course by alternative professional credentials or demonstrated competency, required documentation includes: (1) an official transcript for highest earned degree and any other credentials that are used to establish qualifications for teaching courses; (2) objective evidence of qualifying experiences such as prior work experience, professional licenses and certifications, and other qualifications; and (3) the department head's written justification clearly describing the relationship between the experience and course content and level.

Beginning with appointments effective for the spring semester 2019, individuals with instructional duties who will or may serve as Instructors of Record, Primary Instructors, or Secondary Instructors are responsible for providing the documentation necessary to verify their qualifications before the end of their first semester of employment at Winston-Salem State University. This requirement will be stated in the appointment letter as a condition of employment. Approval from the Provost and Vice Chancellor for Academic and Student Affairs is required in cases in which the instructor cannot provide a transcript or other documentation due to exceptional circumstances. This waiver, and the documentation supporting it, must be kept on file in the appointing department and in the Office of Faculty Affairs. Official transcripts, documentation of alternative qualifications, and letters of justification will be maintained by the Office of Faculty Affairs.

Roles and Responsibilities

Ultimate responsibility for ensuring compliance with this policy belongs to the Office of the Provost and Vice Chancellor for Academic and Student Affairs. Responsibility for communicating instructor qualification policies and procedures requirements is the responsibility of Office of Faculty Affairs. Department chairs and deans, in consultation with the Faculty Affairs Office, have primary responsibility for reviewing evidence of qualifications and verifying that appointees and current instructors meet the requirements for their instructional role and for obtaining approval for any exceptions.

Applicability

This policy applies to: (1) all individuals assigned as Instructor of Record or as a Primary or Secondary Instructor in any section of a credit-bearing course, including lecture, laboratory, seminar, clinical, and other sections, regardless of academic rank or appointment type; and (2) all

class sections offered for Winston-Salem State University credit and entered on student transcripts as Winston-Salem State University courses.

Relevant Policies:

Faculty Credentials Guidelines, Southern Association of Colleges and Schools Commission on Colleges. <http://www.sacscoc.org/pdf/081705/faculty%20credentials.pdf>

WSSU Policy 200.3 [Approval to Teach Graduate Courses](#)

Responsible Division: Division of Academic and Student Affairs

Authority: Board of Trustees

History: Approved by Faculty Senate: October 25, 2018

Approved by WSSU General Faculty: January 24, 2019

Approved by WSSU Board of Trustees:

WSSU *Faculty Handbook* Policy Revision
UNC Policy Manual Code 400.3.3
Chapter IV: TENURE POLICIES AND REGULATIONS
Faculty Senate Review and Vote: October 30, 2018
General Faculty Approval: January 24, 2019
Executive Staff Review:

Section V. Post-Tenure Review

Every five years tenured faculty should undergo a thorough cumulative evaluation called a Post-Tenure Review. The Post-Tenure Review is designed to promote continuous renewal and improvement among faculty members who have tenure and is required by policy of the Board of Governors (BOG) of the University of North Carolina. A review undertaken as part of a promotion application can qualify as a cumulative review. Directional goals established at the beginning of the 5-year cycle by the chair and faculty member should be used in setting milestones to be reviewed annually by the senior faculty/chair. The 5-year formal post-tenure review and recommendations should be made by senior faculty who are at equal or higher ranks and presented to the faculty member, chair (if not part of the review committee) and dean in writing. In addition, the dean must provide an evaluative review.

A promotion application can be considered as a post-tenure review if it occurs 3-5 years after a successful tenure, promotion or post-tenure review. If the faculty member under review is not recommended for promotion, the application will undergo the post-tenure review process. It shall be the responsibility of the dean to assure compliance with standards of performance established by faculty members in their department.

Postponement of the scheduled five-year review may be requested for extenuating circumstances, such as illness, educational leave, and family and/or personal crisis. A request for postponement must be presented to and approved by the chair of the department, the dean, and the provost and filed with the Office of Faculty Affairs, who will in turn make a notation in the electronic record of the faculty member.

The faculty member will provide the following documents: a narrative in executive summary format (3-5 pages) articulating the outcomes achieved by the faculty member in the performance of teaching, scholarship, and service relative to the directional goals set at the beginning of the review cycle or the post-tenure or promotion criteria of the department; evidence to support the narrative and an current curriculum vitae. The department shall be required to provide written annual evaluations for the five years following the awarding of permanent tenure or last post-tenure review. Failure by the department to supply annual reviews should not negatively impact the faculty member's review. If faculty responsibilities are primarily only to one or two of these areas, post-tenure review and resulting recommendations will take this allocation of responsibilities into account.

Each department will elect a group of at least three faculty members who have tenure at or above the rank of the faculty member under review, excluding the department chair, to serve on the Post-Tenure Review Committee. The faculty member being reviewed will not have the option of selecting members of the Post-Tenure Review Committee. If a department is unable to elect a group of at least three rank-appropriate tenured faculty members, the dean in consultation with the department chair will coordinate the election of tenured, rank-appropriate faculty from similar departments to constitute the Post-Tenure Review Committee. A department within the same Faculty, in the case of the College, or within the same School shall be considered a similar department. A chair shall be selected from the members of the Post-Tenure Review Committee. The chair and the Committee should be re-elected at two-year intervals.

The chair of the Post-Tenure Review Committee will contact the faculty member(s) to be reviewed to request the review materials and to share the timeline for the review. The timelines must fall within those established by the university so that reports can be submitted to the BOG when required. After careful consideration of the material evidence and consultation with the department chair, the Post-Tenure Review Committee shall render a report summarizing the results of the evaluation with recommendations. The evaluative findings are Outstanding Performance, Satisfactory Performance, or Unsatisfactory Performance.

The report shall be reviewed by the department chair before it is presented to the faculty member by the chair of the Post-Tenure Review Committee. The department chair forwards the committee's report and the faculty member's materials to the dean who must provide an independent evaluative review. The dean must provide the faculty member and the provost's office with a copy of her/his report which includes a summary of the committee's recommendation. The letter is placed in the faculty member's personnel record. An Unsatisfactory Performance report must include a statement of the faculty member's primary responsibilities and specific descriptions of shortcomings as they relate to the faculty member's responsibilities.

If there is agreement between the committee, department chair and the dean that performance is at least satisfactory, then the post-tenure review is complete. The department chair and faculty member set directional goals for the next five-year post-tenure review. If the committee, chair and the dean agree that performance is unsatisfactory then the review is complete. If there is not agreement that the performance is at least satisfactory, then the review is sent to the provost for a final recommendation.

If the performance is deemed Unsatisfactory, the faculty member can contest the report and appeal the findings to the Faculty Grievance Committee or the faculty member can accept the report and enter into a development period not to exceed three years. The development plan approved by the chair and dean must include specific steps designed to lead to improvement, a specified timeline in which improvement is expected to occur, and a clear statement of consequences should improvement not occur with the designated timeline. If the faculty member's performance remains unsatisfactory after the three-year period following the review, the department chair will recommend an appropriate disposition (sanction) to the dean. Disciplinary sanctions referencing failure to achieve the outcomes established in the overall Post-Tenure Review and the Development Plan must be consistent with criteria designated in the UNC Policy Manual (Chapter VI of The Code of the University of North Carolina). The department chair will provide a peer mentor and will schedule progress meetings with the faculty member who receives an Unsatisfactory Performance rating on at least a semi-annual basis during the specified timeline. If duties are modified as a result of a less than satisfactory rating, then the development plans shall be revised to take into account the new allocation of responsibilities. If the faculty member achieves the anticipated outcomes within the specified incremental time period, a Satisfactory or (Outstanding) rating will be granted.

If the faculty member is progressing in a positive direction, but has not yet achieved the satisfactory or higher level performance rating according to the timeline, the chair in consultation with the dean may recommend a redesign or adjustment to the development plan prior to reevaluation by the Post-Tenure Review Committee at the end of the three-year period. The faculty member, chair and dean should all receive copies of the redesigned plan.



**RESOLUTION TO CHANGE THE NAME OF THE MODULAR WEST TO POLICE
AND PUBLIC SAFETY ANNEX**

WHEREAS, Winston-Salem State University (WSSU) is a constituent institution of The University of North Carolina, and;

WHEREAS, the functionality and use of the Modular West has changed from maintenance operations, to police and public safety operations

WHEREAS, as a result of the changes in functionality and use, the university elects to change the name of the Modular West to Police and Public Safety Annex

WHEREAS, the Board of Trustees of Winston-Salem State University desires to be informed of name changes to buildings that may impact the Winston-Salem State University campus

NOW THEREFORE, in consideration of the above change in functionality and use

BE IT RESOLVED, that the Board of Trustees acknowledges and approves, that the name for the Modular West will be changed to Police and Public Safety Annex and

BE IT FURTHER RESOLVED that the Board of Trustees of Winston-Salem State University hereby delegates to the Chancellor of Winston-Salem State University the authority to make said name change.

This resolution shall be effective upon its adoption.

Adopted this 15th day of March, 2019

Dr. William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees

Winston-Salem State University



RESOLUTION TO CHANGE THE NAME OF THE OLD MAINTENANCE BUILDING TO POLICE AND PUBLIC SAFETY

WHEREAS, Winston-Salem State University (WSSU) is a constituent institution of The University of North Carolina, and;

WHEREAS, the functionality and use of the Old Maintenance Building has changed from maintenance operations, to police and public safety operations

WHEREAS, as a result of the changes in functionality and use, the university elects to change the name of the Old Maintenance Building to Police and Public Safety

WHEREAS, the Board of Trustees of Winston-Salem State University desires to be informed of name changes to buildings that may impact the Winston-Salem State University campus

NOW THEREFORE, in consideration of the above change in functionality and use

BE IT RESOLVED, that the Board of Trustees acknowledges and approves, that the name for the Old Maintenance Building will be changed to Police and Public Safety and

BE IT FURTHER RESOLVED that the Board of Trustees of Winston-Salem State University hereby delegates to the Chancellor of Winston-Salem State University the authority to make said name change.

This resolution shall be effective upon its adoption.

Adopted this 15th day of March, 2019

Dr. William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees

Winston-Salem State University



WINSTON-SALEM STATE UNIVERSITY

SUBSTANTIVE CHANGE

I. Executive Summary

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accredits an entire institution and its programs and services, wherever they are located or however they are delivered. Member institutions are required to notify SACSCOC of changes in accordance with the substantive change policy and, when required, seek approval prior to the initiation of changes. Member institutions are required to have a policy and procedure to ensure that all substantive changes are reported to the Commission in a timely fashion.

II. Policy Statement

It is the policy of Winston-Salem State University to comply with the requirements of SACSCOC substantive change policy by notifying and obtaining approval prior to implementing substantive changes to its mission or programs.

III. Definitions

Substantive change is a significant modification or expansion of the nature and scope of an accredited institution. Under federal regulations, substantive change includes

- Any change in the established mission or objectives of the institution.
- Any change in legal status, form of control, or ownership of the institution
- The addition of courses or programs that represent a significant departure, either in content or method of delivery, from those that were offered when the institution was last evaluated.
- The addition of courses or programs of study at a degree or credential level different from that which is included in the institution's current accreditation or reaffirmation.
- A change from clock hours to credit hours.
- A substantial increase in the number of clock or credit hours awarded for successful completion of a program.
- The establishment of an additional location geographically apart from the main campus at which the institution offers at least 50% of an educational program.
- The establishment of a branch campus.
- Closing a program, off-campus site, branch campus or institution.
- Entering into a collaborative academic arrangement that includes only the initiation of a dual or joint academic program with another institution.
- Acquiring another institution or a program or location of another institution.
- Adding a permanent location at a site where the institution is conducting a teach-out program for a closed institution.
- Entering into a contract by which an entity not eligible for Title IV funding offers 25% or more of one or more of the accredited institution's programs.

IV. Roles & Responsibilities

The Chancellor of WSSU has overall responsibility for ensuring compliance with this policy. The university's Accreditation Liaison is responsible for assisting the Chancellor and academic program officials in complying with the SACSCOC Policy and Procedures on Substantive Change and for reporting substantive changes to SACSCOC. Under the guidance of the Provost, the university deans, the chairs of the Academic Standards and Curriculum Committee and the Graduate Council are responsible for:

- Recognizing pending substantive changes;
- Ensuring that all relevant notification and approval processes outlined in the on- campus routing forms for approval of undergraduate and graduate curricular proposals are followed;
- Reporting actions that may be substantive to the Accreditation Liaison; and
- Ensuring that the university has obtained prior approval from SACSCOC before implementing any programs with substantive changes.

V. Applicability

This policy applies to all employees and relevant programs.

VI. Compliance

The institutional accreditation liaison will review new recommended programs and changes to programs with the Provost as they arise to ensure that all substantive changes are reported in accordance with the policy of SACSCOC.

William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees
Winston-Salem State University

Responsible Division: Provost & Vice Chancellor for Academic & Student Affairs
Authority: Board of Trustees
History: Adopted March 16, 2018
Amended March 15, 2019



Annual Human Resources Compliance Report

[illegible]

INSTRUCTIONS:

INSTRUCTIONS:
List all Senior Academic and Administrative Officer (SAAO) Tier I employees (including chancellor) as of June 30, 2018.

List all Senior Academic and Administrative Officer (SAAO) Tier 1 employees (including clerical) as of June 30, 2018. For the non-salary compensation columns, enter the total dollar value of the amount received in FY 17-18 in each category.

Leave cells blank if no compensation was provided to the employee during FY 17-18 in that category.

Total Number of SAOA Tier 1 Employees	Total Amount of Non-Salary Compensation for SAOA Tier 1
7	7,147.00

PART 1 (con't): SAAO Tier II Salary Ranges (check one)

<input checked="" type="checkbox"/>	Our institution used the UNC System Office published Senior Academic and Administrative Officer (SAAO) Tier II salary ranges in FY 17-18.
<input type="checkbox"/>	Our institution's SAAO Tier II salary ranges and methodology for FY 17-18 are attached.

EHRA IRIT Salary Ranges (check one)

<input checked="" type="checkbox"/>	Our institution used the UNC System Office published, recommended Institutional, Research and Information Technology (IRIT) salary ranges in FY 17-18.
<input type="checkbox"/>	In lieu of providing IRIT salary ranges, a disclosure on how individual ranges are derived is attached.

Faculty Salary Ranges (check one)

<input type="checkbox"/>	Our institution's faculty salary ranges and methodology for FY 17-18 are attached.
<input checked="" type="checkbox"/>	In lieu of providing faculty salary ranges, a disclosure on how individual ranges are derived is attached.

Attach your institution's faculty salary ranges and methodology or your institution's disclosure on how individual ranges are derived below (Cell B23).



Institution's document [HERE](#).

PART 2: Conferral of Tenure

7	Number of faculty reviewed for tenure
7	Number of faculty granted tenure
0	Number of new faculty hired with tenure

PART 3: Institution Policies

Does your institution have a supplemental pay, interim appointments, and/or secondary appointments policy?

We understand that campus practices differ, and that, at times, we even see difference in the interpretation of what constitutes "base pay" and "supplemental salary." We further understand that many of your HRIS systems are calibrated to gather information differently than other campuses, and that you may even have variances in policy amongst different college or business units. These questions represent an initial foray into gathering information on this subject, and you're welcome to provide whatever context you'd like. Please operate under basic definitions – such as base pay being all pay for the primary role; while everything else falls into the "supplemental" category, including long-term stipends, interim appointments, and other supplements. (It's okay to exclude things we've always excluded, including task-based compensation such as summer course payments and course overloads.) Please contact Keith Dupuis (kedupuis@northcarolina.edu) with any specific follow-up questions.

<input checked="" type="checkbox"/>	YES	Our institution's supplemental pay, interim appointments, and/or secondary appointments policy and/or procedures is attached.
		Date last reviewed: _____ Currently under review for revisions... the attached policy is dated 12/2011
<input type="checkbox"/>	NO	Our institution does not have a supplemental pay, interim appointments, and/or secondary appointments policy or procedures. Attached is the methodology used at our institution to review supplemental pay, interim appointments, and/or secondary appointments.

Attach your institution's policy or procedures on supplemental pay, interim appointments, and/or secondary appointments OR attach your institution's methodology for reviewing supplemental pay, interim appointment and/or secondary appointments (Cell B41).



Institution's document [HERE](#).

In your HRIS system, do you distinguish between base pay and supplemental pay?

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
-------------------------------------	-----	--------------------------	----

If "NO", please briefly explain how you do distinguish between base pay and supplemental pay:

PART 4: EHRA IRIT Position Actions

Does your institution have delegated authority for IRIT position actions?

<input type="checkbox"/>	YES	My institution has independent IRIT authority to create and reclassify IRIT positions (excepting those that may require special review under periodic legislation, such as the state-mandated Consultation process), with the exception of RADA/CADA position actions which are submitted to UNC System Office for review and approval. Our Institution's Annual IRIT Report for FY 17-18 is completed in the Tab Titled "IRIT Annual Report"
<input checked="" type="checkbox"/>	NO	My institution does not have delegated authority to create and revise IRIT positions. We submit all requests for new or reclassified IRIT positions to UNC System Office for review and approval.

PART 5: Harassment Complaints

Please affirm that your institution has measures in place to track harassment complaints and can provide this information to the System Office upon request. Internal tracking mechanisms should include the following data elements (which we are only confirming you have prepared, and are not asking that you provide as part of this report):

1. Name of Accused and Employee Type/Student Status (SHRA, EHRA Non-faculty, Faculty, Temp Employee, Student, Other)
2. Name of Complainant and Employee Type/Student Status (use above categories)
3. Date of Complaint
4. Date of Resolution
5. Identify protected basis(es) for complaint: race, religion, color, national origin, sex, age, disability, genetic information, political affiliation.
6. How Complaint was filed: EEOC Complaint, EEO complaint, complaint part of SHRA grievance process
7. Findings? Yes or No
8. If findings, list type of disciplinary action: Dismissal or Other disciplinary action

<input checked="" type="checkbox"/>	YES	My institution tracks harassment complaints and, if requested by the System Office, can provide the above listed data in a report form.
<input type="checkbox"/>	NO	My institution does NOT track harassment complaints or does not collect all of the above listed data, but will gather this information for FY 17-18 and put measures in place to track harassment complaints going forward. Date to be completed: _____

PART 6: Report of Hiring Activity

Report of Hiring Activity for Fiscal Year 2017-2018. Hiring activity should include competitive events and waivers of recruitment for permanent positions only (exclude temporary employees/appointments). Please note that, starting next fiscal year, campuses will need to report on three separate fields: internal campus hires; hires from other UNC constituent institutions; and external hires.

Employee Category	Internal Hire Count ^(a)	External Hire Count (Including other UNC constituent institutions) ^(b)
EHRA Faculty	14	30
EHRA Senior Academic and Administrative Officer Tier I	1	0
EHRA Senior Academic and Administrative Officer Tier II	2	2
EHRA IRIT	11	23
All Other EHRA Non-Faculty Not Otherwise Categorized	0	0
SHRA Staff	9	51
Grand Totals	23	76

- a. Internal Hire: Any individual already employed at your institution who is transferred, promoted, or waived into a position.
b. External Hire: Any individual who is not currently employed at your institution.

PART 7: Certification of Approval

INSTITUTIONS WITH MANAGEMENT FLEXIBILITY	
I certify that I reviewed and approved Winston-Salem State University Annual Human Resources Compliance Report for the Fiscal Year ending June 30, 2018 and this report was approved by the Board of Trustees on [INSERT DATE]	
Name: _____	_____
Chancellor	Date

INSTITUTIONS WITHOUT MANAGEMENT FLEXIBILITY	
I certify that I reviewed and approved Winston-Salem State University Annual Human Resources Compliance Report for the Fiscal Year ending June 30, 2018.	
Name: _____	_____
Chancellor	Date



2018 Annual Human Resources Report

Faculty Salary Ranges Disclosure Statement

As a practice, Winston Salem State University seeks to remain market competitive within each professional sector by utilizing market salary data from the respective professional organizations for each faculty position. For example, if determining a faculty salary range for a Physical Therapy faculty position, we would consult the North Carolina Physical Therapy Association and the National Physical Therapy Association in conjunction with current salary range information received from CUPA-HR market survey data. Once the comparative analysis is completed, a market competitive faculty salary range is established. As a guideline for extending the salary offer, we attempt to stay within the 80 percentile range.

Revonda Propst Reed

Faculty Affairs Manager



WINSTON-SALEM STATE UNIVERSITY

102.5 - Supplemental Pay for EHRA Employees

University Group Policy #102.5

Policy Statement

Commensurate with University of North Carolina policy, Winston-Salem State University (hereinafter "WSSU") recognizes that certain circumstances may exist to justify the award of supplemental pay to SHRA employees and to EHRA employees (note: EHRA employees are those positions that are not subject to the State Human Resources Act and are classified in one of four categories: 1) EHRA Professional, 2) Faculty, 3) Senior Academic and Administrative Officer Tier-1, or 4) Senior Academic and Administrative Officer Tier-II). The policy supplements existing guidance and statutes and should not be interpreted in any way that is not consistent with guidance provided in UNC Policy 300.2.13. This policy sets forth the conditions under which a supervisor may approve supplemental pay for employees and the approval request process that must be followed.

Definitions

"Supplemental pay" is defined as compensation in excess of an employee's annual salary that is paid by WSSU to the employee for: (a) temporary increases in responsibility and/or (b) extra duties beyond the scope of the employee's contract/appointment. "Annual Salary" is defined as the compensation paid to the employee by WSSU for duties to be performed within the scope of the contract/appointment.

Guidelines

Exclusions

This policy does not cover compensation provided by WSSU to WSSU Athletic Department Head Coaches and their EHRA staff related to Conference Championships (Central Intercollegiate Athletic Association and the National Collegiate Athletic Association) or post-season invitations or team graduation rates which are governed by the Athletic Department's established Championship & Post Season Compensation Guidelines

Limits on Supplemental Pay

a) Employees Within Contract Period

The maximum amount of supplemental pay cannot exceed 20% of an employee's annual base salary. If operational needs or other compelling circumstances arise, supplemental compensation may exceed the 20% threshold and must be approved by the appropriate Vice Chancellor. Supplemental compensation from federally sponsored contract and grants administered through

WSSU Office of Sponsored Programs is not allowable during the employment contract period unless specifically allowed by the sponsoring agency.

b) Employees Outside of Contract Period

1. Academic Year Appointments (9-month). Total supplemental pay that may be received during summer months is equal to the annual base salary divided by the number of contract/appointment month multiplied by the number of non-contract months. For example, a 9-month EHRA employee with a full-time annual salary of \$45,000 would have a summer salary cap of \$15,000 ($\$45,000/9 = \$5,000 * 3 = \$15,000$)
2. The same calculation method is used for appointments/contracts other than academic year appointments/contracts (i.e., <9, 10 or 11), using base salary, on a prorated basis
3. There is no out of contract period of 12-month employees

c) Under this policy EHRA employees and SHRA employees with appointments at less than 1.0 FTE (full time equivalent) are eligible for supplemental pay at the part time rate until they reach the equivalent of 1.0 FTE rate. Once 1.0 FTE rate is reached, supplemental pay limits apply as described in this section. Supplemental pay for SHRA employees includes duties on campus only when such duties are occasional, sporadic, unrelated to primary job duties and performed outside regular working hours. Assignments that are related to primary job duties should be compensated under the guidelines of the Overtime Compensation Policy.

EXAMPLE: An SHRA employee subject to FLSA may teach a course outside regular working hours or while using leave, and the compensation for teaching the course shall be consistent with the rate for instructors of the respective course.

d) Supplemental payments will not be adjusted if employee receives a salary increase applied retroactively to the period of supplemental assignment.

Approval Request Process

The following steps must be completed and documents before a supplemental payment can be made:

- a. The employee's supervisor must submit an appropriately completed Personnel Action Form with a written request stating the justification for supplemental pay in advance of the start of the special assignment.
- b. The request must clearly identify the activities covered, the relationship of the activities to normal job responsibilities, the expected duration and the basis for determining the one-time or periodic supplemental payment.
- c. The request must be made to the appropriate administrator (Provost/Vice Chancellor, Department Head, Dean, etc.)
- d. The approved request must be submitted to Human Resources or Faculty Personnel Administration for final review and processing.

Applicability

This policy applies to all Winston-Salem State University EHRA employees.

Compliance

Record Retention

Original supporting documentation for the supplemental pay must be retained in the hiring department's file for a period of five years from the date of payment. Documentation for the supplemental payment must also be retained in the employee's personnel file for a period of five years from the date of payment. If documentation is in support of expenditures charged to a

sponsored award, the documentation must be retained for 5 years after termination of the sponsored award.

Responsible Division: Vice Chancellor and Chief of Staff

Authority: Board of Trustees

History:

- Adopted: December 9, 2011

WSSU Board of Trustees Meeting

Chancellor's Report

March 15, 2019

WINSTON-SALEM STATE UNIVERSITY



WSSU

CIAA Basketball Tournament 2019

- Held in Charlotte Feb. 25-March 2.
- Men's and women's teams eliminated in the first round.
- Miss WSSU named second-runner-up for Miss CIAA.
- Tournament moving to Baltimore in 2021.



Social Mobility Summit: April 2-3, 2019

Highlights faculty research into social and economic mobility and the best practices WSSU has in place to support student success.

Paid for by CollegeNET and WSSU's Center for the Study of Economic Mobility.



Social Mobility Summit: April 2-3, 2019

- WSSU is No. 7 on CollegeNET's 2018 Social Mobility Index. WSSU is the only college or university on the East Coast to rank in the Top 20 all five years of SMI rankings. The SMI looks at five data points:
 - Tuition*
 - % of students from families making less than \$48,000*
 - graduation rate
 - early career salary
 - endowment size (large endowment is penalized if tuition is high)
- WSSU has twice been named a Social Mobility Innovator by CollegeNET.

**most-weighted values*

Strategic Plan Report 2018 Highlights

- A record amount of NSF funding (\$2.3 million) was received.
- WSSU received \$600,000 Mellon Foundation grant for humanities.
- 62% of programs have engaged in formal discussions around curriculum coherence and efficiency.
- EAB Navigate Student Success Collaborative rolled out.
- Signed additional MOUs with Forsyth County Department of Public Health and Carver High School to expand the reach of mobile unit services and health promotion programs.
- Awarded 607 students \$1,585,249 in Foundation and Trust scholarships.
- Established the CDI HeArt (health+art) Studio with social justice focus on healthy relationships, caregiver self-care, chronic disease, and violence.
- Created new organizational structures in Student and Academic Affairs to ensure operational efficiencies that are consistent with FY 2018 plan and created the Division of Strategic Communications to centralize communications efforts on campus.
- An Interdisciplinary committee for a PhD program in Health Equity and Social Justice was established.
- Reimagined the First Year Experience was designed to include Ramdition, FYE courses, and co-curricular initiatives.

Media Report

Duke scrapes past Wake Forest / C1

WINSTON-SALEM JOURNAL

March 6, 2019 \$2.00 WEDNESDAY www.journalnow.com

Daughter is carrying on her late father's restaurant legacy / D1

How did area prep teams fare in basketball playoff action? / C3

Man hits 2 patrol cars during chase

Narcotics investigation leads to pursuit, arrest on multiple charges

BY SARAH HENRELL AND JOHN HENTON Winston-Salem Journal

A man who led police on a chase into downtown Winston-Salem Tuesday morning is accused of driving directly toward officers and colliding with two patrol cars.

The chase began in the 1000 block of North Main Street, where officers were pursuing a man on a motorcycle. The chase ended in the 1000 block of North Main Street, where the man hit two patrol cars and fled.

The man, who was not injured, was arrested on charges of driving while intoxicated, driving without a valid license, and driving without proper insurance.

The man was taken to the Winston-Salem Police Department for further processing.

Wings scholar lands at WSSU

"I really wanted to attend an HBCU on the East Coast... I felt in my heart that Winston-Salem State was the perfect school for me to thrive"

Jordan Cole
Wings scholar

Winston-Salem State University's Jordan Cole is the university's first-ever Jordan Brand's Wings Scholar. He is one of 20 students nationwide to be awarded the full scholarship after his video submission was viewed by a three-member panel and basketball legend Michael Jordan.

Michael Jordan scholarship sends student to university tuition-free

BY JERRY BRADLEY Winston-Salem Journal

After applying for 35 college scholarships, Jordan Cole didn't expect it would be a shot that would change his life.

But when he was named a Wings Scholar, Cole was named a Wings Scholar, Cole was named a Wings Scholar, Cole was named a Wings Scholar.

Teen goes from homeless to student at Winston-Salem State University

POSTED 6:12 PM, JANUARY 22, 2019, BY CHARLES EWING

FACEBOOK 100% TWITTER G+ GOOGLE PINTEREST REDDIT

Teen goes from homeless to student at Winston-Salem State ...

Winston-Salem, N.C. -- As Chabarr McKenzie walks across campus, he is confident that he has found the right path.

"It's going learning at Winston-Salem State University fight food insecurity"

POSTED 9:35 PM, FEBRUARY 19, 2019, BY CHARLES EWING

FACEBOOK 95% TWITTER G+ GOOGLE PINTEREST REDDIT EMAIL

Donation helps WSSU fight food insecurity

Winston-Salem State University is grateful for the Jordan Brand's Wings Scholar, who is one of 20 students nationwide to be awarded the full scholarship after his video submission was viewed by a three-member panel and basketball legend Michael Jordan.

Michael Jordan scholarship sends student to university tuition-free

BY JERRY BRADLEY Winston-Salem Journal

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But when he was named a Wings Scholar, Cole was named a Wings Scholar, Cole was named a Wings Scholar, Cole was named a Wings Scholar.

Mellon Foundation awards \$600,000 grant to WSSU humanities program

Winston-Salem, N.C. -- The Andrew W. Mellon Foundation has awarded a \$600,000 grant to Winston-Salem State University to support its humanities programs over the next three years.

HBCU Presidential Series, Leadership Digest Radio – Winston-Salem State Chancellor Elwood Robinson

Published on January 17, 2019

Author: J. Carter Se

Tags: elwood robinson, Winston-Salem State University

Share Article: Facebook 17, Twitter, Pinterest, Mail

The post has been shared by 52 members

Donation helps WSSU fight food insecurity

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D SUNDAY March 3, 2019

Winston-Salem Journal • Assistant Editor Lynn Felder • (336) 727-7208 • dfelder@wjsjournal.com

The Arts

Arts Top 10

FOR MARCH AND APRIL

BY LYNN FELDER Winston-Salem Journal

0 K. Spring, it's time. You can get here any minute. March and April around here are full of culture and fun — and also blue skies and sunshine, right?

Here are our top picks of the events in Winston-Salem, but don't forget to check out our friends in Yadkin, Stokes and surrounding counties.

The Silk Road Ensemble will play a Secret Artist Series concert at WFLU.

LIZ LINER

The Singing Rams will present a Spring Concert on April 7.

GABRIEL GARNES/WSFL

Excellence is our Habit!

THE TENNESSEE STATE UNIVERSITY

FEATURED JOBS

Vice President, Fiscal and Administrative Affairs

Vice President, Institutional Advancement & Alumni Relations

Winston-Salem State University Board of Trustees Meeting

March 15th, 2019



WSSU

Fall 2019 New Undergraduate Enrollment

As of March 8th, 2019

Freshman	Fall 2018	Fall 2019	Change 2018 to 2019
Applied	6,619	7,241	9%
Accepted	1,862	2,361	27%
Intend to Enroll	692	827	20%

Transfer	Fall 2018	Fall 2019	Change 2018 to 2019
Applied	658	680	3%
Accepted	159	147	-8%
Intend to Enroll	86	84	-2%

STRATEGIC PLAN 2016-2021

REPORT OF ACCOMPLISHMENTS - 2018

PRESENTED MARCH 15, 2019



WINSTON-SALEM
STATE UNIVERSITY

Table of Contents

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Goal 1. Strengthen Liberal Education

Objective 1.1: The University will recruit and retain exceptional faculty members committed to the principles of liberal education and equity.

- Twelve new faculty were hired and started in the 2018-2019 academic year. Eight (67%) are tenure-track faculty.
- Seven of the highly sought-after scholars were offered \$80,000 total in startup funds to support their research agendas over the next two to three academic years. A total of \$119,833 was allocated last year to support 28 talented faculty members through recruitment or retention.
- The revamped Center for Innovative and Transformative Instruction launched its Faculty Fellows Program with two faculty members in the initial cohort.
- The Faculty Professional Development Committee (2018-2019 academic year) awarded faculty resources totaling \$171,678 (\$118,000 last year) to support faculty development by supporting research presentation travel, research seed funding, and colloquia.
- Digital Measures-Activity Insight was implemented.
- Sponsored Research Cumulative Activity through December (SOHS & CASBE)
 - 2018-Proposals Submitted: 40 for \$25,144,954
 - 2018-Awarded Proposals: 34 for \$4,070,735

Objective 1.2: Institutional Learning Outcomes (Essential Skills) will be evident across all courses in both general education and majors.

- Revived the Student Learner Outcome (SLO) Learning Communities and changed to university committees.
- Committees either reaffirmed or revised the rubric and started revising the SLO manuals.
- Connected SLO committees with CREDO (now known as NimbleWise) and started developing teaching and assessment modules.

Objective 1.3: Engaged and high impact practices will be evident across the undergraduate curriculum.

- Organizational structure is in place to support experiential education.
- Federal work-study jobs updated to include Student Learning Outcomes.

Objective 1.4: The university will cultivate a stimulating intellectual community that fosters and supports scholarship, including sponsored research and creative works.

- A record amount of NSF funding (\$2.3 million) was received in the 2018 cycle.
- WSSU received \$600,000 Mellon Foundation grant for humanities.
- Four design studios were established at the Center for Design Innovation.
- There were more and better professional development opportunities, including workshops, seminars, writing groups, and internal grants, offered by the Office of Sponsored Programs and Center for Innovative and Transformative Instruction (CITI).

Objective 1.5: The curriculum will be relevant, coherent, and diverse and will offer students a broad exposure to academia and the ways knowledge is produced.

- 62% of programs have engaged in formal discussions around curriculum coherence and efficiency.
- 44% of programs have taken a revised curriculum to the Academic Standards and Curriculum Committee.
- Of the reviewed programs, 63% have reduced the hours required in the major.
- Semester hour (SH) averages for the majors have gone from 52.9 SHs to 44.4 SHs.

Objective 1.6: Opportunities to become global citizens will be integrated throughout the learning experience

- There were increased and diversified study abroad opportunities.
- Global-focused curriculum and co-curricular programs increased.
- There was an increase in international partnerships over the prior year.

Objective 1.7: Advisory and academic services will be ubiquitous, proactive and collaborative to empower students to achieve success through liberal education.

- Enhanced academic support services improved successful course completion rates.
- There was an increase in student visits to the tutoring center along with an increase in student use of the UpSwing online portal, 30% and 8%, respectively.
- DFW rates for students who attended quantitative skills tutoring decreased by 10%.
- There were decreases in DFW rates for students in English/writing courses (13%) and non-English courses (10%) who attended supplemental instruction/tutoring sessions.
- The number of certified tutors increased by 14%.
- Academic Enhancement Plan (AEP) has had successes in scaling up and engaging more special populations (students below 2.0 G.P.A, Greeks, and athletic managers and trainers). There was an increase in average G.P.A from Fall '17 to Fall'18, from 2.82 to 2.97.
- Created comprehensive advising approach from entry to graduation.
- EAB Navigate Student Success Collaborative roll-out:
 - Phase 1: Academic Success Counselors, centralized tutoring services, and AEP
 - Followed by Residence (Coordinated Care Network) and upper administration has been introduced.

Objective 1.8: Opportunities for co-curricular engagement focused on developing essential skills will be developed and supported across the educational experience and for all populations.

- Using the curricular approach developed by the University of Delaware and American College Personnel Association (ACPA), Housing and Residence Life began designing a

Residential Curriculum using the 10 Essential Elements to craft intentional learning opportunities for our residential community.

- University Student Activities and Engagement (USAE) established a leadership development program for students that incorporates a variety of services and programs to cultivate future leaders on and off campus.
- University Recreation (UREC) engaged students in related majors through internships, field experience, volunteer experience and part-time jobs. Majors include physical education, therapeutic recreation, sports management, occupational therapy, business, and exercise science.
- The Career Development Center increased the number of Federal Work Students (FWS) students awarded and placed in meaningful work experiences; student learning outcomes added to every FWS job description offered through the FWS program. Interest in career development professional development services and programs and students engaged in HIPs also increased.
- Fall 2018 transfer students participated in the full Ramdation experience. There were increased opportunities for engagement in co-curricular and leadership development programs for Military Students and Veterans. More opportunities were provided for non-traditional students to become engaged campus programs offered to traditional students.
- Reimagined the First Year Experience was designed to include Ramdation, FYE courses, and co-curricular initiatives.

Objective 1.9: The Educator Preparation Program (undergraduate and graduate) will be strengthened to accomplish social justice, equity, and urban education goals.

- Renewed the curriculum to emphasize birth to kindergarten, elementary education and special education.
- Revisited a systematic approach to early field experience.
- There was a greater focus on Community Service/Service-Learning.

Goal 2. Enhance Quality of Graduate and Professional Programs

Objective 2.1: Transformative academic experiences for all graduate and professional programs will be offered.

- BodyViz virtual anatomy hardware and software were purchased.
- IPE program was implemented in the Spring 2018 (OT, PT, Nursing).
- 3D printing of assistive devices was incorporated in OT program (added to Specialized Topic and Evidence Topic courses).
- Fall risk management in homes was added to PT and OT curriculum (screening, community care clinic, and aging in place grant via Habitat for Humanity for home safety).
- MS Fit (preventive services to promote health) were incorporated in Neuro I and II (PT).
- Neuro I – movie project was developed where students work with person and the psychosocial aspects of dealing with a chronic disease. (PT)
- VH – All nursing students completed a clinical experience using simulated mannequins.
- Supervision assist program (cloud-based supervision scheduling) was implemented in RC program.
- Self-paced learning was implemented for MHA program.

- A grant was received to implement gamification in several computer science and information technology courses.

Objective 2.2: The health equity theme will be evident throughout the health sciences programs.

- Student/faculty engagement was expanded in service learning and outreach.
- Implemented new courses that are focused on health disparities and equity.
- Submitted a new grant to build capacity for health equity research and continue participation in previous research activities.

Objective 2.3: Community engagement will be a signature aspect of graduate and professional programs.

- Engaged undergraduate research students in four community-engaged interventions plus collaboration with CSEM research fellows.
- Research was informed and driven by community partners and directly addresses community needs.
- Expanded Rams Know H.O.W. mobile clinic driven by community needs.
- Bus rider survey created impact and numerous community engagements ranging from newspaper coverage, local TV coverage and invitations from local non-profits and government.
- Additional community partners were engaged: Forsyth County Department of Public Health, Housing Authority of Winston-Salem, Carver High School, Wake Forest University, Forsyth Futures and Winston-Salem Foundation

Objective 2.4: Joint disciplinary programs within the School of Health Sciences and between the School and the College of Arts, Sciences, Business and Education will allow students to pursue novel learning opportunities.

- The DPT and MSOT programs continue to increase enrollment of early assurance students. Approximately 15% are WSSU students.
- Interdisciplinary committee for a PhD program in Health Equity and Social Justice was established. Needs assessment in progress.
- Meetings were held to explore feasibility of DPT/MHA program.

Objective 2.5: A diverse population of graduate students will be recruited, retained and graduated.

- Digital marketing campaign was launched for MBA, MHA, tDPT, MSN/DNP:
 - MBA up 50%, MSN up 50%, and tDPT up 1100%.
- DOE HBCU grant of \$31,000 was received to automate graduate recruitment and admissions and enrollment processes with automation are underway.
- DOE HBCU was grant received (\$2.4 million – 2017-2023) to:
 - increase African American and low socioeconomic status students in STEM and allied health graduate programs; and
 - provide tutoring services for graduate students – nursing, occupational therapy, health care management, rehabilitation counseling, computer science, and MAT – math and science.

Objective 2.6: Graduate international programs or program components will be expanded.

- There are two international teaching/research fellows currently hosted by PT.
- OT expanded Ecuador experience to offer 2 different Level I fieldwork experiences.
- MOU was renewed with Hubei University of Chinese Medicine for Nursing.

Goal 3. Build Commitment to Social Justice through Enhanced Community Engagement

Objective 3.1: Institutional centers will provide opportunities for research and service that impact student learning and communities in ways that enhance social justice.

- Student interns organized community residents for the neighborhood master plan.
- CDI Spatial Justice Studio selected four faculty/community fellows.
- Ninety-four students are connected to three classes in spatial justice research and the studio submitted a \$397,000 NSF grant proposal.
- CEEHD/Rams Know H.O.W. addressed healthy food access through a Diabetes Prevention Program and implemented community-based health promotion research programs with a \$600,000 grant award.
- Established the CDI HeArt (health+art) Studio with social justice focus on healthy relationships, caregiver self-care, chronic disease, and violence.
- CSEM produced a documentary to show how transportation barriers affect employment, which has led to numerous CSEM-led community discussions in public and private organizations.

Objective 3.2: The curriculum will provide opportunities to promote social justice learning.

- First Year Experience courses reflected all five tenets of social justice.
- Investigation and Research co-curriculum courses in community health disparities were provided to the scholars in the MARC and RISE programs.
- Business, History, Justice, and Health courses were facilitated through community-based centers CFE, S.G. Atkins CDC, CDI, CEEHD, CSEM, and BRIC.

Objective 3.3: Issues of social justice will be advanced through the work of faculty, students and staff.

- Signed additional MOUs with Forsyth County Department of Public Health and Carver High School to expand the reach of mobile unit services and health promotion programs. Three students were able to enroll in the practicum course when the community-based program was moved to campus. Currently 20 community residents are participating in the program.
- CDI Spatial Justice Studio faculty addressed access and equity issues related to the environment, infrastructure and recreational amenities.
- Students completed research, data collection, presented posters at NC Geography Society Conference.
- Atkins CDC partnered with the WSSU Center for Entrepreneurship faculty and students to address the needs of local entrepreneurs, food access, financial literacy and homeownership.

- Faculty CSEM Research Fellows addressed issues of economic mobility as it relates to impediments and challenges faced by residents of Forsyth County, along multi-disciplinary modes of exploration.

Goal 4. Enhance Revenue and Stewardship of Resources

Objective 4.1: All plans, policies, practices and reward structures will reflect a commitment to stewardship of resources.

- Presented new organizational structures in Student and Academic Affairs to ensure operational efficiencies that are consistent with FY 2018 plan.
- Established a baseline of 10% for annual cash reserve balances to strengthen cash flows for business and auxiliary services and to improve institutional liquidity.
- Created a customer service unit in Facilities Management to properly account for inventory and track resources (repair supplies & materials).

Objective 4.2: Increased funds will be available to support university priorities.

- New leadership was put in place in University Advancement.
- Funding was approved and recruitment began for new development positions for the AVC, Development Associate, and two Administrative Support Specialists.
- Fundraising goals and metrics were established for development officers.

Objective 4.3: Scholarships and grants will be provided to offset educational costs, especially for those with financial hardship.

- Fully implemented a Searchable Scholarship Database with 200 student applications received to date.
- Worked to revise merit scholarship program and build a sustainable model.
- Integrated financial literacy curriculum and tools (via iGrad) into all First Year Experience courses.
- Awarded 607 students \$1,585,249 in Foundation and Trust scholarships.

Objective 4.4: Processes and procedures for the strategic application of resources will be evident.

- IT maintenance agreements for FY 2018-19 were reviewed by the Provost and Chief Information Officer for consistency with institutional priorities.
- Reduced discretionary spending to increase funding for scholarship support.
- Implemented a requirement that all out-of-state travel for non-faculty be approved by the VC for Finance and Administration.
- Evaluated copier deployment and usage, resulting in cost savings of approximately \$130K annually by standardizing device models and reducing the number of machines from 110 to 96.

Objective 4.5: The university brand will enhance the reputation of the university among key audiences and support revenue generation opportunities in support of strategic priorities.

- Centralized communications through creation of Division of Strategic Communications and established cross-divisional teams to address strategic communications issues (Ram Ready, Student Success Technologies, Incoming Student Communications).

- Improved strategic outcomes through web analytics assessment/feedback; built audiences and improved engagement on social media; used digital technologies to drive traffic to strategic web content.
- Improved campus beauty and expanded the footprint of campus through Home Depot Retool Your School and developed a lawn sign policy as well as negotiated placement of WSSU banners in the city.
- Developed materials highlighting WSSU to distribute to lawmakers; hosted lawmakers on campus; partnered with the city on Bowman Gray proposal; created an advocacy guide; and developed a plan for a WSSU Champions pilot program.
- Improved brand perception, awareness and affinity by strategic investments in marketing and branding via digital marketing campaigns, OOH, search engine marketing, social media, and media relations.

Goal 5. Enhance the Quality of Physical and Operational Infrastructure

Objective 5.1: Information and learning technologies will be current, ubiquitous, mobile and adequate to support learning and business operations across the campus.

- Completed laptop refresh for faculty/staff with data encryption.
- Began the deployments of 2-in-1 tablets.
- Completed MYWSSU Student Portal website.
- Completed card access for academic buildings.
- Replaced surveillance camera system.
- Completed Banner 9 for Admin (Formerly INB).
- Developed infrastructure for EAB Student Success Platform.
- Completed Phase I of AV equipment refresh in 10 classroom buildings.
- Expanded Canvas implementation.
- Began Nimblywise (formerly Credo) for SLO modules and assessments.
- Launched campus wide Adobe Creative Cloud to support Digital Literacy Initiative. (309 employees have activated their accounts).
- Implemented Sharelink Collaborative Classroom technology in a number of classrooms across campus.
- Completed updated Wi-Fi assessment in residence halls, library and student union spaces.
- Replaced 75% campus Wi-Fi in residence halls
- Completed infrastructure to accommodate mobile technologies.
- Replaced aging smartphones and implemented mobile device management.

Objective 5.2: Technology will be used to efficiently manage transactional processes, freeing staff to focus on customer service with an equity-minded approach.

- Upgraded ERP system (Implemented BANNER 9). Phase 1 was completed.
- Graduate Recruiting and Admissions Process Streamline had begun.
- Automated travel and expense process is in the final stage of development and testing.
- Implemented Campus Workflow/BANNER and Active Directory Integration.

Objective 5.3: Academic facilities and learning environments will support high-impact teaching practices and student learning.

- Construction on the Science Building is 51% complete.

- Phase 1 renovations began in ten active learning classrooms.
- Campus Master Plan was updated.
- Dillard Auditorium upfit was completed (chairs, flooring, lighting, and painting)
- Covington Residence Hall was completed.

Objective 5.4: Living and learning environments within the residence halls will have facilities available for students to support and enhance learning opportunities.

- Moved staff to create additional academic/ education space.
- Explored new technology and increased staffing to address to issues related to infrastructure.

Objective 5.5: Staff will be highly trained and committed to excellence.

- HR enhanced the recruiting and selection process by providing training in interviewing and selection and by diversifying recruiting sources.
- There was 100 percent participation in performance management processes for the first time for both staff and management.

Objective 5.6: Operational excellence will be evidenced by results-oriented goals, policies, procedures, and assessments.

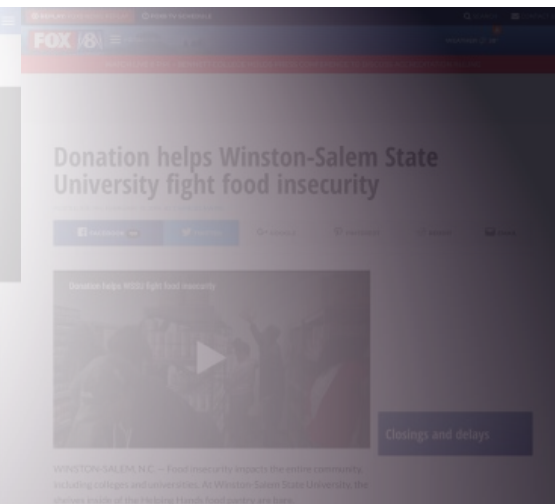
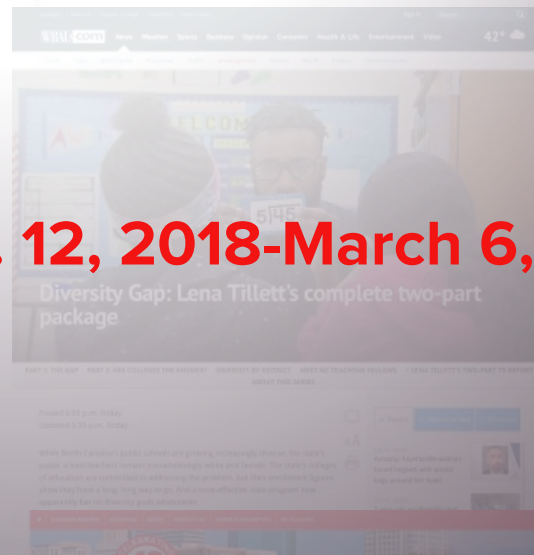
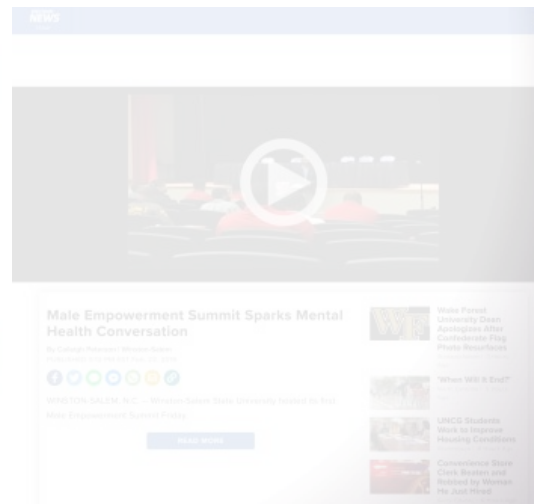
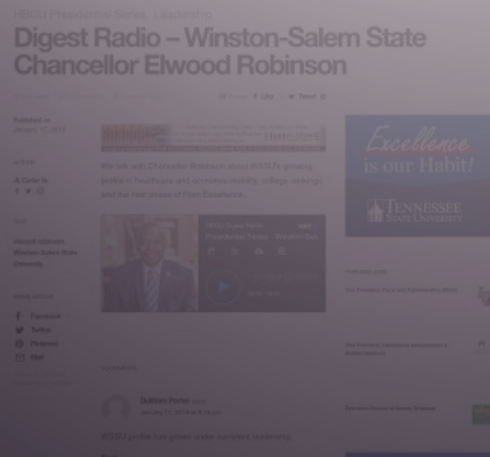
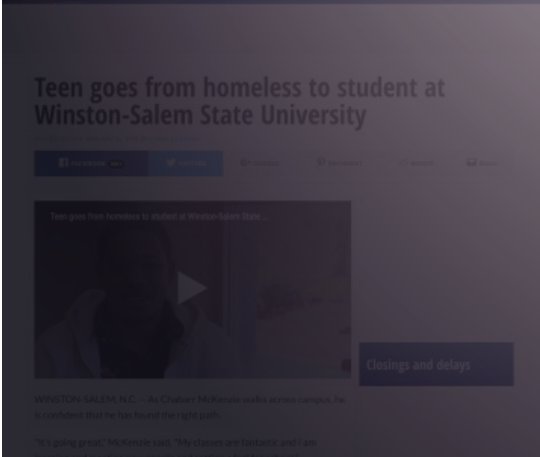
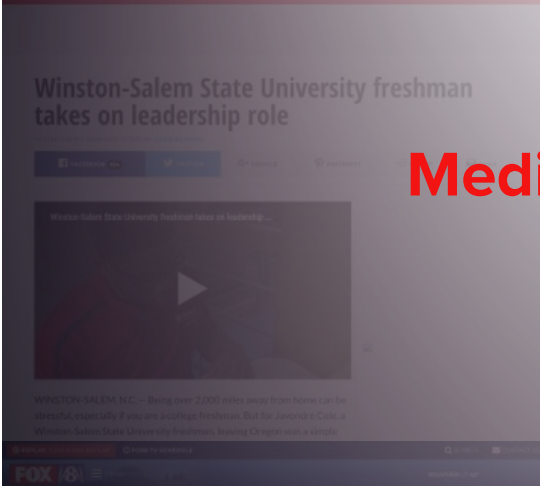
- Nineteen administrative units and 21 academic departments submitted examples and supporting documentation of how data have been used to make changes and improvements.
- A policy dashboard was created to gauge progress.

Objective 5.7: Organizational structures will be aligned to foster and sustain strategic goals.

- There was a “soft launch” of the “Office of Academic and Student Affairs” after formal approval by the Board of Trustees to in September 2018.
- UNC System approved the revised position titles and job duties for five (5) positions in the restructure design.
- The Office of University and Donor Events moved from the Chancellor's Office to Advancement.
- The Division of Strategic Communications was created to deliver a cohesive, consistent message to our constituents.
- Environmental Health and Safety was realigned from Finance and Administration to Emergency Management to create a comprehensive approach to campus health and life safety.
- A restructure of the Facilities Department was completed by establishing the Design, Construction and Operations unit and updating the operational team concept by trade skills versus zones.



Media Highlights - Dec. 12, 2018-March 6, 2019



15

PIECES OF COVERAGE:

26.8M

ONLINE READERSHIP:

125K

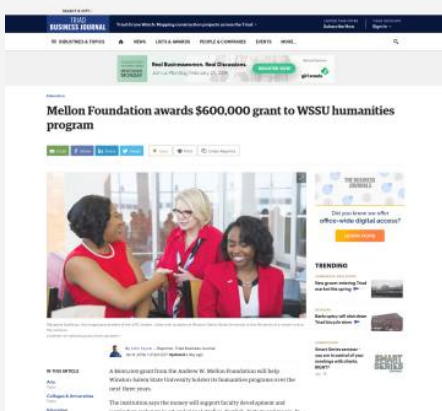
ESTIMATED COVERAGE VIEWS:

48.3K

SOCIAL SHARES:

67

AVERAGE DOMAIN AUTHORITY:



Man hits 2 patrol cars during chase

Narcotics investigation leads to pursuit, arrest on multiple charges

BY SARAH NEWELL
AND JOHN HINTON
Winston-Salem Journal

A man who led police on a chase into downtown Winston-Salem Tuesday morning is accused of driving directly toward officers and colliding with two

unmarked patrol cars, authorities said. No officers were injured.

Devontae Ravon Ford, 25, was arrested after the chase and charged with two counts of assault with a deadly weapon on a government officer and other offenses, including fleeing to elude arrest, according to warrants. He is also charged with two counts of trafficking heroin and with pos-



Ford

sessing with intent to sell and deliver heroin.

Winston-Salem police officers said they were conducting a narcotics investigation around 9:15 a.m. when they attempted to stop a white Chevrolet Caprice in the area of Reynolda Road and Northwest Boulevard. According to investigators, that's when the suspect drove toward the officers and hit two police vehicles.

A chase ensued, with the suspect driving east on Northwest

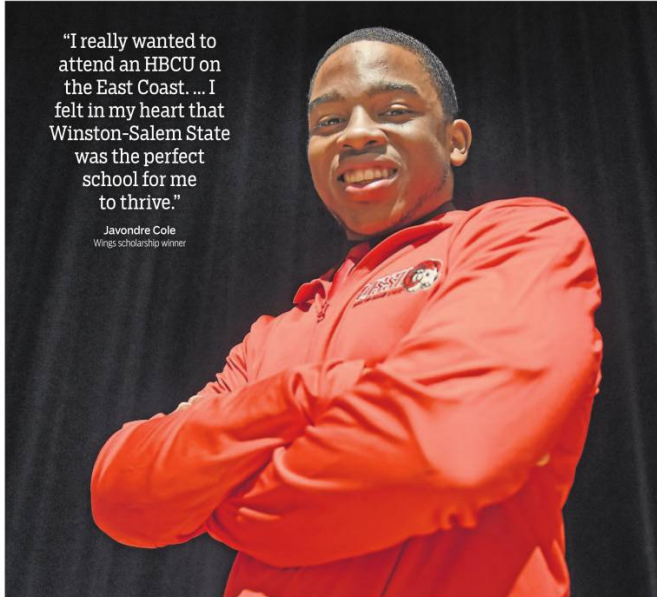


Police search a man's car following a chase that ended in downtown Winston-Salem on Tuesday.

Wings scholar lands at WSSU

"I really wanted to attend an HBCU on the East Coast. ... I felt in my heart that Winston-Salem State was the perfect school for me to thrive."

Javondre Cole
Wings scholarship winner



Winston-Salem State's Javondre Cole is the university's first-ever Jordan Brand's Wings Scholar. He is one of 26 students nationwide to be awarded the full scholarship after his video submission was viewed by a Nike-Jordan panel and basketball legend Michael Jordan.

Michael Jordan scholarship sends student to university tuition-free

BY JENNY DRABBLE
Winston-Salem Journal

After applying for 35 college scholarships, Javondre Cole didn't expect it would be a shoe box that would change his life.

Last summer in a gymnasium filled with his cheering peers, Cole was handed a simple blue box emblazoned with the word "Wings."

Inside the box was a certificate, signed by former UNC and NBA basketball star Michael Jordan, notifying Cole that he had been granted a full scholarship to the university of his choosing.

"I felt like I was in the starting lineup at a basketball game. There at the end of the tunnel was a box with my scholarship," said Cole, now a freshman at Win-

ston-Salem State University, who was granted the Jordan Brand's Wings scholarship. "I couldn't help but cry to have all the hard work I'd put in over the past four years finally recognized. It was a chance at a future."

Cole was one of 26 students selected nationwide and the first-ever Jordan Brand's Wings Scholar at Winston-Salem State. He was nominated for the

scholarship and had to submit a video about representing authenticity, which was then viewed by Jordan and others on a committee made up of Nike and Jordan Brand employees.

The scholarship program, which began in 2015, aims to ease the financial burden for incoming college freshmen from disadvantaged areas.

COLE, Page A6

City tries for disaster relief

Aid could be coming for damages from Hurricane Michael

BY WESLEY YOUNG
Winston-Salem Journal

Winston-Salem stands to collect some \$485,000 in state and federal disaster relief to offset the effects of Hurricane Michael here last fall.

On Monday, the Winston-Salem City Council approved applying for the disaster assistance, which would go to offset costs the city incurred when Michael struck last Oct. 11.

The storm brought high winds, flooding, power outages, downed trees, blocked roads and other damage, city officials said.

"It has been a pretty rugged year for the city," said John Larson, the council member for South Ward.

In the aftermath of the storm, local officials declared a state of emergency.

On Jan. 31, Forsyth County received a federal declaration that allows the city to apply for the relief. The money can be used to offset costs or pay for efforts to prevent damage from occurring in the future.

August Vernon, the director of emergency management for Winston-Salem and Forsyth County, said Monday night that while the process of getting the state and federal funds will be time-consuming, it is possible that the city could get even more than the estimated \$485,000 depending on how things shake out in the application process.

"The exact amount will be known later," he said.

Vernon noted that the county, Kernersville and the Winston-Salem/Forsyth County Schools are also eligible for disaster funds.

In other action, the council on Monday approved a rezoning that will allow

RELIEF, Page A6

“ BOT report

Winston-Salem State University freshman takes on leadership role

POSTED 5:56 PM, FEBRUARY 21, 2019, BY CHARLES EWING

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WINSTON-SALEM, N.C. -- Being over 2,000 miles away from home can be stressful, especially if you are a college freshman. But for Javondre Cole, a Winston-Salem State University freshman, leaving Oregon was a simple decision.

"I just wanted to be immersed in an environment I felt like I was going to thrive and know my roots and be around people that can relate to me and understand me a lot," Cole said.

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(EST.) MONTHLY VISITS: 3.72M

(EST.) COVERAGE VIEWS: 16.2K

DOMAIN AUTHORITY: 69

830 22

BOT Report



Diversity Gap: Lena Tillett's complete two-part package

PART 1: THE GAPPART 2: ARE COLLEGES THE ANSWER?DIVERSITY BY DISTRICTMEET NC TEACHING FELLOWS

» LENA TILLET'S TWO-PART TV REPORT

ABOUT THIS SERIES

Posted 6:09 p.m. Friday
Updated 6:35 p.m. Friday

While North Carolina's public schools are growing increasingly diverse, the state's public school teachers remain overwhelmingly white and female. The state's colleges of education are committed to addressing the problem, but their enrollment figures show they have a long, long way to go. And a once-effective state program now apparently has no diversity goals whatsoever.

Here is Lena Tillett's investigation.



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5

1

“ BOT report

HBCU Presidential Series, Leadership

Digest Radio – Winston-Salem State Chancellor Elwood Robinson

348 views · 3 comments · 1 minute read

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Published on
January 17, 2019

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JL Carter Sr.
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shared by 57 people.



We talk with Chancellor Robinson about WSSU's growing profile in healthcare and economic mobility, college rankings, and the next phase of Ram Excellence.



3 COMMENTS



DuWam Porter says:
January 17, 2019 at 9:18 pm

WSSU profile has grown under consistent leadership.

Reply



Frances V Diggs says:
January 19, 2019 at 8:29 am

Great leadership is essential to growth!



FEATURED JOBS

Vice President, Fiscal and Administrative Affairs



Vice President, Institutional Advancement & Alumni Relations



Executive Director of Alumni Relations



(EST.) MONTHLY VISITS:

16.7K

(EST.) COVERAGE VIEWS:

654

DOMAIN AUTHORITY:

46



57



7

“ BOT report



WINSTON-SALEM
STATE UNIVERSITY



20
Dec

ART WORKS: UNC SYSTEM CREATIVITY STRENGTHENS COMMUNITIES

By Communications

In Winston-Salem, the R.J. Reynolds stacks that once billowed grand plumes now stand smokeless. The company's Bailey Power Plant, which had fueled manufacturing processes and filled the massive chimneys with particulate, became obsolete when the tobacco industry dwindled. In 1997, the facility was shuttered.

But Camel City isn't a ghost town by any stretch of the imagination. The dual brick and mortar giants, which still dominate the skyline, aren't gloomy relics of a long-gone industrial heyday. The Bailey Power Plant thrives, but in a different way. It provides a grand backdrop against which the city's vibrant, dynamic activity unfolds.

Under their shadow, yogis in Bailey Park practice sun salutations as the summer days close. During Winston-Salem's annual Gears and Guitars festival, the peloton whizzes past the stacks. Nearby, young professionals sip cocktails and craft beer. Live music reverberates off the bricks. Throughout the year, families share food truck nibbles and gaze up at the magnificent masonry.

... these plans provide roadmaps for how each institution will partner with community organizations and businesses to improve quality of life in neighborhoods and regions throughout the state

technical and industrial innovation; it is a powerful contributor to the city's unique sense of community

Following some economic hard times, the city has bounced back in a spectacular way. Art powers much of this revitalization. Winston-Salem is certainly home to plenty of new high tech, medical, and pharmaceutical industries. But art makes the city hum. Gears alone don't keep Winston-Salem on the move. Creativity drives

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University of North Carolina System names A. Wesley Burks, M.D. CEO of UNC Health Care and UNC-Chapel Hill Medical School Dean
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Art Works: UNC System Creativity Strengthens Communities | UNC System Office

DEC 17 2018

(EST.) MONTHLY VISITS: **197K**

(EST.) COVERAGE VIEWS: **1.13K**

DOMAIN AUTHORITY: **59**

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79

“ BOT

Career & Workplace

(PHOTOS) Announcing the 40 Under 40 honorees of 2019

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By Margaret Moffett – Managing Editor, Triad Business Journal
Dec 21, 2018, 7:30am EST Updated Dec 21, 2018, 5:14pm EST

IN THIS ARTICLE

In a word, wow.

(EST.) MONTHLY VISITS: 12.5M

(EST.) COVERAGE VIEWS: 14.5K

DOMAIN AUTHORITY: 92



2K

“ BOT report

TRENDING

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@WSSURAMS
There is no ceiling to what you can do at WSSU. The official Twitter page for Winston-Salem State University. #BeTheNext #LoveMyHBCU #WSSU
Winston-Salem, NC
[wssu.edu](#)
Joined October 2009

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@WSSURAMS [Follow](#)

Check out this proud WSSU Ram showing her pride on the Today Show this morning! #Wssu #RamPride @TODAYshow



6:16 am · 29 Dec 2018

40 Retweets 195 Likes



**Shalom el** @AmericanVendor · 29 Dec 2018

Replying to @WSSURAMS @myHBCUInterview @TODAYshow @WHI_HBCUs

1 2



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DEC 29 2018

“ BOT report

Education

Mellon Foundation awards \$600,000 grant to WSSU humanities program

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Margaret Spellings, the outgoing president of the UNC system, chats with students at Winston-Salem State University in this file photo of a recent visit to the campus.
COURTESY OF WINSTON-SALEM STATE UNIVERSITY



By John Joyce – Reporter, Triad Business Journal
Jan 9, 2019, 1:27pm EST Updated a day ago

IN THIS ARTICLE

- Arts
Topic
- Colleges & Universities
Topic
- Education
Industry

A \$600,000 grant from the Andrew W. Mellon Foundation will help Winston-Salem State University bolster its humanities programs over the next three years.

The institution says the money will support faculty development and curriculum redesign in art and visual studies, English, history and music. In total, WSSU aims to restructure 54 of its humanities programs, possibly more, from introductory courses to the senior capstone.

“Our strategic plan calls for a high-touch approach to bridge the gaps between students and their abilities to engage their education,” said Anthony Graham, provost and chief academic officer. “This grant will provide us with the resources to introduce these equitable practices throughout our humanities offerings. Research has found that this high-impact approach



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Jan. 15



(EST.) MONTHLY VISITS: 12.5M

(EST.) COVERAGE VIEWS: 14.5K

DOMAIN AUTHORITY: 92

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“ BOT report



22

Jan

WSSU RECEIVES \$600,000 MELLON FOUNDATION GRANT FOR HUMANITIES

By Communications

The Andrew W. Mellon Foundation has awarded Winston-Salem State University (WSSU) a \$600,000 grant to strengthen its programs in the humanities. WSSU is one of the few public HBCUs – and one of only five University of North Carolina System institutions – to receive a grant over the Mellon Foundation's 50-year history.

The three-year grant will provide the infrastructure to support faculty development and curriculum redesign for courses in art and visual studies, English, history, and music.

"We are thrilled that the Mellon Foundation recognizes the incredible work being done here at WSSU and the potential for us to deliver transformative change," said WSSU Chancellor Elwood L. Robinson. "We are honored to be among the few schools to receive a significant award from an organization as prestigious as the Mellon Foundation."

Over the next three years, WSSU faculty will restructure at least 54 humanities courses – from introductory courses to the senior capstone course – to support student success.

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WSSU receives \$600,000 Mellon Foundation grant for humanities
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WSSU receives \$600,000 Mellon Foundation grant for humanities | UNC System Office

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(EST.) MONTHLY VISITS: **197K**

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DOMAIN AUTHORITY: **59**

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The Enterprise Center's Shared-Use Kitchen a stepping stone for entrepreneurs



January 10 09:27 2019

by Tevin Stinson

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By Judie Holcomb-Pack

Forsyth County's only shared-use kitchen is now fully occupied with six local entrepreneurs utilizing the space on a rotating schedule. Although the official ribbon cutting was held in June, as reported in a story by Tevin Stinson in the June 28 Chronicle Issue, it is now operating at full strength with six current participants: Joshua and Ebony Young, Superior Catering and Events; Crissy Faison, Leanback Soul Food; Shereen Abdell Fattah, Delicious by Shareen; Chef Santa Faison, Twin City Catering Company; Chef Shirley Hayes-George, Flava Catering; and Susette Marot, Defining Desserts LLC.

Telissa Fair Ward, Shared-Use Kitchen coordinator, said that the kitchen is limited to six participants at a time with contracts that run for six months, and new participants join to replace those that are expiring. This gives participants six months to get their businesses up and running. Participants submit an application with their business plan, have successfully completed the Safe-Serve certification with the Health Department, and pay a rental fee. The kitchen includes a commercial stove, ovens, mixer, refrigerators, and individual storage rooms for each participant.

Carol Davis, executive director of the S. G. Atkins CDC, came up with the idea of opening a shared-use kitchen

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(EST.) MONTHLY VISITS:

17.3K

(EST.) COVERAGE VIEWS:

1.1K

DOMAIN AUTHORITY:

43

270

“ BOT report

Teen goes from homeless to student at Winston-Salem State University

POSTED 6:12 PM, JANUARY 22, 2019, BY CHARLES EWING

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Closings and delays

WINSTON-SALEM, N.C. -- As Chabarr McKenzie walks across campus, he is confident that he has found the right path.

"It's going great," McKenzie said. "My classes are fantastic and I am learning and meeting new people and getting a feel for school."

The Winston-Salem State University freshman is studying to be a computer engineer. That means lots of hours in the lab. But there was a time when McKenzie wasn't so sure about his future.

"I always had that feeling deep down. I am going to school. I just didn't

(EST.) MONTHLY VISITS:

3.31M

(EST.) COVERAGE VIEWS:

14.4K

DOMAIN AUTHORITY:

69



45K



66

BOT report

Winston-Salem State University, Wake Forest University collaborate to celebrate Dr. Martin Luther King Jr.

POSTED 6:24 AM, JANUARY 21, 2019, BY MELISSA PAINTER, UPDATED AT 08:54AM, JANUARY 21, 2019

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Two institutions of higher learning coming together year after year to celebrate Dr. Martin Luther King Jr. This college student knows -- it's what Dr. King's dream was all about.

Camryn Ivey is a student at Winston-Salem State University. She said, "For a historically black college and university, and a predominantly white institution to come together in this community, it's very relevant for what's going on in our country right now."

POPULAR

(EST.) MONTHLY VISITS: 3.31M

(EST.) COVERAGE VIEWS: 14.4K

DOMAIN AUTHORITY: 69

22

BOT report

Donation helps Winston-Salem State University fight food insecurity

POSTED 9:35 PM, FEBRUARY 19, 2019, BY CHARLES EWING

FACEBOOK 189

TWITTER

G+ GOOGLE

PINTEREST

REDDIT

EMAIL



WINSTON-SALEM, N.C. -- Food insecurity impacts the entire community, including colleges and universities. At Winston-Salem State University, the shelves inside of the Helping Hands food pantry are bare.

"We conducted a survey of our students and 52 percent of the students acknowledged that there were times they needed assistance as it related to food," said Natasha Jeter, assistant dean for Health, Wellness and Prevention Services

Closings and delays

(EST.) MONTHLY VISITS: 3.72M

(EST.) COVERAGE VIEWS: 16.2K

DOMAIN AUTHORITY: 69

f

190

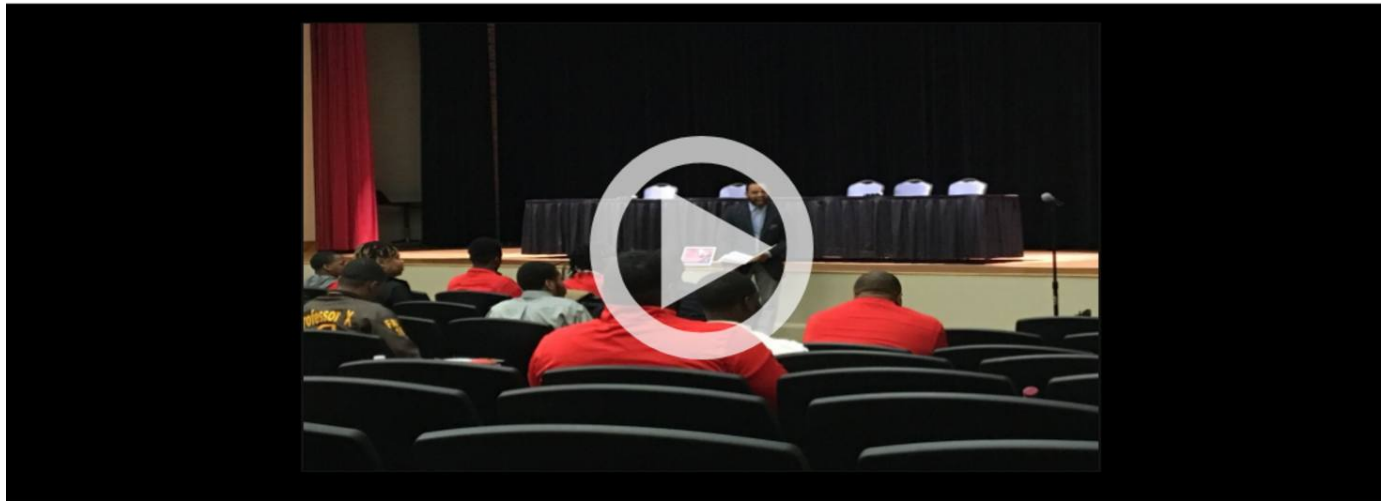
t

6

“ BOT report

Male Empowerment Summit Sparks Mental Health Conversation

FEB 22 2019



(EST.) MONTHLY VISITS: **1.03M**

(EST.) COVERAGE VIEWS: **6.07K**

DOMAIN AUTHORITY: **58**



8

“ BOT report

Male Empowerment Summit Sparks Mental Health Conversation

By Caileigh Peterson | Winston-Salem
PUBLISHED 3:12 PM EST Feb. 22, 2019



WINSTON-SALEM, N.C. -- Winston-Salem State University hosted its first Male Empowerment Summit Friday.

READ MORE



Wake Forest University Dean Apologizes After Confederate Flag Photo Resurfaces

Winston-Salem | 3 Hours Ago



'When Will It End?'

North Carolina | 5 Hours Ago



UNCG Students Work to Improve Housing Conditions

Greensboro | 6 Hours Ago



Convenience Store Clerk Beaten and Robbed by Woman He Just Hired

Surry County | 6 Hours Ago

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Winston-Salem



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North Carolina
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March 3, 2019
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The Arts

Winston-Salem Journal • Assistant Editor Lynn Felder • (336) 727-7298 • dfelder@wsjournal.com



All's Well

'Shakespeare in Love'
coming to Hanesbrands
stage, methinks
Page D2

Arts Top 10

FOR MARCH AND APRIL

BY LYNN FELDER
Winston-Salem Journal

OK, Spring, it's time. You can get here any minute. March and April around here are full of culture and fun — and also blue skies and sunshine, right?

Here are our top picks of the events in Winston-Salem, but don't forget to check out our friends in Yadkin, Stokes and surrounding counties.

At least three plays, not listed below, open on March 8. "Stanley and Alice" will be at ARTC Theatre (See D3.); "Mamma Mia" at Winston-Salem Theatre Alliance and "Shakespeare in Love" at Little Theater of Winston-Salem (See D5.).

Gorgeous Guild

Now-March 31: Every year, Piedmont Craftsmen invites craft artists nationwide to apply for exhibiting membership in the guild. The two-part process takes a year to complete, and all applicants are reviewed by a 13-member committee. In December, Piedmont Craftsmen's Standards Committee selected 22 artists from a field of 78 applications and invited them to become Exhibiting Members. Piedmont Craftsmen, Inc., is celebrating its newest members with a New Members Show through March. The gallery is at 601 N.



The Silk Road Ensemble will play a Secret Artist Series concert at WFU.

LIZ LINDER



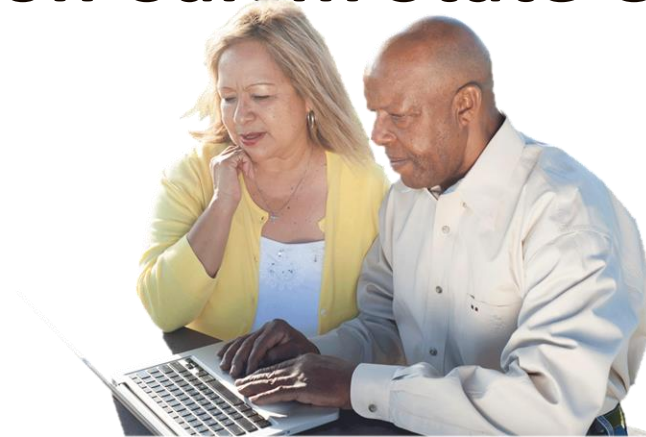
GARRETT GARMS/WSSU

The Singing Rams will present a Spring Concert on April 7.

“ BOT report



Planned Giving Winston-Salem State University



Kinna Clark, Esq.
Director of Gift Planning Services
UNC System Office
(919) 843-4703
knclark@northcarolina.edu

What is Planned Giving?

- Integration of YOUR:
 - Personal Goals
 - Financial Goals
 - Estate Planning Goals
 - Charitable Goals
- It creates an opportunity for giving to WSSU when otherwise not possible.
- Charitable planned giving involves a gift other than simply writing a check, using a credit card or cash.
- It allows you to utilize a full range of assets for charitable giving.



A Key Part of Ensuring the Future

- Most often planned gifts are used to fund **endowments** that help provide income to WSSU for the future.
- Planned giving often represents a donor's **ultimate gift** to an organization.
- It is important to discuss **YOUR** plans with **WSSU** to ensure your gift truly benefits students and programs.
- It is a way for **YOU** to leave a lasting legacy at Winston-Salem State University!

Common Planned Gifts

- Bequest
- Life Insurance and/or Beneficiary Designation
- IRA Rollover Gifts/QCD's
- **Charitable Gift Annuity (CGA)**
- **Charitable Remainder Trust (CRT)**
- Charitable Lead Trust (CLT)
- Life Estate Reserved or Bargain Sale

Types of Assets That Can Be Used

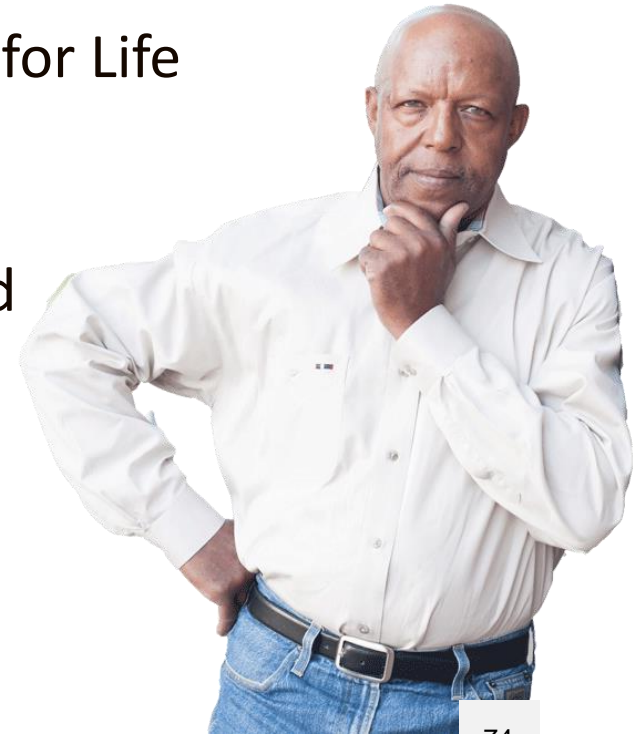
- Cash
- Stocks/Bonds/Mutual Funds
- Real Estate
- Life Insurance
- Retirement Plan Assets
- Limited Partnerships
- Tangible Personal Property
- Business Interests

Life Income Gifts

- NC Gift Planning, LLC was created to provide a mechanism for institutions to provide life income gifts.
- By creating the LLC and partnering with NCSU and UNC-CH, we are able to get relationship pricing with TIAA Kaspick for Gift Administration and Investment Management.
- WSSU has joined the program and can now offer life income gifts as giving options to donors.
- It is a great way for donors to fund gifts with highly appreciated assets while retaining income payments.
- WSSU receives the residuum of the gift later to fund initiatives the donor chose before passing away.
- A wonderful way to fund a legacy gift at WSSU!

Charitable Gift Annuity (CGA)

- CGA: Contract Between a Donor and a Charity (i.e. NC Gift Planning, LLC).
- Donor Makes a Gift to Charity.
- Charity Agrees to Make Fixed Payments for Life of Income Beneficiaries (up to 2 lives).
- Residuum disbursed to WSSU to be used as designated by the Donor.



Charitable Remainder Trust (CRT)

- Donor Makes Gift to Trust
- Trust Makes Payments to Donor
 - For One or More Lives
 - For Term of Years
- Remainder to WSSU to be used as designated by the Donor.



Life Income Gift Benefits



• Gift to WSSU

• Charitable Tax Deduction

• Income Payments

• CGA - Higher rates for Older Donors

• Partly Tax-Free Payments

• Trust - Sells the Asset Tax Free

How Can You Help?

- You can help by creating a planned gift at WSSU and identifying other potential Planned Gift Donors.
 - Hosting small information sessions
 - Encouraging others to think about planned giving options
- We are available to work with the WSSU Advancement Team to facilitate planned gifts for the university.
- Our office at the University of North Carolina System was created to help promote Gift Planning throughout the UNC system.
- We can provide resources and assistance in all aspects of gift planning in order to enhance fundraising support.
- Increased philanthropy and strong endowments are key to our institutions future.

QUESTIONS?



Meeting Name: Academic Affairs Committee

Meeting Start Time: 11:45 AM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 1:30 PM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Blair 200, Chancellor's Conference Room

Agenda:

I. Call to Order (Presenter: William Harris)

II. Roll Call (Presenter: Letitia Wall)

III. Approval of REVISED Agenda * (Presenter: William Harris)

Voting Action

IV. Approval of Minutes from December 13, 2018 Committee Meeting * (Presenter: William Harris)

Voting Action

V. Policy Approvals * (Presenter: William Harris)

Voting Action

A. Faculty Credentialing Policy (NEW)

B. Substantive Change Policy (Revised)

C. Post Tenure Review Policy (Faculty Handbook Section V) (Revised)

VI. Policies (Informational Purposes Only)

A. Awarding Undergraduate Credit on the Basis of AP Test Scores

B. Graduation Participation Policy Repeal

VII. Report from Faculty Senate (Presenter: Lee Stackhouse)

VIII. Team 250 Campaign (Presenter: George Knox)

IX. Academic Affairs Report (Presenter: Anthony Graham)

A. Updates from University Centers

1. Center for Design Innovation (Presenter: Carolynn Berry)

2. Center for the Elimination of Health Disparities (Presenter: Melicia Whitt-Glover)

3. S.G. Atkins Community Development Center (Presenter: Carol Davis)

4. Center for the Study of Economic Mobility (Presenter: Craig Richardson)

B. SACSCOC Update (Presenter: Carolynn Berry)

X. Adjournment (Presenter: William Harris)

**Winston-Salem State University
Winston-Salem, North Carolina**

**Academic Affairs Committee Meeting
Board of Trustees**

**Blair Hall, Chancellor's Conference Room
March 14, 2019
11:45 am
AGENDA**

1. Call to Order- Committee Chairperson
 2. Roll Call—Recorder
 3. Approval of Agenda*
 4. Approval of Minutes from December 13, 2018 Committee Meeting*
 5. Approval of Policies*

Approval of Faculty Credentialing Policy (NEW)
Approval of Post Tenure Review Policy—Handbook Section V (REVISED)
Approval of Substantive Change Policy (REVISED)
 6. Policies (Informational Purposes Only)
Awarding Undergraduate Credit on Basis of AP Scores (Informational)
Graduation Participation Policy (Repeal-Informational)
 7. Report from Faculty Senate-Dr. Lee Stackhouse
 8. Team 250 Campaign-Mr. George Knox
 9. Academic Affairs Report—Dr. Anthony Graham, Provost and Vice Chancellor for Academic Affairs

Reports from University Centers
(CDI, CEEHD, SGACDC, CSEM)

SACSCOC Update
 10. Adjournment
- *Items requiring approval

WINSTON-SALEM STATE UNIVERSITY
Office of the Provost
Academic Affairs Division

MEETING MINUTES

Academic Affairs Committee of the Board of Trustees
December 13, 2018

Board members present: Robert Barr, William Gibson, William Harris, Susan Henderson (chair), Drewry Nostitz, Scott Wierman, Anthony Graham (ex-officio), A quorum was present.

University staff and students present: A. Jamar Banks,Carolynn Berry, Wanda Brown, Elaine Collins-Brown, Austin Grier, Shannon Henry, Jaime Hunt, Joel Lee, Derrick Murray, Hamdy Radwan, Elwood Robinson, Kambre Stephens, Peggy Valentine, Letitia Wall

1. Sue Henderson called the meeting to order at 12:03 p.m.
2. Letitia Wall completed the roll call. A quorum of board members was present.
3. William Harris motioned and Scott Wierman seconded approval to accept the revised agenda. The motion was approved.
4. William Harris motioned and William Gibson seconded the motion to approve the minutes from the September 20, 2018 committee meeting. The motion was approved.
5. There were two reports on the consent agenda for discussion and approval recommendation. The first was the Report on Undergraduate Admissions Exceptions for fall 2018. In accordance with UNC Policy Manual 7001.1.1, WSSU must report annually admissions of first time undergraduate students requiring special consideration for not meeting minimum admissions requirements. Mr. Joel Lee shared the report. Dr. Harris motioned and Mr. Wierman seconded the recommendation for approval. The second report presented by Dr. Graham was to request approval from the BOT to offer baccalaureate programs that require more than 120 credit hours. Pursuant to UNC Policy annual 400.1.5 the university must request approval from the BOT for such programs. Mr. Wierman motioned and Dr. Harris seconded the motion to approve offering the nursing program as an exception.
6. Report of the Provost and Vice Chancellor for Academic Affairs-Dr. Graham asked Senior Associate Provost, Dr. Carolynn Berry to provide some key priority updates during the meeting. The first was the university's preparation of the 2020 reaffirmation visit from

accrediting body, the Southern Association of Colleges and Schools commission on Colleges (SACSCOC). Dr. Berry, who serves as the SACS liaison shared the process and timeline that the entire campus and board has a role to ensure we are in compliance with the 73 accreditation standards. This intensive project is right on target for meeting the timeline. The second priority, was the campus Quality Enhancement Plan or QEP. The QEP is an accreditation standard where our university is required to have a specific topic that focuses on improving specific student learning outcomes and/or student success. Our QEP will focus on student success through reimagining the first year experience for new freshmen. The plan will be implemented and assessed 2019-2025. Finally Dr. Berry shared an exciting grant proposal submitted to the Andrew W, Mellon Foundation in the amount of almost \$600,000. The interdisciplinary grant written in collaboration with faculty from different departments is intended to support undergraduate student scholarship in the humanities.

7. William Gibson made a motioned that the committee go into closed session to “present the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1)”. The motion was seconded by Dr. Harris. While in closed session the Provost shared and discussed protected student financial information. After the discussion Mr. Gibson motioned and Dr. Harris seconded a motion to exit closed session.
8. The meeting was adjourned at 1:15p.m.

Respectfully submitted,

Letitia Wall

Faculty Credentialing and Verification Policy

Purpose

This policy is designed to ensure that all individuals assigned instructional responsibilities for credit-bearing courses are qualified to teach at Winston-Salem State University.

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) sets standards on faculty qualifications for accreditation purposes. Standard 6.2.a of the *Principles of Accreditation* reads, “For each of its educational programs, the institution justifies and documents the qualifications of its faculty members.” This policy provides clear policy and procedure by which Winston-Salem State University meets this standard of accreditation.

Definitions

Instructional role is defined by the academic level of the course section assigned and the individual’s responsibility for that course section. The following are the categories of instructional roles that may be assigned to faculty members.

Instructor of Record (often referred to as “Course Director”) -- Responsible for: (1) the overall design, contents, and delivery of the course section; (2) overseeing all other faculty or graduate teaching assistants who participate in delivering some component of the course (such as conducting lectures, labs, field work, or related activities); and (3) approval of the final course grade assigned to each student. There must be a qualified Instructor of Record for each credit-bearing course section offered.

Primary Instructor -- May be assigned to any of the following responsibilities: (1) development of the course section content and materials, (2) delivering lectures, (3) managing class-related activities (such as labs, field work, etc.), (4) evaluating or grading student work that contributes to final course grades, and/or approving the final course grade assigned to each student. Typically responsible for 50% or more of the total effort for the course. A Primary Instructor might or might not be the Instructor of Record for a given course.

Secondary Instructor -- May participate in any of the following: (1) development of the course section material, (2) delivering lectures, (3) managing class-related activities (such as labs, fieldwork, etc.), and (4) evaluating or grading student work that contributes to the final course grades assigned. Does not have authority to approve final course grades. Typically responsible for less than 50% of the overall effort for the course, and therefore cannot be designated as the Instructor of Record.

Qualifications for Teaching

Consistent with the *Faculty Handbook*, an Instructor’s qualifications must be appropriate for the level, discipline, and topic of each course taught. Qualifications may consist of academic credentials (earned degrees or completed coursework) or alternative credentials (professional experience or demonstrated competency) or a combination of these credentials. When determining acceptable qualifications a person must have to serve as Instructor, Winston-Salem State University gives primary consideration to the highest degree earned. The qualifying degree should be in the same discipline or one closely related to the subject matter of the course to be taught. The level of the course dictates the minimum level of the degree the instructor must hold, as described below:

Undergraduate General Education and Baccalaureate Courses:

Earned doctorate or master's degree in the same or closely related discipline as the course taught, or master's degree with a concentration in that discipline (a minimum of 18 graduate semester hours).

Graduate and Post-Baccalaureate Courses:

Earned doctorate or terminal degree in the same or closely related discipline as the course taught.

Alternative Qualifications

In lieu of an earned terminal degree or graduate coursework in an appropriate field as described above, Instructors may be qualified by professional experience or by a combination of education and experience. The University also considers other qualifications, including, as appropriate, undergraduate or graduate degrees, specialized coursework, record of research in the field, related work experiences, professional licensure and certifications, honors and awards, documented excellence in teaching, or other demonstrated competencies and achievements that contribute to effective teaching and student learning outcomes of the course.

Credentials in the field alone are not necessarily sufficient to establish suitable expertise. Department chairs or their designees are responsible for ensuring that individuals serving as Instructor of Record have suitable expertise in the specific topic or content area of that course. When an instructor teaches a course in which s/he has no documented topical expertise (through, e.g., scholarly research in the area or graduate coursework), department chairs or their designees must document the existence of other demonstrated competencies and achievements that contribute to effective teaching and learning outcomes.

Process to Approve Teaching Qualifications and Justification of Exceptions

Within each college/school, the dean assigns responsibility to the department chair or associate dean for documenting and justifying the qualifications for each course offered by the department/program. The department chair or associate dean shall review the qualifications of the instructor at the time of initial appointment, but in all cases before an instructor begins teaching. The dean is ultimately responsible for ensuring that the qualifications of those with a pedagogical role are justified and the credentials verified. The dean or designee must review and approve all appointments and teaching assignments that are based on alternative qualifications. Written justification for exceptions from the degree requirements listed above must be kept in the school/college and filed with the Provost and Vice Chancellor for Academic and Student Affairs and Provost's Office of Faculty Affairs.

Consistent with *Policy 200.3, Approval to Teach Graduate Courses*, assignments from graduate-level courses are made in accordance with the policy and upon approval of the department, dean and Graduate Council, as required.

Documentation of Qualifications

Documents verifying the qualifications of an individual in a pedagogical role may include official transcripts, letters of recommendation, professional licenses or certifications, honors and awards, and other evidence of professional experience.

When the primary qualification for teaching a course is an earned doctoral or terminal degree or completion of 18 graduate credit hours in the discipline of the course, the appropriate documentation is an official transcript from the institution that awarded the degrees and/or course credits.

When the primary qualification is an earned degree from a foreign institution, appropriate documentation also includes an evaluation of the foreign transcript by a certified external agency.

When an individual is qualified for teaching a course by alternative professional credentials or demonstrated competency, required documentation includes: (1) an official transcript for highest earned degree and any other credentials that are used to establish qualifications for teaching courses; (2) objective evidence of qualifying experiences such as prior work experience, professional licenses and certifications, and other qualifications; and (3) the department head's written justification clearly describing the relationship between the experience and course content and level.

Beginning with appointments effective for the spring semester 2019, individuals with instructional duties who will or may serve as Instructors of Record, Primary Instructors, or Secondary Instructors are responsible for providing the documentation necessary to verify their qualifications before the end of their first semester of employment at Winston-Salem State University. This requirement will be stated in the appointment letter as a condition of employment. Approval from the Provost and Vice Chancellor for Academic and Student Affairs is required in cases in which the instructor cannot provide a transcript or other documentation due to exceptional circumstances. This waiver, and the documentation supporting it, must be kept on file in the appointing department and in the Office of Faculty Affairs. Official transcripts, documentation of alternative qualifications, and letters of justification will be maintained by the Office of Faculty Affairs.

Roles and Responsibilities

Ultimate responsibility for ensuring compliance with this policy belongs to the Office of the Provost and Vice Chancellor for Academic and Student Affairs. Responsibility for communicating instructor qualification policies and procedures requirements is the responsibility of Office of Faculty Affairs. Department chairs and deans, in consultation with the Faculty Affairs Office, have primary responsibility for reviewing evidence of qualifications and verifying that appointees and current instructors meet the requirements for their instructional role and for obtaining approval for any exceptions.

Applicability

This policy applies to: (1) all individuals assigned as Instructor of Record or as a Primary or Secondary Instructor in any section of a credit-bearing course, including lecture, laboratory, seminar, clinical, and other sections, regardless of academic rank or appointment type; and (2) all

class sections offered for Winston-Salem State University credit and entered on student transcripts as Winston-Salem State University courses.

Relevant Policies:

Faculty Credentials Guidelines, Southern Association of Colleges and Schools Commission on Colleges. <http://www.sacscoc.org/pdf/081705/faculty%20credentials.pdf>

WSSU Policy 200.3 [Approval to Teach Graduate Courses](#)

Responsible Division: Division of Academic and Student Affairs

Authority: Board of Trustees

History: Approved by Faculty Senate: October 25, 2018

Approved by WSSU General Faculty: January 24, 2019

Approved by WSSU Board of Trustees:



SUBSTANTIVE CHANGE

I. Executive Summary

The Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) accredits an entire institution and its programs and services, wherever they are located or however they are delivered. Member institutions are required to notify SACSCOC of changes in accordance with the substantive change policy and, when required, seek approval prior to the initiation of changes. Member institutions are required to have a policy and procedure to ensure that all substantive changes are reported to the Commission in a timely fashion.

II. Policy Statement

It is the policy of Winston-Salem State University to comply with the requirements of SACSCOC substantive change policy by notifying and obtaining approval prior to implementing substantive changes to its mission or programs.

III. Definitions

Substantive change is a significant modification or expansion of the nature and scope of an accredited institution. Under federal regulations, substantive change includes

- Any change in the established mission or objectives of the institution.
- Any change in legal status, form of control, or ownership of the institution
- The addition of courses or programs that represent a significant departure, either in content or method of delivery, from those that were offered when the institution was last evaluated.
- The addition of courses or programs of study at a degree or credential level different from that which is included in the institution's current accreditation or reaffirmation.
- A change from clock hours to credit hours.
- A substantial increase in the number of clock or credit hours awarded for successful completion of a program.
- The establishment of an additional location geographically apart from the main campus at which the institution offers at least 50% of an educational program.
- The establishment of a branch campus.
- Closing a program, off-campus site, branch campus or institution.
- Entering into a collaborative academic arrangement that includes only the initiation of a dual or joint academic program with another institution.
- Acquiring another institution or a program or location of another institution.
- Adding a permanent location at a site where the institution is conducting a teach-out program for a closed institution.
- Entering into a contract by which an entity not eligible for Title IV funding offers 25% or more of one or more of the accredited institution's programs.

IV. Roles & Responsibilities

The Chancellor of WSSU has overall responsibility for ensuring compliance with this policy. The university's Accreditation Liaison is responsible for assisting the Chancellor and academic program officials in complying with the SACSCOC Policy and Procedures on Substantive Change and for reporting substantive changes to SACSCOC. Under the guidance of the Provost, the university deans, the chairs of the Academic Standards and Curriculum Committee and the Graduate Council are responsible for:

- Recognizing pending substantive changes;
- Ensuring that all relevant notification and approval processes outlined in the on-campus routing forms for approval of undergraduate and graduate curricular proposals are followed;
- Reporting actions that may be substantive to the Accreditation Liaison; and
- Ensuring that the university has obtained prior approval from SACSCOC before implementing any programs with substantive changes.

V. Applicability

This policy applies to all employees and relevant programs.

VI. Compliance

The institutional accreditation liaison will review new recommended programs and changes to programs with the Provost as they arise to ensure that all substantive changes are reported in accordance with the policy of SACSCOC.

William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees
Winston-Salem State University

Responsible Division: Provost & Vice Chancellor for Academic & Student Affairs
Authority: Board of Trustees
History: Adopted March 16, 2018
Amended March 15, 2019

4. Performance Review for Tenure Track Faculty Annual Review

The department chair's evaluation, with input from the Senior Faculty, of the progress the Faculty Member is making toward the achievement of reappointment, promotion, or the conferral of Permanent Tenure shall be conducted annually. A summary of the evaluation from the chair and the Senior Faculty shall be provided to the Faculty Member by June 30th of each year in a letter that specifically addresses strengths and weaknesses and that provides a plan and timetable for improvement of deficiencies in performance. The letter shall indicate progress towards reappointment/promotion/Permanent Tenure. Guidelines for annual reviews are included in the Faculty Evaluation Manual.

Section V. Post-Tenure Review

Every five years tenured faculty should undergo a thorough cumulative evaluation called a Post-Tenure Review. The Post-Tenure Review is designed to promote continuous renewal and improvement among faculty members who have tenure and is required by policy of the Board of Governors (BOG) of the University of North Carolina. A review undertaken as part of a promotion application can qualify as a cumulative review. Directional goals established at the beginning of the 5-year cycle by the chair and faculty member should be used in setting milestones to be reviewed annually by the senior faculty/chair. The 5-year formal post-tenure review and recommendations should be made by senior faculty who are at equal or higher ranks and presented to the faculty member, chair (if not part of the review committee) and dean in writing. In addition, the dean must provide an evaluative review.

A promotion application can be considered as a post-tenure review if it occurs 3-5 years after a successful tenure, promotion or post-tenure review. If the faculty member under review is not recommended for promotion, the application will undergo the post-tenure review process. It shall be the responsibility of the dean to assure compliance with standards of performance established by faculty members in their department.

Postponement of the scheduled five-year review may be requested for extenuating circumstances, such as illness, educational leave, and family and/or personal crisis. A request for postponement must be presented to and approved by the chair of the department, the dean, and the provost and filed with the Office of Faculty Affairs, who will in turn make a notation in the electronic record of the faculty member.

The faculty member will provide the following documents: a narrative in executive summary format (3-5 pages) articulating the outcomes achieved by the faculty member in the performance of teaching, scholarship, and service relative to the directional goals set at the beginning of the review cycle or the post-tenure or promotion criteria of the department; evidence to support the narrative and an current curriculum vitae. The department shall be required to provide written annual evaluations for the five years following the awarding of permanent tenure or last post-tenure review. Failure by the department to supply annual reviews should not negatively impact the faculty member's review. If faculty responsibilities are primarily only to one or two of these areas, post-tenure review and resulting recommendations will take this allocation of responsibilities into account.

Each department will elect a group of at least three faculty members who have tenure at or above the rank of the faculty member under review, excluding the department chair, to serve on the Post-Tenure Review Committee. The faculty member being reviewed will not have the option of selecting members of the Post-Tenure Review Committee. If a department is unable to elect a group of at least three rank-appropriate tenured faculty members, the dean in consultation with the department chair

will coordinate the election of tenured, rank-appropriate faculty from similar departments to constitute the Post-Tenure Review Committee. A department within the same Faculty, in the case of the College, or within the same School shall be considered a similar department. A chair shall be selected from the members of the Post-Tenure Review Committee. The chair and the Committee should be re-elected at two-year intervals.

The chair of the Post-Tenure Review Committee will contact the faculty member(s) to be reviewed to request the review materials and to share the timeline for the review. The timelines must fall within those established by the university so that reports can be submitted to the BOG when required. After careful consideration of the material evidence and consultation with the department chair, the Post-Tenure Review Committee shall render a report summarizing the results of the evaluation with recommendations. The evaluative findings are Outstanding Performance, Satisfactory Performance, or Unsatisfactory Performance.

The report shall be reviewed by the department chair before it is presented to the faculty member by the chair of the Post-Tenure Review Committee. The department chair forwards the committee's report and the faculty member's materials to the dean who must provide an independent evaluative review. The dean must provide the faculty member and the provost's office with a copy of her/his report which includes a summary of the committee's recommendation. The letter is placed in the faculty member's personnel record. An Unsatisfactory Performance report must include a statement of the faculty member's primary responsibilities and specific descriptions of shortcomings as they relate to the faculty member's responsibilities.

If there is agreement between the committee, department chair and the dean that performance is at least satisfactory, then the post-tenure review is complete. The department chair and faculty member set directional goals for the next five-year post-tenure review. If the committee, chair and the dean agree that performance is unsatisfactory then the review is complete. If there is not agreement that the performance is at least satisfactory, then the review is sent to the provost for a final recommendation.

If the performance is deemed Unsatisfactory, the faculty member can contest the report and appeal the findings to the Faculty Grievance Committee or the faculty member can accept the report and enter into a development period not to exceed three years. The development plan approved by the chair and dean must include specific steps designed to lead to improvement, a specified timeline in which improvement is expected to occur, and a clear statement of consequences should improvement not occur with the designated timeline. If the faculty member's performance remains unsatisfactory after the three-year period following the review, the department chair will recommend an appropriate disposition (sanction) to the dean. Disciplinary sanctions referencing failure to achieve the outcomes established in the overall Post-Tenure Review and the Development Plan must be consistent with criteria designated in the UNC Policy Manual (Chapter VI of The Code of the University of North Carolina). The department chair will provide a peer mentor and will schedule progress meetings with the faculty member who receives an Unsatisfactory Performance rating on at least a semi-annual basis during the specified timeline. If duties are modified as a result of a less than satisfactory rating, then the development plans shall be revised to take into account the new allocation of responsibilities. If the faculty member achieves the anticipated outcomes within the specified incremental time period, a Satisfactory or (Outstanding) rating will be granted.-

If the faculty member is progressing in a positive direction, but has not yet achieved the satisfactory or higher level performance rating according to the timeline, the chair in consultation with the dean may recommend a redesign or adjustment to the development plan prior to reevaluation by the Post-Tenure Review Committee at the end of the three-year period. The faculty member, chair and dean should all receive copies of the redesigned plan.



Policy Submission Form

Policy Title: Policy on Awarding Undergraduate Credit on the Basis of Advanced Placement Exam Scores

Is this policy mandated by federal or state law, UNC Board of Governors or UNC Office of the President? If so, please identify the policy, law, or mandate. yes

Is this an amendment to an existing policy? No

If yes, are other policies affected by this amendment (i.e. will a different policy need to be repealed/amended with the approval of this policy)? Identify any affected policies. [Click here to enter text.](#)

Does this amendment change the name of an existing policy? [Click here to enter text.](#)

Are there additional resources related to this policy that would help with implementation of and compliance with the policy (i.e. procedures, forms, policies, or external resources)? If so, please attach the additional resources or include web addresses for internet resources.

Suggested Policy Chapter: 200

BOT Reviewing Committee (If Applicable): Academic Affairs (For Information)

Email address to receive policy feedback from online posting: leej@wssu.edu



Policy on Awarding Undergraduate Credit on the Basis of Advanced Placement Exam Scores

I. Executive Summary

Winston-Salem State University acknowledges the UNC System Office Policy on Awarding Undergraduate Credit on the Basis of Advanced Placement Exams Scores (Policy 700.10). In compliance with the regulations of the policy, WSSU adopts this policy consistent with the language in the UNC policy. This policy is mandated by the UNC Board of Governors.

II. Policy Statement

UNC System constituent institutions shall award appropriate credit to undergraduates who have earned a score of three or higher on one or more AP exams, as defined in the Regulation on Awarding Undergraduate Credit on the Basis of Advanced Placement Exam Scores, Section 700.10.1[R] of the UNC Policy Manual.

III. Definitions

“Appropriate Credit.” A determined number of credit hours granted for a particular course or courses, aligned with the subject content and Academic Outcomes of the AP Exam score in question.

1. After achieving a Qualified AP Exam Score, a student shall be awarded specified credit hours associated with an institution’s course(s) that is/are aligned with the subject content of the relevant AP Exam.
2. In general, equivalents for Appropriate Credit for particular course(s) in a constituent institution’s course catalog (and/or other sources of information for students and potential students) shall be listed for AP Exam scores of three and above. The particular course(s) shall be listed as equivalent to a particular number of credit hours. These particular course(s) and credit hours shall contribute to a student’s progress toward an undergraduate degree.

“Qualified AP Exam Score.” A score of three or higher on an AP Exam, unless a constituent institution has been granted an exception whereby the institution may require a score higher than three.

IV. Guidelines

Institutional AP standards, devised to comply with this policy and regulation, shall be documented and updated annually in institutional course catalogs, undergraduate student handbooks, and/or online resources for undergraduate students. Institutional AP standards shall likewise be documented and updated annually in online and/or printed resources for potential undergraduate students. Constituent

institutions should likewise publicize their own policies or practices regarding AP Exam scores that may or may not be accepted on the basis of the age of those scores.

V. Roles & Responsibilities

VI. Applicability

The requirements of this policy and regulation shall affect first-time (or “freshman”) undergraduate students entering constituent institutions for the fall semester of the 2019-20 academic year and thereafter. Other undergraduate students (including but not limited to transfer students, readmitted students, and upperclassmen) may benefit from the requirements of the policy and this regulation by electing into all standards documented in an institution’s catalog (and/or other sources of information for students and potential students) for the 2019-20 academic year or thereafter.

Although an institution is required by the policy to offer Appropriate Credit, a student may decline to accept the offered credit, audit the course aligned with the AP Exam in question, or enroll in the course aligned with the AP Exam in question, depending on institutional practice.

- A. Whenever possible, institutional academic advisors should inform eligible undergraduates of the above-described options available to them under the policy and this regulation, along with the potential benefits and disadvantages of those options.
- B. Institutions may choose to complement advice from academic advisors with a standardized communication to incoming students regarding AP standards and the potential benefits and disadvantages of the above-mentioned options.

VII. Compliance

Initial reports regarding exceptions to the policy and/or discontinuances of awarding Appropriate Credit on the basis of Qualified AP Exam Scores, granted by institutional boards of trustees, shall be reported to the president by July 1, 2019. Subsequent reports of exceptions, discontinuances, and/or other alterations relative to this policy shall be reported to the president annually by July 1. Reports to the president shall include full documentation of Compelling Reasons considered by boards of trustees, along with documentation of the board’s approval, for each exception granted.

Effective Date. The requirements of the policy and this regulation shall be effective as of the fall semester of the 2019-20 academic year and thereafter

William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman

Secretary, Board of Trustees
Winston-Salem State University

Responsible Division:
Authority:
History:

200.10 - Graduation Ceremony Participation

University Group Policy #200.10

I. Policy Statement

Only students who have successfully completed all requirements for the degree as certified by the Office of the Registrar may participate in the university's graduation ceremony. All requirements for the degree and should be completed by the due date for senior grade posting. Students who are completing courses in the semester in which they plan to participate in the graduation ceremony should monitor their grades as they are posted in the students' electronic records (specifically mid-term and final grades). Students will not receive official transcripts or a paper degree until all financial obligations have been satisfied.

II. Applicability

This policy applies to Winston-Salem State University students.

Responsible Division: Provost & Vice Chancellor for Academic & Student Affairs

Authority: Board of Trustees

History:

- Adopted: March 20, 2015

Chair's Report

- UNC-System Faculty Assembly
 - Collecting data on 16 UNC campuses-Salary Compression and inversion
 - Data given to BOG
 - BOG can advocate for us to the General Assembly
- Dr. Melissa Foster, Chair of “Faculty Salary & Welfare Committee” and its members requested and received WSSU faculty salary data from OFA and HR.
- This committee has requested data correlations from “Office of Institutional Assessment & Research between salary and: Length of employment, Rank, Tenure, Gender, Race, Tenure track vs. clinical track vs. non-tenure track

- Data shows that we have not had a meaningful raise or cost of living increase in quite a long time. See data below:

History of Legislative Increases 1992-2017

Year	Cost-of-Living Increase	Career Growth Increase	Bonus/Other
1992	\$522	0	0
1993	2%	0	1% bonus
1994	4%	0	1% bonus
1995	2%	0	0
1996	2.5%	2%	0
1997	2%	2%	0
1998	1%	2%	1% performance bonus
1999	1%	2%	\$125 performance bonus
2000	2.2%	2%	\$500 bonus
2001	\$625	0	0
2002	0	0	10 days bonus leave
2003	0	0	\$550 bonus plus 10 days bonus leave
2004	2.5% for salaries over \$40K; or \$1,000 / yr for salaries under \$40K	0	0

2005	the greater of \$850 or 2.0%	0	5 days bonus leave
2006	5.5%	0	0
2007	4.0%	0	0
2008	the greater of \$1,100 or 2.75%	0	0
2009	0	0	0
2010	0	0	0
2011	0	0	0
2012	1.2%	0	5 days "special leave"
2013	0	0	5 days "special leave"
2014	\$1,000 flat increase	0	5 days bonus leave
2015	0	0	\$750 bonus
2016	1.5%	0	0.5% bonus; variable merit bonus (\$475 for ME, \$700 for EE)
2017	\$1,000	0	3 days "special bonus" leave

- Drs. Carol Cain & Chinyu Wu, Co-Chairs of “Budget Committee” and its members reached out to the Vice Chancellor for Finance and Administration asking them how they can be active participants in the budgeting process.
 - There are ongoing talks between these groups!

- Dr. Pamela Simmons, Chair of the “Campus Culture Committee” and its members are in communications with Staff Senate about a campus wide civility meeting/conference. That should take place in April.
- Dr. Jill Keith, Chair of the “Academic and Instruction Ad-hoc Committee” and its members are having discussions about what the survey results mean and what has been done based on the findings.
 - Based on the results of the A&I survey (n=139)
 - They have generated a table identifying individuals and or departments best suited to address and resolve identified concerns.
 - Invite speakers to discuss issues identified in the report.

Meet with	To address	Target Date
Librarian	Students' academic needs: Invite a librarian to FS meeting to share resources available to students (what is being utilized, how can we partner, etc.)	Jan 2019 invite
<ul style="list-style-type: none"> • Dean Jamar Banks • Counseling Center representative • Chief Norris or Police representative • Myra Waddell (Disability Services) 	Students' emotional needs: Invite admin to FS meeting to share best practices (what is being utilized, how can we partner, addressing drug and alcohol abuse, etc.)	
Career Services (LaMonica Sloan)	Students' needs related to professionalism: Invite LaMonica Sloan (speech, dress, etiquette)	
Facilities	Heat and air conditioning	Feb 2019 meetings to develop action plans
Student Government	Student Government	Student Government

Provost Graham and Deans Scriven and Valentine	<ul style="list-style-type: none"> • Scheduling of classes using R25 • Faculty needed • Large class size (reduction, assessment, management) • Use of adjuncts 	Quarterly meetings
CIO Derrick Murray	Technology deficiencies	Tech committee
Deans and Chairs	Interdisciplinary courses (evaluation, % effort, etc.)	
Dr. <u>LaVie Leasure</u> and faculty involved in teaching	FYE courses	Spring 2019
Faculty Senate	Decisions related to A&I can be put in Handbook	Spring 2019
Dr. <u>Mussatt-Whitlow</u> (IPAR)	Assessment of GE SLOs (training) and SACS; assessment of courses	Spring workshop
Chairs	Assessment of GE SLOs (logistics: # and frequency)	
Eli Brown (CITI)	Demystification of GE, liberal ed, liberal arts, etc.	Spring workshop
Deans and Chairs (FS?)	Collegiality amongst faculty	Spring 2019

- Dr. Mesia Steed, Chair of “Faculty Handbook Committee” and its members reached out to the previous faculty handbook committee and obtained updates from this committee.
 - They are in the process of planning a timeline and how best to update the handbook.

- Dr. Cecile Yancu, Chair of the “Committee on Academic Freedom, Tenure, Promotion and Evaluation” and its members is reaching out to the University Statutory Committee on P&T to discuss the best way to serve as oversight for policy changes that may need to occur.
- Dr. Nancy Smith, Chair of the “Technology Ad-hoc Committee” and its members are working with IT services and CITI to identify what technologies exist on campus and what training opportunities are provided to support technology use.
 - Looking at how our technologies align to our vision/mission and suggest other technologies that may be successful.
 - Survey faculty about what technology is used and needed in collaboration with CITI and IT.
 - Collaborate with CITI to increase awareness of resources to support technology and technological integration in technology.
 - Collect information about the possibility for establishing grants for specific technologies needed by faculty members.

- Dr. Torin Alexander, Chair of the “Nominating Committee” and its members is reaching out to the Administration with respect to the Nominating Committees role in filling vacancies “on the statutory committees of the university”.

“Hot Topics”

- BOG considering a disciplinary policy if grades are not turned in on time
- Changing Chancellor search policy and practice-Making it more transparent
- Diversity and Inclusion
- Child care and now Senior care on some campuses
- Faculty Wellness
- Improve health insurance
- Pitting young faculty against experienced faculty

“Hot Topics”

- BOG want to come up with a disciplinary policy if grades are not turned in on time
- Changing Chancellor search policy and practice-Making it more transparent
- Diversity and Inclusion
- Child care and now Senior care on some campuses
- Faculty Wellness
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- Pitting young faculty against experienced faculty

THANK YOU!

Center of Excellence for the Elimination of Health Disparities

Melicia C. Whitt-Glover, Ph.D.

Executive Director/Associate Professor, Healthcare Management

115 F.L. Atkins Annex

glovermw@wssu.edu



WSSU

Center Vision/Mission Statement

Vision

To become a nationally-recognized Center of Excellence for **promoting healthy equity** in **health care delivery and treatment** through quality community-engaged research, dissemination of findings, and student education.

Mission

To promote equity and social justice in health care delivery, treatment, and outcomes by leading collaborative efforts to **generate and disseminate evidence-based, policy-relevant solutions**, and to **educate future leaders** who deliberately consider and incorporate equity and social justice in professional practice.



Center Intended Outcomes or Goals

- Establish the CEEHD as a nationally recognized Center of Excellence in health disparities focused on equity and social justice in health care delivery, treatment, and outcomes.
 - Increase the role of the CEEHD in promoting research and scholarship by **leading research projects** in this area.
 - Increase the role of the CEEHD in promoting research and scholarship by **supporting faculty and student research** at WSSU.
- Identify opportunities to directly engage in the local and regional community to educate on and address health disparities.
- Secure diverse sources of funding support for the CEEHD and gradually reduce its dependence on internal support from WSSU.
- Support WSSU's overall strategic plan objectives to infuse equity into the curriculum.



Center Accomplishments To Date

- Service expansion for Rams Know H.O.W. Mobile Clinic

- United Health Centers
- Novant Health
- Mobile Clinic Association

- Research Projects

- Diabetes Prevention Program
- Health Educator training

- Faculty Development

- Writing Accountability Groups
- Grant writing/management support

- Student Development

- Get FRUVED/Wellness Wednesdays
- Conference presentations

- Lectures and guest speakers

- HeArt Studio through Center for Design Innovation



By Todd Luck / Posted Thursday, January 17, 2019



MINORITY DIABETES PREVENTION PROGRAM
EXPANDS



WSSU

Next Steps

- Continue current activities
 - Programs
 - Research projects
 - Faculty and student research development
- Seek additional funding
 - Pending CEEHD center grant
 - Expand Diabetes Prevention Program
 - Conference and training grants
- Dissemination
 - Community partnerships
 - Conference presentations
 - Host national conference – November 14 – 16, 2019



Center of Excellence for the Elimination of Health Disparities

Melicia C. Whitt-Glover, Ph.D.

Executive Director/Associate Professor, Healthcare Management

115 F.L. Atkins Annex

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WSSU

S.G. Atkins Community Development Corporation

Carol Davis, JD
Executive Director
The Enterprise Center
Davisc@wssu.edu



WSSU

Center Vision/Mission Statement

Vision

We create valuable partnerships to eradicate social justice inequities impacting the neighbors of WSSU

Mission Statement

Our mission is to assure balanced growth and development of neighborhoods surrounding Winston Salem State University by sustaining partnerships within the community that:

- Foster economic and business development initiatives;
- Improve affordable housing and neighborhood development; and
- Promote the preservation of sites important to the African-American community.



Center Intended Outcomes or Goals

We intend to focus the intellectual resources of WSSU on community economic development strategies to improve equity and social justice issues by:

- Building at least four affordable single-family homes per year;
- Hosting at least four homebuyer education workshops per year;
- Providing technical assistance to 40 entrepreneurs per year to help them grow revenue and jobs;
- Supporting resident-led initiatives that create community assets, improve health, and safety.



Center Accomplishments To Date

- Built 20 homes for first-time homebuyers that have added over \$2 million of property value to the community.
- Obtained \$5 million of federal, state and local funding to adaptively reuse a 40,000 square foot building that is now home to 43 minority entrepreneurs, a 4,710 conference center that employs neighborhood residents, a shared-use commercial kitchen, a computer lab, an organic community garden and the WSSU SOHS Virtual Hospital.
- Provide technical assistance to entrepreneurs who have revenue and create jobs and one that is building a 50 unit retirement village.
- Employ student interns studying business, computer science, social work and other disciplines.
- Work with faculty to engage students in neighborhood development planning, community meetings, environmental research, and business plans for entrepreneurs.



Next Steps

- Establish Atkins CDC Community Scholar in Residence and Community Resident in Action grant awards to enable university and community partners to create community economic development projects/programs that aim to make Winston-Salem a more equitable and sustainable city.
- Seek public and private partners to invest in the neighborhood revitalization plan for the East End Master Plan that includes the area between MLK Jr. Drive and the Wake Forest Innovation Quarter.



S.G. Atkins Community Development Corporation

Carol Davis, JD
Executive Director
The Enterprise Center
Davisc@wssu.edu



WSSU

Center for the Study of Economic Mobility (CSEM)

Craig J. Richardson
Founding Director, Center for Study of Economic Mobility and
BB&T Distinguished Professor of Economics

Office: R.J. Reynolds 109C
Email: richardsoncr@wssu.edu



WSSU

CSEM Mission Statement

- We begin with a working assumption that most individuals are motivated to improve their lives.
- From that assumption, we explore the special difficulties, hurdles and challenges faced by individuals at the bottom of the economic ladder in Forsyth County, since this county is among the worst in the U.S. in terms of economic mobility.
- Using a multi-disciplinary team of WSSU faculty researchers, we identify those broken rungs of the economic ladder, and investigate the positive and negative consequences of current city and county policies in order to improve the potential for upward economic mobility of our poorest residents.



CSEM's Primary Goals:

- Examine solutions that emphasize long time frames, with individuals in charge;
- Present stories of real people behind the statistics;
- Conduct independent and non-partisan data-driven research;
- Foster creative, innovative and interdisciplinary approaches to research; and
- Promote research that has the potential to have real-world impact, with win-win-win ideas for business, individuals, and government.



CSEM's Accomplishments To Date

- Seven WSSU CSEM Research Fellows have been named, providing over \$110,000 in research and travel support since Spring 2018.
- A CSEM-produced documentary, “Bus Stop Jobs” : viewed by 1000+ people in over a dozen community settings, including downtown library, local hospitals, churches and corporations and on YOUTUBE.
- Research by CSEM Fellows is turning into book chapters and –peer-reviewed journal articles.
- Three WSSU student interns (CSEM Scholars) contributed research and community engagement support support this semester.
- CSEM provided community fieldwork placement for a WSSU senior accepted into Masters program at Indiana State.
- CSEM provided over \$60,000 in Economic Mobility Opportunity Awards to businesses providing services or educational support in East Winston neighborhoods.



Next Steps

- Engage community in the April 2-3 Social Mobility Summit on the WSSU campus, which will showcase WSSU research, student success and outside special guest speakers.
- Hire a Research Manager, who will assist the CSEM team with statistical data collection and modeling as well as conduct independent research using existing databases in Forsyth County.
- Hire a University Program Specialist, who will assist in our day to day operations, including event logistics, billing and website operations.
- Continue conversations with community partners- United Way, Winston-Salem Foundation and Forsyth Futures, on a pilot program that explores innovative commuting options for those residents without a vehicle.



Center for the Study of Economic Mobility

Craig J. Richardson
Founding Director, Center for Study of Economic Mobility and
BB&T Distinguished Professor of Economics

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WSSU

SACSCOC Report

Carolynn Berry

Senior Associate Provost
WSSU SACSCOC Liaison



WSSU

Preparing for SACSCOC Compliance Report

Goals for this quarter were to get

- the “difficult” standards’ reports written
- the QEP outlined
- at least one draft of all standards written so that any gaps could be identified and worked on



Accomplishments To Date

- Completed multiple drafts for the 18 standards that our SACSCOC vice president wants to review.
- Shared with leadership team for review.
- QEP draft that outlines our approach is complete.
- All standards (73) have at least one draft written.



Next Steps

- Dr. Hardt reviews submitted Standards Report.
- Dr. Hardt visits campus (April 1 & 2) and talks with leadership and SACSCOC committees.
- We revise reports based on feedback.
- Dr. Mary McComb in IMC begins to edit reports.
- We continue to address any gaps that review process has uncovered.
- We complete reports for the other standards by June 1.
- We attach evidence to completed reports by June 30.
- We send completed report to SACSCOC by August 15.



Meeting Name: Student Affairs Committee

Meeting Start Time: 10:00 AM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 11:30 AM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Thompson 304

Agenda:

- I. Call to Order (Chair Bigelow)
- II. Roll Call (Ms. Blue)
- III. Approval of December 13, 2018 Committee Minutes (Chair Bigelow)
- IV. Report of Interim Vice Chancellor (Jamar Banks)
 - A. Vice Chancellor's Divisional Vision (Mel Norwood)
 - B. Stat of Fraternity and Sorority Life (Theo Chunn)
- V. Report of the SGA President
- VI. Adjournment



WINSTON-SALEM STATE UNIVERSITY
Board of Trustees: Student Affairs Subcommittee Meeting
304 Thompson Center – Conference Room
Thursday, December 13, 2018
10 am

MINUTES

Members Present: Mrs. Coretta Bigelow-Chair, Dr. Ricky Sides, Mr. David Smith, Mr. William Gibson

University Staff: Provost Anthony Graham, Mr. Jamar Banks, Mrs. LaMonica Sloan-Wilhelmi, Ms. Heather Davis, Dr. Cheraton Love, Dr. Natasha Jeter, Mr. Orlando Mitchell, Mr. Timothy Pittman, Dr. Jonathan Edwards and Angela Blue

Guests: Mr. Kambre Stephens

The meeting was called to order at 10:04 a.m. and roll was called.

Approval of the Minutes-September 20, 2018

A motion was made to approve the minutes. This motion was initiated by Dr. Sides and seconded by David Smith.

Report of the Vice Chancellor – Mr. Jamar Banks, Interim Vice Chancellor

Mr. Banks welcomed the Board and opened the meeting with a discussion concerning the below:

Mr. Banks opened with a welcome and thank you to the staff for all their professional efforts this semester. He highlighted the below:

Approximately 59% of our students stay on campus on the weekends. With this in mind, Housing and Residence Life have conducted 70 weekend programs and 24 educational programs this year to engage, educate and entertain our students.

Recent Tuition and Fee meetings allowed students to be informed of the proposed \$15 tuition increase that is geared to help fund more of our students going to future Thurgood Marshall Institutes and to help accommodate some other budgetary shortfalls.

Dr. Natasha Jeter shared that the Wellness Center just renewed its accreditation from the American Association of Ambulatory Health Credentials (AAAHC) Accrediting body for 3 more years.

Student Mental Health Report

Mr. Timothy Pittman shared the evolution of the WSSU Counseling Center and its role in preserving our students' mental health.

He also highlighted the following statistics and services:

- WSSU Counseling had 2,556 appointments between January 1, to December 12, 2018
- WSSU students had 185 alcohol and drug sanctions this year
- Six involuntary student committals

The Counseling Center offers:

- Depression, Alcohol and Marijuana Screening
- A Ram Assist Care Team (which manages threat assessment)
- "Don't Cancel Class" (offering Counseling Education in classrooms)
- Individual Counseling
- 24 Hour Emergency On-Call Services

Mr. Pittman further shared the following statistics among college students nationwide:

- Forty one percent (41%) suffer from anxiety issues
- Thirty six percent (36%) battle depression
- Thirty six percent (36 %) report having relationship issues
- Twenty five percent (25%) are on medications

Report of the SGA President

Mr. William Gibson summarized for the Board his administration's activities this semester along with 2019 planning as follows with the below 5 tenants:

1. **Improve External Relations** – SGA strives to cultivate working relationships with student organizations, campus departments, administrators, local and state officials, and other universities via:
 - Winston-Salem SGA Presidents Round Table
 - Homecoming Safety Message
 - The Attorney General, College Advisory Board Member, City of Winston-Salem
2. **Increase SGA Interaction/Awareness** – SGA aims to recreate its brand in order to make more apparent its efforts. Students with concerns or ideas will be encouraged to reach out to SGA for assistance via:
 - Town Hall Meetings
 - Monthly Class Councils meetings with class
 - Vice President and the Student Senate
3. **Increase accessibility to Campus Resources** – SGA continues to work closely with departments to ensure that students are aware of the resources available to them via:
 - Tuition and Fees Forums
 - Mental Health Matters- SGA collaboration with the Wellness Center
 - Veterans Center Opening (expected Spring 2019)

4. **Establish Internal Cohesion** – SGA ensures all members are aware of the organization’s goals and works as a team to achieve them while holding each other accountable with initiative like the:
 - S.G. Academy Recruitment to prepare for upcoming student elections this spring 2019
5. **Promote Social Activism-** By honing in on building social activists and thought provokers, the student population is encouraged to unite and embrace change via initiatives like:
 - Voter Registration Block Party- SGA collaboration with Links chapter of Winston-Salem & WSSU’s Greek Life
 - Catch-A-Vote Candidate Mixer- SGA collaboration with the Beta Iota chapter of Alpha Phi Alpha Fraternity, Inc.
 - Let’s Get Registered- Sponsored by Common Cause North Carolina
 - Get on the Bus & Vote- Sponsored by St. Peter’s Church & World Outreach Center
 - Get Out to Vote Party - Sponsored by North Carolina League of Conservation Voters Foundation

Adjournment

There being no further business before the committee, the meeting was adjourned with a motion at 11:13 a.m.

Angela Blue
Recording Secretary

Student Government Association:

Mr. William Gibson, President

A. Strategic Plan: Organizational Focus

- ***Improve External Relations*** – SGA will strive to cultivate working relationships with student organizations, campus departments, administrators, local and state officials, and other universities
 - **Winston-Salem SGA Presidents Round Table**
 - **NASAP Conference / National Consortium of HBCU Presidents**
 - **CIAA Hometown Rams High school Visit**
- ***Increase SGA Interaction/Awareness*** – SGA will aim to recreate our brand in order to make more apparent our efforts purposefully and effectively, in addition, students with concerns or ideas will be able to reach out to SGA for assistance
 - **Student Senate Week of Service**
- ***Increase accessibility to Campus Resources*** – SGA pledges to work intricately with campus departments to ensure that students are aware of the resources we offer and that they are readily available to them
 - **Campus Activities Board received \$2,000 for Women's Networking Empowerment Luncheon from UNCASG**
- ***Establish Internal Cohesion*** – SGA will ensure that all members are aware of the organization's goals and work as a team to achieve them while holding each other accountable in a respectful manner
 - **S.G. Academy Interns**
- ***Establish Internal Cohesion*** – SGA will ensure that all members are aware of the organization's goals and work as a team to achieve them while holding each other accountable in a respectful manner
 - **Working Wednesday's**
 - **Meeting with Advisors every 2 weeks to ensure that we are progressing as a unit**

B. Strategic Plan: Administrative Focus

- **Promote Social Activism-** Activism is politically essential at a Historically Black Colleges or Universities specifically in the climate

we are in. By honing in on building social activists and thought provokers, the student population will begin to unite and have a desire for change.

- WSSU serves on the UNCASG Strategic Planning Committee

Meeting Name: Advancement Committee

Meeting Start Time: 2:00 PM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 3:00 PM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Blair 200, Chancellor's Conference Room

Agenda:

- | | |
|---|----------------------------|
| I. Call to Order | Mr. Kelvin Farmer, Chair |
| II. Roll Call | Ms. Dionne Evans, Recorder |
| III. Approval of Today's Meeting Agenda* | Mr. Farmer |
| IV. Approval of December 13, 2018 Meeting Minutes | Mr. Farmer |
| V. Advancement Divisional Highlights | Dr. LaTanya Afolayan |
| A. Alumni Engagement | Mr. Isaac Moore |
| B. Major and Planned Gifts | Mrs. Andrea Jenkins |
| C. Stewardship | Mrs. Lisa Knight |
| D. Events | Mrs. Kimberly Reese |
| E. WSSU Foundation | Mr. Gordon Slade |
| VI. Division of Strategic Communications Updates | Ms. Jaime Hunt |
| VII. Adjournment | Mr. Farmer |



WSSU

BOARD OF TRUSTEES
ADVANCEMENT COMMITTEE MEETING
THURSDAY MARCH 14, 2019 ♦ 2:00 – 3:00 P. M.
BLAIR HALL 200, CHANCELLOR'S CONFERENCE ROOM

AGENDA

* Action Item

1. Call to Order Mr. Kelvin Farmer, Chair
2. Roll Call Ms. Dionne Evans,
Recorder
3. Approval of Today's Meeting Agenda* Mr. Farmer
4. Approval of December 13, 2018 Meeting Minutes Mr. Farmer
5. Advancement Divisional Highlights Dr. LaTanya Afolayan

Please refer to the written Committee Reports

- | | |
|-----------------------------|---------------------|
| i. Alumni Engagement | Mr. Isaac Moore |
| ii. Major and Planned Gifts | Mrs. Andrea Jenkins |
| iii. Stewardship | Mrs. Lisa Knight |
| iv. Events | Mrs. Kimberly Reese |
| v. WSSU Foundation | Mr. Gordon Slade |

6. Division of Strategic Communications Updates Ms. Jaime Hunt
7. Adjournment Mr. Farmer

NEXT ADVANCEMENT COMMITTEE MEETING ♦ THURSDAY, JUNE 13, 2019 – 2:00 PM

ABOUT UNIVERSITY ADVANCEMENT...

The Division of University Advancement cultivates and maintains enduring relationships between its many constituencies and the university. We work with alumni, friends, students, parents, faculty, staff, community members, and foundation and corporate partners to garner financial and human capital resources that will enrich our university and the lives of our students. University Advancement shares a collective responsibility for creating partnerships and experiences across the university, the community, and beyond.

Winston-Salem State University Board of Trustees Advancement Committee
Thursday, December 13, 2018

Minutes

Call to Order:

Mr. Kelvin Farmer called the meeting to order.

Roll Call:

Members Present: Dr. William Harris, Mr. Kelvin Farmer, Mr. William Gibson, Mr. Robert Barr, Mrs. Sue Henderson, Mrs. Drewry Nostitz and Mr. David Smith.

Staff Present:

Chancellor Elwood Robinson, Mrs. Camille Kluttz-Leach, Mrs. Andrea Jenkins, Mrs. Lisa Knight, Ms. Dionne Evans, Mr. Isaac Moore, Mr. Gordon Slade, Mrs. Kimberly Reese, Mrs. Jaime Hunt and Mr. Brian Anthony.

Approval of Agenda:

Mr. Farmer asked for a motion to approve the agenda. Mrs. Henderson moved approval and Dr. Harris seconded the motion to approve the agenda. The motion carried.

Approval of Committee Meeting Minutes:

Mr. Farmer asked for a motion to approve the correction to the September 20, 2018 meeting minutes that Mr. Kenneth Raymond is deleted as members absent. Mr. Smith moved approval and Mr. Gibson seconded the motion to approve the correction of the minutes. The motion carried.

Gift Summary Report:

Dr. Afolayan presented the Gift Summary Report for the period ending July 31, 2018. She reported contributions to date, \$1,994,115 from \$1,096,000 for the same period last year. Received \$115,000 from Reynolds American, \$83,000 from Kate B. Reynolds Charitable Trust and Dr. Pagiavlas received a \$50,000 grant from DataMax for the Center for Entrepreneurship. A letter of intent of a proposal has been submitted to Z. Smith Reynolds for a public art grant and astronomical society collaboration for a planetarium.

Divisional Highlights:

Dr. Afolayan reported on the Major and Planned Gift Activity/Cultivation that she, Dr. Robinson and Mrs. Jenkins have met with various companies such as BB&T, Novant, Golden Leaf Foundation, NC Vineyards and Hops, Data Max, Sonoco, Thurgood Marshall College Fund, SAS Institute, Islamic Relief Fund, Ford Foundation and Glaxo Smith Kline Foundation. She reported that two planned gifts of real estate from alums has been secured and two life insurance gifts, \$100,000 and \$50,000. The Heritage Society Induction Ceremony and Dinner was held on December 4, 2018.

Mrs. Jenkins reported there were twenty five members being inducted into the Heritage Society that included, Dr. & Mrs. Elwood Robinson. She talked about Mrs. Henderson, Mr. Gregory Hairston, Ms. Mae Godette and Ms. Julia Woodard, who were participants of a panel discussion as to why they made the decision to endow their gift. Mr. Jim Steele was the guest speaker. She talked about a planned giving news letter mailing to the Class of 1965, 1975 and the Executive Staff and Board Members.

Dr. Afolayan reported on the Alumni Engagement Activity that she has visited with several Alumni Chapter's and has been asked to be the guest speaker at Raleigh and Kimberly Park. She has visited two

rotary groups and attended various luncheons. She reported that Mrs. Jenkins participated as a panelist at the Major and Planned Gifts Seminar in Chapel Hill. She reported that she and Mrs. Jenkins have completed fifty face to face visits since July 2018. She talked about meeting with board members to discuss University Advancement's vision moving forward. She talked about funding priorities: scholarships for support, renovation of Hauser and the Physical Plant and naming opportunities for the Science Center. She reported on the success of Day of Giving (Giving Tuesday) December 4, 2018. \$88,000 was received in contributions, surpassing the goal of \$50,000. 856 donors and 60 teams participated in Giving Tuesday.

Mr. Moore reported that total dollars received doubled from previous Giving Tuesday fund raising. He reported that in addition to the \$88,000 an additional \$11,000 was received through matching gifts, totaling almost \$100,000. He talked about how the collaboration with IMC, WSNC, Alumni and Colleagues helped make Giving Tuesday successful. Mobile Cause was the software used in collaboration with Ruffalo Noel Levitz (Call Center) that assisted in reaching donors. The 40 Under 40 Awards Event will be held April 13, 2019.

Mrs. Knight talked about how stewardship is cultivating a culture of bringing students and their scholarship donors together. She reported the Meis Scholarship Luncheon (Paul and Marcia Meis) was held September 9, 2019 with 10 scholars. The Golden Leaf Scholarship will be held January 19, 2019 with 13 scholars and WSSU Annual Scholarship will be held April 11, 2019. She talked about updates to the scholarship reports format to not only include how the endowment is performing but also to provide the more details about the scholarship recipients.

Dr. Afolayan talked about Donor Records will be available to accept contributions through December 31, 2018.

Mrs. Reese reported that University Donor & Events has managed or assisted in fifty events. In collaboration with ICM, Homecoming was successful with over 38 events during the week. Return to the Yard, a new event that was enjoyable for alums. She talked about the Rams Full Court Hospitality that honored the Red & White and Horns donors. Collaborated with University Advancement to host the Holiday Reception prior to the Holiday Concert. Swing Phi Swing will host their National Convention in March 2019.

Dr. Afolayan talked about Advancement Operations. Four searches are underway for an Associate Vice Chancellor, Director, Corporate and Foundation Relations, Development Associate and Administrative Support Associate. In January 2019, two searches will be underway for Annual Giving. She talked about Advancement needs: Data Analyst, New Constituent Relationship Management System (CRM), Travel Assistance and Professional Development and training.

Dr. Robinson talked about receiving a call from Mr. Hal Kaplan, Foundation Board Member, leasing three vehicles for three years to assist fund raisers University Advancement in reaching their goal to raise money for the university.

Mrs. Hunt reported that media relations received notoriety in The Chronicle, Higher Education, HBCU Digest and the Winston-Salem Journal-featuring the marching band. She talked about how WSSU received an estimated \$26,000 worth of coverage during homecoming. Archway is going digital. In celebration of the oldest living RAM, Ms. Henrietta Hatton-Clark was interviewed as she turned 104

years old. ICM in collaboration with Information Technology will be cataloging all of the digital communication tools on campus for integration.

Mr. Anthony, the new General Manager for WSNC Radio Station, talked about enhancing the radio station by focusing on key areas: Premier Radio Station, Marketing Resource, Governance, Compete for Revenue and Internet and Social Media Enhancements. He talked about student involvement by adding student interns to the radio station. He talked about the launch of Dr. Robinson's talk show, which first aired August 23, 2018.

Other Business:

Mr. Farmer asked for a motion to approve the Advancement Solicitation Policy. Mrs. Henderson moved approval and Mr. Barr seconded the motion to approve the Advancement Solicitation Policy. The motion carried.

Adjournment:

Mr. Farmer adjourned the meeting and the meeting was adjourned due to time.

Ms. Dionne Evans, Recorder

THE DIVISION OF UNIVERSITY ADVANCEMENT *QUARTERLY REPORT*

PREPARED FOR
THE BOARD OF TRUSTEES ADVANCEMENT COMMITTEE
MARCH 2019



WINSTON-SALEM STATE UNIVERSITY

WSSU

Major and Planned Gifts / Corporate

- Heritage Society Induction Ceremony - 25 alumni and Friends were inducted (\$500,000 +)
- Donor Visits (28 face to face visits)
 - 3 Executive Staff Visits (insurance policy, Stock, Endowed scholarship (cash or insurance policy))
 - 2 pending scholarships - endowed and non endowed scholarship
 - 1 pending planned gift (Trust) \$10,000
- Faculty visits – (Physical Therapy, Occupational Therapy, Biological Sciences, Business Department)
- Coordinated Development Staff Meeting (Athletics, Health Science, WSNC Radio, Alumni Engagement, Advancement)
- Planned giving discussions – Brown Alumni Chapter, Kimberly Park Chapter, WSSU Foundation Board me
- Planned Giving Seminar (CIAA – March 2nd, Charlotte Marriott) AXA Advisors & Forrest Firm

Corporate

- Center for Entrepreneurship
 - \$50,000 Datamax grant
 - \$10,000 Family Fare Convenience Stores
 - \$3000 Constellation Brands
- First Tennessee / Capital Bank visit (scholarship support, internships & other field experience opportunities)
- Reynolds American – STEM undergraduate research opportunities

Foundations

- Golden Leaf Foundation – Rural healthcare initiative - \$200,000
- First Tennessee / Capital Bank (scholarship support, internships & other field experience opportunities)
- Reynolds American – STEM undergraduate research opportunities
- American Honda Foundation – summer STEM enrichment programming (K-5)

Alumni Engagement

- Paint the Town Red and Young Alumni Weekend
 - Bowling Event – 4/12 (Evening)
 - Spring NAA Meeting – 4/13 (Morning)
 - Community Service Event – 4/13 (Afternoon)
 - 40 Under 40 Awards Gala and After Party – 4/13 (Evening)
 - 330+ donors. \$15K raised on goal of \$20K – individual \$11k – corporate (As of 2/11)
 - Corporate Sponsors – RAMA Consulting, Duke Energy, Abbot Downing
- Early conversations beginning with new VC of Student Development and Engagement about student and alumni event during week of graduation to bridge the gap between student and alumni experience

Annual Giving

- Alumni Donors - 1,173 ('19) vs 1,041 ('18). Up 12.7% (As of 2/11)
- Spring calling program begins 3/4 – 4/30. (Last year began 1/28)
 - Pledges made - \$69,012 made on a goal of \$125,465 (As of 2/11)
 - Pledges paid - \$41,733 made on a goal of \$83,936 (As of 2/11)
- Class fundraising efforts underway for all classes ending in 4's and 9's
 - 1969 – Gold
 - 1994 – Silver
- Early stages of designing a board of volunteers who can help to supplement staff fundraising efforts.

Leadership Visits

- Kate B. Reynolds Trust introductory – Joe Crocker
- Three new endowments - \$25k each
- Two new gifts of life insurance (Feb.2019) \$25,000
- Alumni Challenge prospects
- Raleigh and Kuandelea chapter visits (December and February)
- Kimberly Park alumni chapter (March 2019)
- Upcoming: Wells Fargo Fdn.(March), Z. Smith Reynolds Fdn. (April)

Stewardship

- Golden Leaf Scholars Luncheon – January 14, 2019
- Stewardship Reports were delivered January 2019
- Meetings with scholarship donors are being scheduled during the month of February.
- Working with Office of Scholarships and Financial Aid to award balance of available scholarships for 2018-2019
- WSSU Annual Scholarship Luncheon – April 11, 2019

Office of University Donor and Events

Events	Date
WSSU vs. Virginia State University – Rams Full Court Hospitality Room	January 10, 2019
WSSU Advancement Division Retreat	January 23, 2019
Celebration of Life for Dr. Manderline Scales	January 26, 2019
WSSU vs. Livingstone College – Rams Full Court Hospitality Room	February 2, 2019
WSSU vs. St. Augustine's University – Rams Full Court Hospitality Room	February 9, 2019
Farewell Celebration for Mrs. Corlis Sellers	February 14, 2019
WSSU vs. Fayetteville State University – Rams Full Court Hospitality Room	February 16, 2019
WSSU vs. Johnson C. Smith University – Rams Full Court Hospitality Room	February 20, 2019
Alumni Meet & Greet – Charlotte Region (Advancement Event Series)	February 24, 2019
2019 CIAA Basketball Tournament Engagement/Hospitality	February 25 -27, 2018
Chancellor's CIAA Tournament Box Suite Engagement/Hospitality Event <i>for Corporate Partners and Faculty/Staff</i>	February 28, 2019
Rise & Shine, featuring Coffee Talk with Chancellor Robinson	March 1, 2019
Chancellor's CIAA Tournament Box Suite Engagement/Hospitality Event <i>for Alumni Supporters, Heritage Society Members, and Young Alumni Council</i>	March 1, 2019
Chancellor's CIAA Tournament Box Suite Engagement/Hospitality Event <i>for Horn\$ Members and Scholarship Supporters</i>	March 2, 2019
Represent Your Decade, part II: 80s vs. 90s Rams Tournament Party	March 2, 2019
Chancellor's Legislative Reception	March 14, 2019
S.G. Atkins Society Scholars Dinner	March 25, 2019
From the Clouds to the Street (Swing Phi Swing Sponsorship)	March 27, 2019
Stroll Competition (Swing Phi Swing Sponsorship)	March 28, 2019
Youth Empowerment Summit (Swing Phi Swing Sponsorship)	March 29, 2019
Swing Phi Swing Monument Dedication (50 th Anniversary)	March 30, 2019

Office of University and Donor Events

- **Office Initiatives**

- 2018-2019 Lyceum Event Planning Committee
- 2019 Commencement Planning Committee

- **On the Horizon:**

- Social Mobility Conference (April 2019)
- Women of Vision Luncheon (April 2019)
- National Black Theatre Festival Sponsorship (Summer 2019)
- Regional Alumni Meet & Greet (March – September 2019)

Advancement Operations

- Personnel
 - Searches underway
 - Associate Vice Chancellor - reposted
 - Director, Corporate and Foundation Relations – 3 finalists
 - Assistant Directors of Annual Giving (2)

Needs:

Funding for Advancement Operations

Data Analyst and prospect manager

Funding for data hygiene

Funding for professional development and training

Trustee Assistance Needed

Introductions to prospective donors

Invite Chancellor, Vice Chancellor and development staff to events

Hosts for the Rolling Red Tour Reception

Host a planned giving presentation

Volunteers to support donor stewardship

What Questions May We Answer for You?



Meeting Name: Finance & Administration Committee

Meeting Start Time: 11:45 AM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 1:30 PM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Thompson 304

Agenda:

- I. Call to Order – Chairman Michael J. Shortt
- II. Roll Call – Leslie Gaynor
- III. *Adoption of the Revised Agenda – Chairman Shortt
- IV. *Adoption of the December 13, 2018 minutes – Chairman Shortt
- V. Finance and Administration Update – Constance Mallette
- VI. Resolutions:
- VII. Capital and Informal Projects Update – Tim McMullen
- VIII. Financial Report – Wilbourne Rusere
- IX. Motion to Go Into Closed Session
- X. Supplemental Housing Presentation
- XI. Supplemental Housing Resolution
- XII. Motion to Resume in Open Session
- XIII. Report of Actions Taken in Closed Session
- XIV. Motion to Adopt Actions Taken in Closed Session
- XV. Other Discussion Items
- XVI. Adjournment – Chairman Shortt



Board of Trustees, Finance and Administration Committee
Thursday, March 14, 2019
Cleon Thompson Center Room 304
11:45 am

AGENDA

***Action Item**

1. Call to Order – Chairman Michael J. Shortt
2. Roll Call – Leslie Gaynor
3. *Adoption of the Agenda – Chairman Shortt
4. *Adoption of the December 13, 2018 minutes – Chairman Shortt
5. Finance and Administration Update – Constance Mallette
6. Resolutions: to change the name of the following:
Old Maintenance Building to Police and Public Safety
Modular West to Police and Public Safety Annex
7. Capital and Informal Projects Update – Tim McMullen
8. Financial Report – Wilbourne Rusere
9. Other Discussion Items
10. Adjournment – Chairman Shortt

Winston-Salem State University
Board of Trustees Finance and Administration Committee
304 Thompson Center
Thursday, December 13, 2018

Minutes

Chairman Michael Shortt called the Board of Trustee (BOT) Finance and Administration meeting to order

Roll Call: Leslie Gaynor

Members Present:	Mr. Michael Shortt, (Chair)	Dr. Ricky Sides
	Mrs. Coretta Bigelow	Ms. Constance Mallette (ex-officio)

A quorum was established.

Staff Present:	Mr. Frank Lord	Mr. Jimmy Norwood
	Ms. Leslie Gaynor	Mr. Jonathan Smith
	Mr. Tim McMullen	Ms. LaToya Wiley
	Mr. Wilbourne Rusere	

Policy presented by the CEO's Office

Improper Relations Between Students and Employers Policy

New policy presented by Aishah Casseus, EEO/AA Officer

- Trustee Bigelow moved and Trustee Sides seconded the motion to adopt the new Policy Statement (101.6). The policy was adopted.

Adoption of Agenda

The agenda was adopted (Trustee Bigelow moved, Trustee Sides seconded).

Approval of Minutes

The minutes were approved. (September 2018, Trustee Bigelow moved, Trustee Sides seconded).

Finance and Administration Update

Vice Chancellor Constance Mallette gave the following updates.

Staffing and Organizational Changes

- Recruiting of Assistant Vice-Chancellor for Business and Auxiliary Services and Assistant Vice-Chancellor for Facilities
- Recruiting for Director of Financial Recording
- Retirees
 - Carrie Barnes – Director of Student Accounts
 - Ted Fichialos – Project Manager for Design and Construction
 - Caesar Wertz – Plumber

Successes

- Signed contract with new vendor to replace Xerox
 - Monthly savings of ~\$13,000
- Officially formed Facilities Customer Service unit
- Reestablished Building Coordinators Program

- Completed final audit for the state
- Received favorable results on UNC System
- University will not move forward with acquisition of Bowman Gray
 - Renaming the stadium
 - 3 year phased project
 - 2019- Design phase
 - 2020- Construction will begin
 - 2022- Project completion
- Improvements with parking as well as Wi-Fi connections
- Collected \$2 million - planning to repurpose funds around academic programming
 - i.e. Fine Arts building, KR Williams Auditorium
- Single Audit for Title 3 for Programing
 - Federal debarment – slight deficiency of internal control in monitoring federal debarment issues
 - No violations where business was done with a debarred vendor
 - Purchasing Services have enhanced contracts with Legal
- Athletics
 - Increase revenue and reduce expenses
 - Planning to stay within \$4 million target

Tuition and Fees

Mr. Wilbourne Rusere

- No increases for undergrad students & no increases on special fees
- Allowed increases for general fees; athletics, student health services
- Limited to 3% --\$72 increase of general fees
- Increased tuition 2016/17
- No increase 2017-2020
- Athletics proposing \$35 increase
- Student activities requesting \$15 increase
 - Anticipated to generate \$64,000
 - FTE \$4,285
 - Only for regular term students on campus
- Allow students to engage in social justices
- Opportunities to go to Thurgood Marshall Institute
- \$15,000 to help with unpaid internships
- \$5,000 to transportation initiatives i.e. community service
- \$40,000 support salary requirements

Athletics

- \$35 generate approximately \$149,000
- Help reduce deficit
- Facility upgrades
- Equipment for athletes and medical supplies
- Increasing fundraising and ticket sales
 - Evaluating sports for possible elimination

Dining

- 2019/2020 3% increase for meal plans
- Proposing increase for declining balance
 - Meal plans 1&2 - \$25 increase

- Meal Plan 3-\$15 increase
- Adding 5 guest passes to Meal Plan 2&3
- Health Care Administration
- Requesting increase of \$1,000 for in-state students & \$2,000 increase for out-of-state students
- Benefit program development and software enhancement
- Maintain online management system
- Anticipating \$50,000 generated
 - \$10,000- educational supplies
 - \$7,600- internships and program development
 - \$22,000- software
 - \$9,500- federal development

Capital & Informal projects

Tim McMullen

- Covington Hall
 - Commissioning of HBEC
 - Verify pressure of building is maintained
- New Science building
 - Framing of exterior
 - Interior structures underway
 - Completed around December 2019
- Passport office
 - Relocate to Anderson Center
 - Exterior repairs and upgrades
- Old Nursing building
 - Demolition placed on temporary hold
 - Needed to remove wrappings around pipes
 - Area will be left with terraced slope and two parking areas
 - New temporary lot will be placed on upper tier
- KR Williams
 - Approval on proposed structural repairs necessary
 - Putting in reinforcements and repairing the roof
 - Interior improvements following exterior restoration
- Generator
 - Thompson Center project late summer 2019
 - Anderson Center following spring semester
- 1602 Lowry Street
 - Solicitation out for designer for warehouse
 - Received addition \$945,000 from the state
 - Relocate Physical Plant to Lowry
- Chilled Water Plant
 - Last year received \$850,000
 - Need \$2 million

Motion approved to accept Tuition and Fees as well as Resolution for Brushy Fork Project (Trustee Sides moved, Trustee Bigelow seconded).

Financial Report

Wilbourne Rusere

- State fund: Budget is \$88.2 million
 - \$23 million in tuition
 - \$64 million in state appropriations
 - 21.8 million spent during first quarter

General Expenditures 2018

- \$19.9 million
- Allocated \$1.8 million - financial aid

Axillaries

- Goal of athletics is to maintain expenditures
- Maintain positive cash-balance for 1st quarter
- All other entities are maintaining positive cash balance

No other discussion items

Motion for adjournment adopted (Trustee Sides moved, Trustee Bigelow seconded)

Next meeting, Thursday, March 14, 2019

Respectively Submitted by:



Leslie Gaynor
Finance and Administration, Office Director



RESOLUTION TO CHANGE THE NAME OF THE OLD MAINTENANCE BUILDING TO POLICE AND PUBLIC SAFETY

WHEREAS, Winston-Salem State University (WSSU) is a constituent institution of The University of North Carolina, and;

WHEREAS, the functionality and use of the Old Maintenance Building has changed from maintenance operations, to police and public safety operations

WHEREAS, as a result of the changes in functionality and use, the university elects to change the name of the Old Maintenance Building to Police and Public Safety

WHEREAS, the Board of Trustees of Winston-Salem State University desires to be informed of name changes to buildings that may impact the Winston-Salem State University campus

NOW THEREFORE, in consideration of the above change in functionality and use

BE IT RESOLVED, that the Board of Trustees acknowledges and approves, that the name for the Old Maintenance Building will be changed to Police and Public Safety and

BE IT FURTHER RESOLVED that the Board of Trustees of Winston-Salem State University hereby delegates to the Chancellor of Winston-Salem State University the authority to make said name change.

This resolution shall be effective upon its adoption.

Adopted this 15th day of March, 2019

Dr. William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees
Winston-Salem State University



**RESOLUTION TO CHANGE THE NAME OF THE MODULAR WEST TO POLICE
AND PUBLIC SAFETY ANNEX**

WHEREAS, Winston-Salem State University (WSSU) is a constituent institution of The University of North Carolina, and;

WHEREAS, the functionality and use of the Modular West has changed from maintenance operations, to police and public safety operations

WHEREAS, as a result of the changes in functionality and use, the university elects to change the name of the Modular West to Police and Public Safety Annex

WHEREAS, the Board of Trustees of Winston-Salem State University desires to be informed of name changes to buildings that may impact the Winston-Salem State University campus

NOW THEREFORE, in consideration of the above change in functionality and use

BE IT RESOLVED, that the Board of Trustees acknowledges and approves, that the name for the Modular West will be changed to Police and Public Safety Annex and

BE IT FURTHER RESOLVED that the Board of Trustees of Winston-Salem State University hereby delegates to the Chancellor of Winston-Salem State University the authority to make said name change.

This resolution shall be effective upon its adoption.

Adopted this 15th day of March, 2019

Dr. William U. Harris
Chairman, Board of Trustees
Winston-Salem State University

Scott F. Wierman
Secretary, Board of Trustees
Winston-Salem State University

Facilities Management

Capital and Informal Projects Updates

Board of Trustees

March 14-15, 2019



WINSTON-SALEM STATE UNIVERSITY

WSSU

•Capital Projects

New Sciences Building

Funding Source: State Appropriation and Connect NC Bond

Strategic Planning: Sciences collaborative educational building, including Biological Sciences, Chemistry, Clinical Lab Science, and BRIC.

Schedule: Construction Fall 2017 through Fall 2019

Construction Cost: \$40,072,361

Overall Project Budget: \$53,312,000

Area: 103,000 SF

Stories: 5

Current Status: Exterior Sheathing and Curtainwall installation are complete. Roofing system is dried-in. Interior metal studs and drywall are being installed on all floors. Plumbing, HVAC and Electrical construction rough-ins are nearing completion.



New Sciences Building Progress Photos



Curtainwall Glass installation

WINSTON-SALEM STATE UNIVERSITY



Exterior insulating sheathing installation

New Sciences Building Progress Photos



Heat Recovery Unit installation on Roof



Interior framing installation

Demolition of Old Nursing/Student Health Bldg.

Funding Source: 2016 R&R + Campus Parking Reserves

Project Scope: Demolish 68-year old structure that has outlived its useful life. Resurface existing parking lot and provide additional temporary parking. Master Plan proposes that this site becomes part of a future Convocation Center.

Completion Schedule: March, 2019

Construction Cost: \$434,000

Overall Project Budget: \$490,000

Area: 25,700 SF



Current Projects

- Relocation of Passport Office and Expansion of Financial Services – (On-hold)
 - Due to higher than anticipated cost to relocate to Lowery Street, other campus locations are being studied.
 - A final determination on location will be made during Spring/Summer of 2019.
 - Funding Sources: Fund Balance and Budget Allocation
- R.J. Reynolds Building – HVAC Repairs and Controls Upgrades - \$650,000
 - Existing Main Air Handling Unit will be rebuilt
 - Fans, coils, valves, and piping will be replaced
 - Existing Pneumatic Controls System & Piping will be upgraded to Direct Digital Controls (DDC)
 - Design Phase to be completed in April; Bids to be received in May
 - Building will be taken off-line in May 12th and work will be completed in August, 2019
 - Funding Source: Title III (\$500,000) + 2015 Repairs & Renovations Allocation (\$150,000)
- K.R. Williams – Structural and Roof Repairs - \$650,000
 - Roof leaks and structural damage above the stage have been investigated. Roof above stage will be replaced
 - Report reveals corrosion/failure of wall reinforcement resulting in a bulge and cracks in wall
 - Project scope includes removing and replacing a portion of brick façade and rebuilding parapet wall
 - Construction Documents have been approved by the State Construction Office.
 - Funding Source: 2014 & 2015 Repairs & Renovations Allocation + Non-General Funds

Current Projects

- Emergency Generators for Anderson Center - \$600,000 & Thompson Center - \$490,000
 - Thompson Center Generator Contract has been successfully negotiated to within budget.
 - Contract has been awarded and order for Generator has been placed.
 - Bids on Anderson Center Generator have been received and contract awarded
 - Anderson installation - May, 2019; Thompson installation – August, 2019
 - Funding Sources: 2011, 2012, 2013, & 2015 Repairs and Renovations
- 1602 Lowery Street –Up-fit to House Facilities Operations & Building/Environmental Services - \$1,875,747
 - The Facilities Warehouse Building will be up-fitted to accommodate relocating Building & Environmental Services, Motor Pool and Operations & Maintenance from the Physical Plant, to make way for its future repurposing for Art & Visual Studies, as part of “Restore the Core”
 - Design Phase is underway; The work will be completed in Summer 2020.
 - Funding Source 2017 and 2018 Repairs & Renovations Allocations
- Central Chilled Water Plant – Upgrade to a third Chiller - \$1,800,000 (Current Funds \$850,000)
 - 2017-18 R&R Funding Allocation of \$850,000 received for Design and Infrastructure
 - Additional funding will be from either from future R&R or internal Strategic Funding Allocations
 - A 1,000-Ton Chiller is proposed, to increase overall cooling capacity for future buildings, and provide redundancy if one of the existing 400 or 800-Ton Units fail.

Proposed Projects

Rams Commons Residence Hall – HVAC Replacement, Fire Alarm Upgrade and General Repairs - \$7,500,000

- 440-Bed, 5-Building Apartment-style Student Housing Complex
- On UNC System Board of Governors' March Agenda for authorization
- Replace all Split-System Heat Pumps with a Variable Refrigerant Flow System
- Upgrade Fire Alarm System
- Phased closing of two buildings at a time over 2 years
- Project Start - May, 2019; Completion August 2021
- Funding Sources: Foundation Reserves & Housing-Residence Life Fund Balance

Wilson and Brown Hall – Door Access Controls - \$556,000

- Provide Card-Swipe Access Controls for all Double-Occupancy Bedrooms and Group Toilets

Miscellaneous Small Projects

- Anderson Guard House – Entrance at MLK/Reynolds Park; Access control of after-hour traffic. \$160,000 (Parking Reserves)
- 1604-B Lowery Street - Up-fit to Financial Accounting and Purchasing Offices- \$450,000 (Operating Funds)
- 1604-A,B & C Lowery – Fire-rate Walls & add Fire Alarm System - \$258,000 (2017 & 2018 R&R)
- Gaines Center Swimming Pool Clerestory – Repair Damaged Storefront and Glazing - \$75,000 (2019 R&R)
- Center for Design Innovation (CDI) – Drainage Repairs – Budget TBD (Orig. Project Budget)
- Exterior Lighting Repairs and Upgrades - \$25,000 (2017 R&R)
- Physical Plant Building - Painting & Repairs for Toilets & Lockers - \$30,000 (2015 R&R)
- Swing Phi Swing Social Organization – 50th Anniversary Monument Site - \$8,058 (Organizational Budget)

Brushy Fork Greenway Project

City of Winston-Salem extension of its' Greenway System from Reynolds Park Road to Lowery Street

UPDATE:

A Resolution adopted by the WSSU Board of Trustees on December 14, 2018, granting a Temporary Construction Easement (TCE) and a Permanent Greenway Easement (PGE) to the City of Winston-Salem, was approved at the January 25, 2019 Board of Governors Meeting. It was then referred to the Council of State for Approval.

BOT Projects Status Report

BOT - Informal Projects Status Report

<u>Project</u>	<u>Funding</u>	<u>Strategic Plan Goal(s)</u>	<u>Size</u>	<u>Total Budget</u>	<u>Construction Budget</u>	<u>Bid Date</u>	<u>HUB Participation</u>	<u>Construction Complete</u>	<u>Notes</u>
Relocation of Rams Card Office to Lower Level of Thompson Center	Business & Auxiliaries	Efficiency & Effectiveness	250 SF	TBD	TBD	TBD	TBD	TBD	Relocation of Rams Card Office to the lower Level will consolidate a number of student support functions in a convenient, easily accessible location near Dining and Bookstore operations. Final date for this relocation has not been set.
Demolition of Old Nursing/Health Building	2016-17 R&R	Efficiency & Effectiveness	22,500 SF	\$470,000	\$419,000	Spring 2018	TBD	Estimated 3 months duration	Abatement was completed and Demolition started. Additional abatement had to be performed when asbestos wrapped pipes were discovered imbedded in some walls. Demolition will be completed in March , 2019. The site will be graded and a Temporary Parking Lot added until future construction plans are undertaken.
Bleacher and Safety Rail Repairs – Gaines Center	Strategic Budget	Efficiency & Effectiveness	N/A	\$80,000	\$77,000	On Hold	N/A	TBD	Repairs needed to make Bleachers and Safety Rails compliant with current safety codes. Final funding and implementation TBD.
Passport Office Relocation	Business & Auxiliaries	Efficiency & Effectiveness	710 SF	\$40,000	TBD	Bids received in November, 2017 came in over budget.	N/A	TBD	Relocation of the Passport Office from S.G. Atkins House to 1604-A Lowery Street. Bids received in November, 2017 came in over budget. This project will be bid along with Financial Accounting's planned Expansion of 2nd Floor of 1604 Lowery Street. to improve chances of Bids within budget. Designers are modifying plans to make some existing walls fire-rated that were not done in original building upfit. Due to the high cost of the Lowery Street Up-fit, other campus venues are under consideration that might allow a lower cost and provide easier access
FL Atkins - Fire Alarm Upgrade	2013 R&R	Efficiency & Effectiveness	N/A	\$275,000	\$46,500	January, 2018	N/A	TBD	Replacement of Fire Alarm Control Panel and a limited number of devices is complete. Total cost was roughly 1/3 of the original budget. Excess 2013 R&R Funds will be reallocated for other building fire alarm repairs and upgrades. Project is complete.
			22,750 SF of renovated space	\$865,000	\$542,500				
March, 2019 BOT									



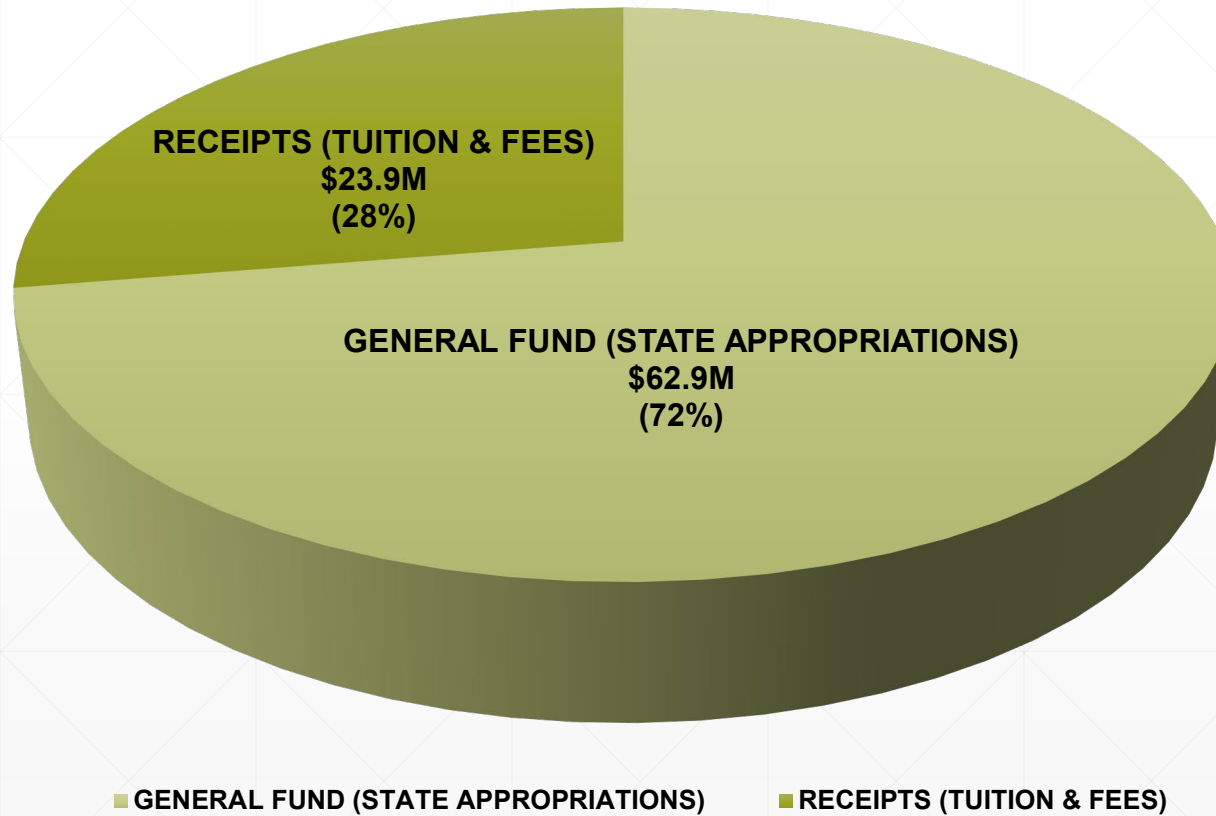
WINSTON-SALEM
STATE UNIVERSITY
Finance & Administration

BOT Report

July 1, 2018 - December 31, 2018

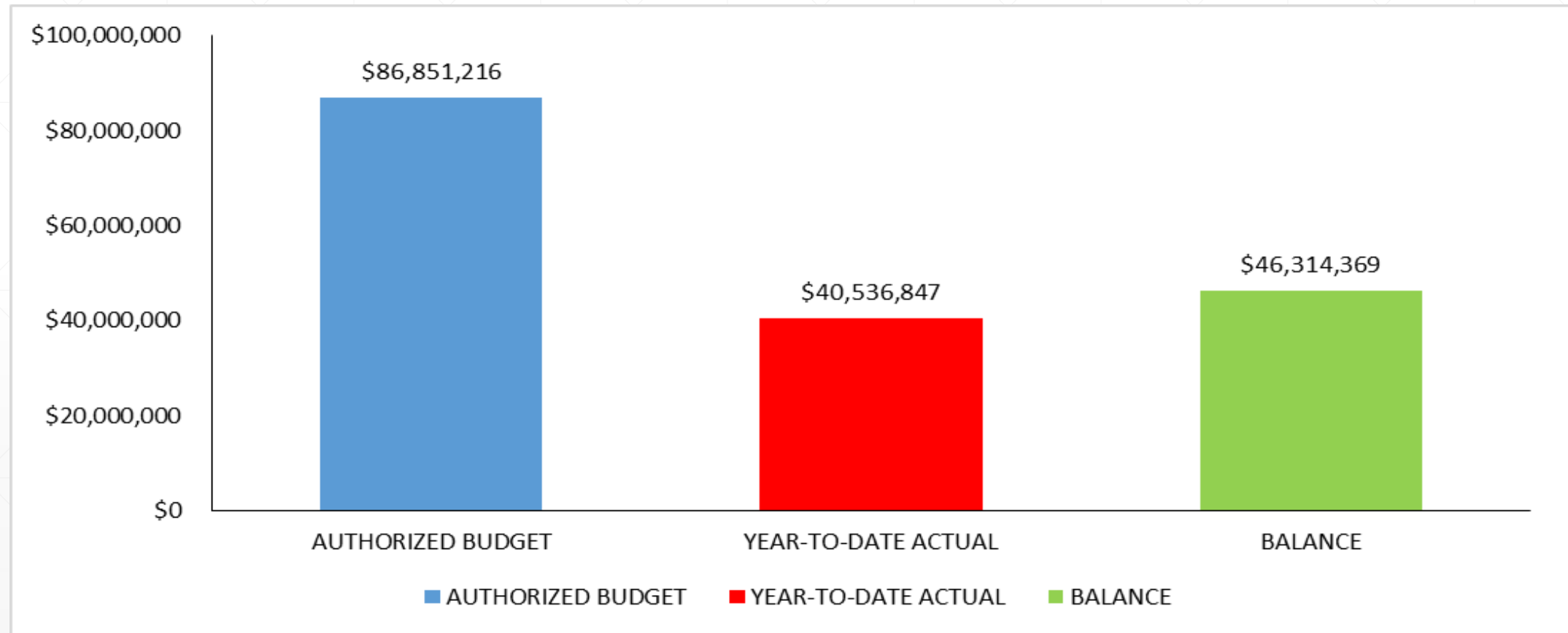
Statement of General Fund Budget

\$86.8M Allocation as of December 31, 2018



Statement of General Fund Expenditures

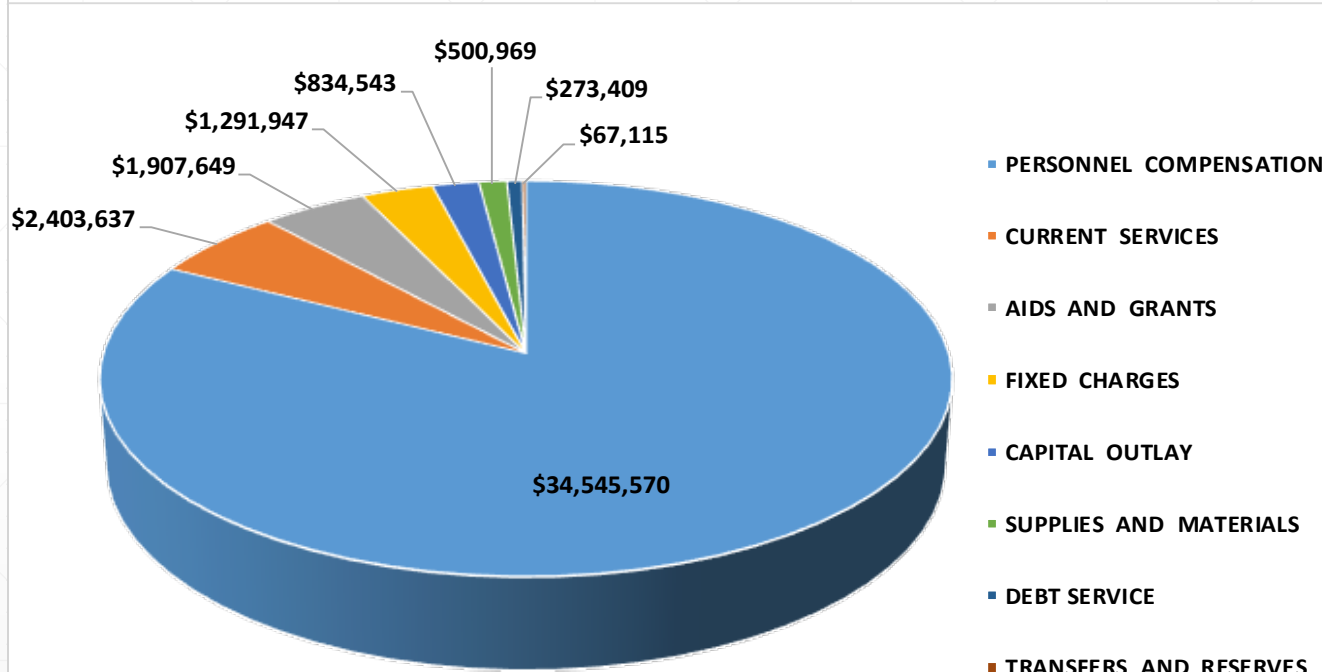
July 1, 2018 - December 31, 2018



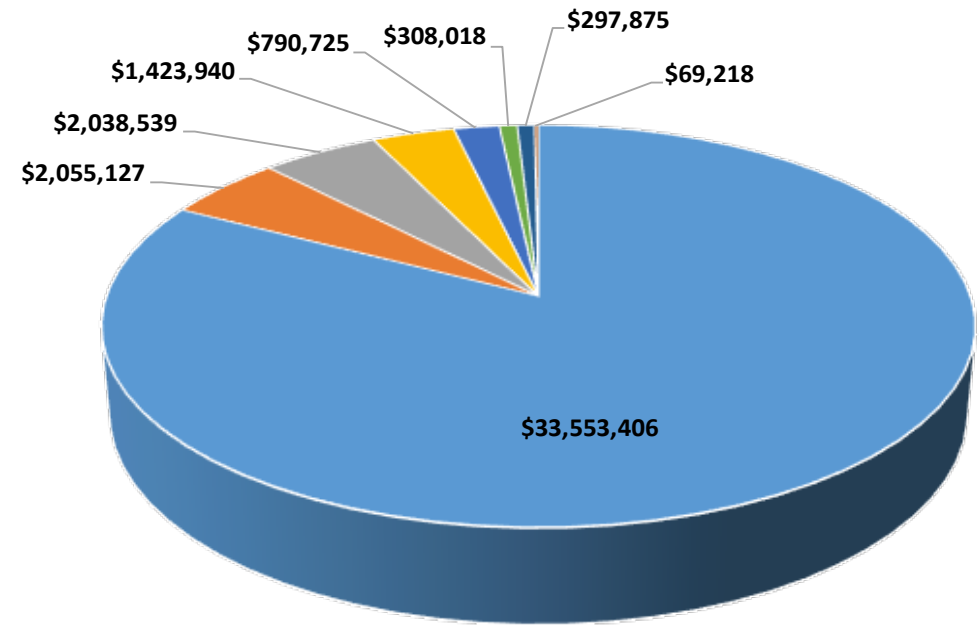
Comparison of General Fund Expenditures

Summary by Account

July 1, 2018 - December 31, 2018



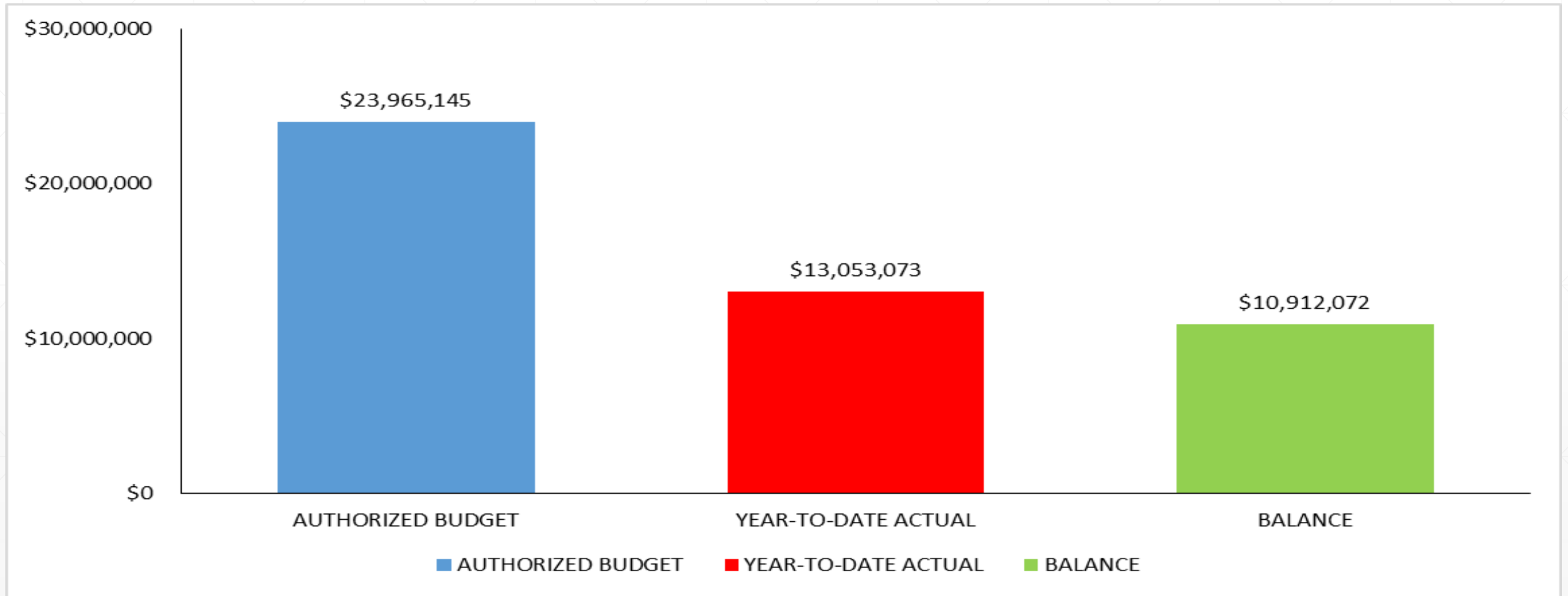
Current Year



Prior Year

Statement of General Fund Receipts

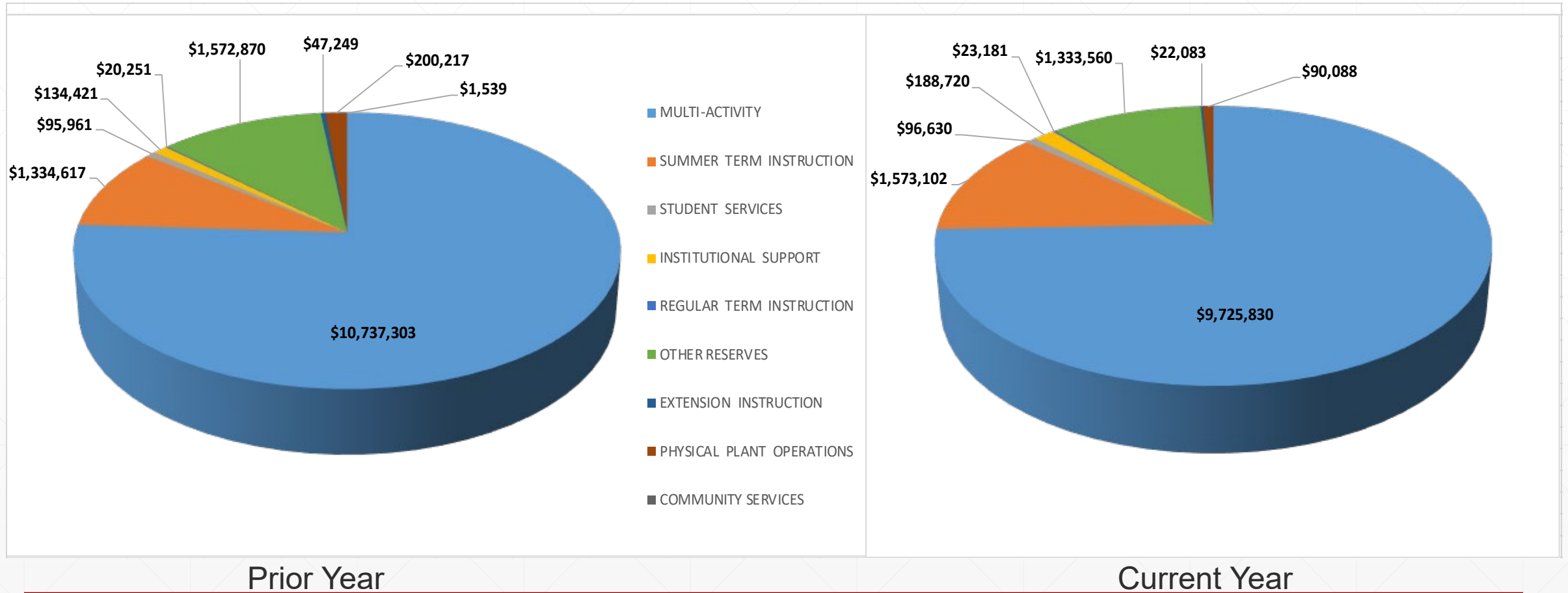
July 1, 2018 - December 31, 2018



Comparison of General Fund Receipts

Summary by Program

July 1, 2018 - December 31, 2018



Statement of Auxiliary Services

July 1, 2018 – December 31, 2018

Fund	Expense Budget	Beginning Balance	Receipts Collected	YTD Actual Expenditures	Ending Cash Balance
Athletics Division	\$2,778,226	(\$12,386,021)	\$1,705,594	\$1,988,401	(\$12,668,828)
Food Service	4,477,500	402,970	4,340,351	3,176,316	1,567,005
Campus Book Store	-	27,459	200,910	76,669	151,700
Copier Management /Xerox	425,000	24,190	301,989	279,530	46,650
Health Service	1,317,027	172,477	669,428	749,376	92,528
Housing Service	5,605,310	14,575,622	7,510,107	6,054,201	16,031,528
One Card Office	83,493	80,007	92,741	46,320	126,428
Student Extracurricular Activities	1,742,834	546,962	1,035,385	1,051,287	531,060
Educational & Technology Fee	653,287	1,393,870	826,057	618,173	1,601,754
Total Auxiliary Services	\$17,082,677	\$4,837,536	\$16,682,562	\$14,040,273	\$7,479,825

Statement of Business Enterprises

July 1, 2018 – December 31, 2018

Fund	Expense Budget	Beginning Balance	Receipts Collected	YTD Actual Expenditures	Ending Cash Balance
Auxiliary Admin/Ticket Office	\$877,745	\$106,067	\$598,584	\$457,994	\$246,657
Central Transportation Fleet	-	46,873	50,795	48,825	48,843
Conference Facility Rentals	43,750	20,006	21,817	3,690	38,133
Food Court	56,246	55,186	82,507	34,527	103,166
Logo Licensing	4,520	5,477	17,773	4,510	18,740
Passport Services	75,000	77,378	58,089	78,682	56,785
Summer Camps & Conferences	3,925	30,453	41,394	2,263	69,584
Telecommunication (Phones)	297,284	92,771	330,808	320,157	103,422
Vehicle Registration/Fines	785,548	281,017	505,736	364,136	422,617
Vending Machines	-	4,174	185,341	-	189,515
Total Business Enterprises	\$2,144,018	\$719,402	\$1,892,844	\$1,314,784	\$1,297,462
Grand Total (Auxiliary/Business Enterprises)	\$19,226,695	\$5,556,938	\$18,575,406	\$15,355,057	\$8,777,287

MOTIONS TO GO INTO CLOSED SESSION

January 22, 2019

I move that we go into closed session to:

(Specify one or more of the following permitted reasons for closed sessions)

___ **Prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1):**

___ **State employee personnel records**, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes.

___ **Internal Auditor's work papers**, under Section 116-40.7 of the North Carolina General Statutes.

___ **A student's education records**, under The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568.

___ **Social Security account numbers**, under The Privacy Act of 1974, Public Law 93-579, as amended by Public Law 94-455.

___ **Prevent the premature disclosure of an honorary degree, scholarship, prize or similar award under N.C.G.S. 143-318.11(a)(2)**

___ **Consult with our attorney under N.C.G.S. 143-318.11(a)(3):**

___ to protect the attorney-client privilege.

___ to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action; if known, title of action is:
_____ v. _____

___ **Discuss matters relating to the location or expansion of business in the area served by this body under N.C.G.S. 143-318.11(a)(4).**

XX Establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property under N.C.G.S. 143-318.11(a)(5).

___ **Establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract under N.C.G.S. 143-318.11(a)(5).**

___ **Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).**

___ **Hear or investigate a complaint, charge, or grievance by or against a public officer or employee under N.C.G.S. 143-318.11(a)(6).**

___ **Plan, conduct, or hear reports concerning investigations of alleged criminal conduct N.C.G.S. 143-318.11(a)(7).**

Meeting Name: Governance, Advocacy, Trusteeship, and Ethics

Meeting Start Time: 4:00 PM Eastern Daylight Time

Meeting Start Date: 3/13/2019

Meeting End Time: 5:30 PM Eastern Daylight Time

Meeting End Date: 3/13/2019

Meeting Location: Blair 200, Chancellor's Conference Room

Agenda:

- I. Call to Order (Trustee Kelly, Chair)
- II. Conflicts of Interest (Trustee Kelly)
- III. Roll Call (Camille Kluttz-Leach)
- IV. Adoption of Agenda
- V. Governance
 - A. Non-Salary Compensation (Lester Arnold)
 - B. Bylaws (Camille Kluttz-Leach)
- VI. Advocacy
 - A. Proposed Alcohol Legislation
 - B. Government Relations Update (Cornelius Graves)
 - C. WSSU Brand Champions Pilot Launch (Jaime Hunt)
- VII. Trusteeship
 - A. Trustee Appointment Process (Camille Kluttz-Leach/Cornelius Graves)
- VIII. Ethics
 - A. Ethics Education Refresher (Camille Kluttz-Leach)
 - B. Statement of Economic Interest (Camille Kluttz-Leach)
- IX. Motion to go into Closed Session
- X. Closed Session
 - A. Chancellor Evaluation
 - B. Trustee Nominations
 - C. Motion to Come Out of Closed Session
- XI. Resume in Open Session
- XII. Adjournment

Conflict of Interest Statement

All Board Members are reminded of their duty under the State Government Ethics Act to avoid conflicts of interest and appearances of conflict of interest as required by this Act. Each member has received the agenda and related information for this Board of Trustees' meeting. If any board member knows of any conflict of interest or appearance of conflict with respect to any matter coming before the Board of Trustees at this meeting, the conflict or appearance of conflict should be identified at this time.

Winston-Salem State University
Board of Trustee
Governance, Advocacy, Trusteeship, and Ethics Committee
March 13, 2019

Roll Call

Name:	Present	Not Present
1. Kelly, Kathleen, Chair		
2. Farmer, Kelvin		
3. Harris, William		
4. Henderson, Sue		
5. Wierman, Scott		
Staff		
1. Camille Kluttz-Leach		
2. Jaime Hunt		
3. Cornelius Graves		
4. Lester Arnold		
5. Ivey Brown		

Meeting Name: Governance, Advocacy, Trusteeship, and Ethics
Meeting Start Time: 4:00 PM Eastern Daylight Time
Meeting Start Date: 3/13/2019
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Governance, Advocacy, Trusteeship, and Ethics

Governance, Advocacy, Trusteeship, and Ethics

The committee would be staffed by the Chief of Staff, in consultation with the VC for Strategic Communications. The committee shall advise the Chancellor and recommend to the Board to take action, when appropriate, on with respect to the following matters:

- Board governance, leadership, and bylaws
- Board development, including trustee recruitment, orientation, and evaluations
- The Board's relationship with the Chancellor
- Trustee responsibilities and impact
- Chancellor evaluations
- Self-assessment
- Ethics
- Legislative activities and shall make the recommendations to the Board on actions to be taken in making the university's position known to members of the General Assembly and Federal legislature
- Community and constituent relations
- The election of Directors of the Winston-Salem University Foundation and Board of Visitors

Committee Members:

Dr. William Harris (Chair)

Sue Henderson

Kathleen Kelly

Kelvin Farmer

Scott Wierman

Staff: Camille Kluttz-Leach, Vice Chancellor and Chief of Staff, and Jaime Hunt Vice Chancellor for Strategic Communications

Annual Human Resources Compliance Report

[illegible]

INSTRUCTIONS:

INSTRUCTIONS:

List all Senior Academic and Administrative Officer (SAAO) Tier I employees (including chancellor) as of June 30, 2018. For the non-salary compensation columns, enter the total dollar value of the amount received in FY 17-18 in each category. Leave cells blank if no compensation was provided to the employee during FY 17-18 in that category.

Total Number of SAOA Tier 1 Employees	Total Amount of Non-Salary Compensation for SAOA Tier 1
7	7,147.00

PART 1 (con't): SAAO Tier II Salary Ranges (check one)

<input checked="" type="checkbox"/>	Our institution used the UNC System Office published Senior Academic and Administrative Officer (SAAO) Tier II salary ranges in FY 17-18.
<input type="checkbox"/>	Our institution's SAAO Tier II salary ranges and methodology for FY 17-18 are attached.

EHRA IRIT Salary Ranges (check one)

<input checked="" type="checkbox"/>	Our institution used the UNC System Office published, recommended Institutional, Research and Information Technology (IRIT) salary ranges in FY 17-18.
<input type="checkbox"/>	In lieu of providing IRIT salary ranges, a disclosure on how individual ranges are derived is attached.

Faculty Salary Ranges (check one)

<input type="checkbox"/>	Our institution's faculty salary ranges and methodology for FY 17-18 are attached.
<input checked="" type="checkbox"/>	In lieu of providing faculty salary ranges, a disclosure on how individual ranges are derived is attached.

Attach your institution's faculty salary ranges and methodology or your institution's disclosure on how individual ranges are derived below (Cell B23).



Institution's document [HERE](#).

PART 2: Conferral of Tenure

7	Number of faculty reviewed for tenure
7	Number of faculty granted tenure
0	Number of new faculty hired with tenure

PART 3: Institution Policies

Does your institution have a supplemental pay, interim appointments, and/or secondary appointments policy?

We understand that campus practices differ, and that, at times, we even see difference in the interpretation of what constitutes "base pay" and "supplemental salary." We further understand that many of your HRIS systems are calibrated to gather information differently than other campuses, and that you may even have variances in policy amongst different college or business units. These questions represent an initial foray into gathering information on this subject, and you're welcome to provide whatever context you'd like. Please operate under basic definitions – such as base pay being all pay for the primary role; while everything else falls into the "supplemental" category, including long-term stipends, interim appointments, and other supplements. (It's okay to exclude things we've always excluded, including task-based compensation such as summer course payments and course overloads.) Please contact Keith Dupuis (kedupuis@northcarolina.edu) with any specific follow-up questions.

<input checked="" type="checkbox"/>	YES	Our institution's supplemental pay, interim appointments, and/or secondary appointments policy and/or procedures is attached.
		Date last reviewed: _____ Currently under review for revisions... the attached policy is dated 12/2011
<input type="checkbox"/>	NO	Our institution does not have a supplemental pay, interim appointments, and/or secondary appointments policy or procedures. Attached is the methodology used at our institution to review supplemental pay, interim appointments, and/or secondary appointments.

Attach your institution's policy or procedures on supplemental pay, interim appointments, and/or secondary appointments OR attach your institution's methodology for reviewing supplemental pay, interim appointment and/or secondary appointments (Cell B41).



Institution's document [HERE](#).

In your HRIS system, do you distinguish between base pay and supplemental pay?

<input checked="" type="checkbox"/>	YES	<input type="checkbox"/>	NO
-------------------------------------	-----	--------------------------	----

If "NO", please briefly explain how you do distinguish between base pay and supplemental pay:

PART 4: EHRA IRIT Position Actions

Does your institution have delegated authority for IRIT position actions?

<input type="checkbox"/>	YES	My institution has independent IRIT authority to create and reclassify IRIT positions (excepting those that may require special review under periodic legislation, such as the state-mandated Consultation process), with the exception of RADA/CADA position actions which are submitted to UNC System Office for review and approval. Our institution's Annual IRIT Report for FY 17-18 is completed in the Tab Titled "IRIT Annual Report"
<input checked="" type="checkbox"/>	NO	My institution does not have delegated authority to create and revise IRIT positions. We submit all requests for new or reclassified IRIT positions to UNC System Office for review and approval.

PART 5: Harassment Complaints

Please affirm that your institution has measures in place to track harassment complaints and can provide this information to the System Office upon request. Internal tracking mechanisms should include the following data elements (which we are only confirming you have prepared, and are not asking that you provide as part of this report):

1. Name of Accused and Employee Type/Student Status (SHRA, EHRA Non-faculty, Faculty, Temp Employee, Student, Other)
2. Name of Complainant and Employee Type/Student Status (use above categories)
3. Date of Complaint
4. Date of Resolution
5. Identify protected basis(es) for complaint: race, religion, color, national origin, sex, age, disability, genetic information, political affiliation.
6. How Complaint was filed: EEOC Complaint, EEO complaint, complaint part of SHRA grievance process
7. Findings? Yes or No
8. If findings, list type of disciplinary action: Dismissal or Other disciplinary action

<input checked="" type="checkbox"/>	YES	My institution tracks harassment complaints and, if requested by the System Office, can provide the above listed data in a report form.
<input type="checkbox"/>	NO	My institution does NOT track harassment complaints or does not collect all of the above listed data, but will gather this information for FY 17-18 and put measures in place to track harassment complaints going forward. Date to be completed: _____

PART 6: Report of Hiring Activity

Report of Hiring Activity for Fiscal Year 2017-2018. Hiring activity should include competitive events and waivers of recruitment for permanent positions only (exclude temporary employees/appointments). Please note that, starting next fiscal year, campuses will need to report on three separate fields: internal campus hires; hires from other UNC constituent institutions; and external hires.

Employee Category	Internal Hire Count ^(a)	External Hire Count (including other UNC constituent institutions) ^(b)
EHRA Faculty	14	30
EHRA Senior Academic and Administrative Officer Tier I	1	0
EHRA Senior Academic and Administrative Officer Tier II	2	2
EHRA IRIT	11	23
All Other EHRA Non-Faculty Not Otherwise Categorized	0	0
SHRA Staff	9	51
Grand Totals	23	76

- a. Internal Hire: Any individual already employed at your institution who is transferred, promoted, or waived into a position.
b. External Hire: Any individual who is not currently employed at your institution.

PART 7: Certification of Approval

INSTITUTIONS WITH MANAGEMENT FLEXIBILITY	
I certify that I reviewed and approved Winston-Salem State University Annual Human Resources Compliance Report for the Fiscal Year ending June 30, 2018 and this report was approved by the Board of Trustees on [INSERT DATE]	
Name: _____	_____
Chancellor	Date

INSTITUTIONS WITHOUT MANAGEMENT FLEXIBILITY	
I certify that I reviewed and approved Winston-Salem State University Annual Human Resources Compliance Report for the Fiscal Year ending June 30, 2018.	
Name: _____	_____
Chancellor	Date



2018 Annual Human Resources Report

Faculty Salary Ranges Disclosure Statement

As a practice, Winston Salem State University seeks to remain market competitive within each professional sector by utilizing market salary data from the respective professional organizations for each faculty position. For example, if determining a faculty salary range for a Physical Therapy faculty position, we would consult the North Carolina Physical Therapy Association and the National Physical Therapy Association in conjunction with current salary range information received from CUPA-HR market survey data. Once the comparative analysis is completed, a market competitive faculty salary range is established. As a guideline for extending the salary offer, we attempt to stay within the 80 percentile range.

Revonda Propst Reed

Faculty Affairs Manager



WINSTON-SALEM STATE UNIVERSITY

102.5 - Supplemental Pay for EHRA Employees

University Group Policy #102.5

Policy Statement

Commensurate with University of North Carolina policy, Winston-Salem State University (hereinafter "WSSU") recognizes that certain circumstances may exist to justify the award of supplemental pay to SHRA employees and to EHRA employees (note: EHRA employees are those positions that are not subject to the State Human Resources Act and are classified in one of four categories: 1) EHRA Professional, 2) Faculty, 3) Senior Academic and Administrative Officer Tier-1, or 4) Senior Academic and Administrative Officer Tier-II). The policy supplements existing guidance and statutes and should not be interpreted in any way that is not consistent with guidance provided in UNC Policy 300.2.13. This policy sets forth the conditions under which a supervisor may approve supplemental pay for employees and the approval request process that must be followed.

Definitions

"Supplemental pay" is defined as compensation in excess of an employee's annual salary that is paid by WSSU to the employee for: (a) temporary increases in responsibility and/or (b) extra duties beyond the scope of the employee's contract/appointment. "Annual Salary" is defined as the compensation paid to the employee by WSSU for duties to be performed within the scope of the contract/appointment.

Guidelines

Exclusions

This policy does not cover compensation provided by WSSU to WSSU Athletic Department Head Coaches and their EHRA staff related to Conference Championships (Central Intercollegiate Athletic Association and the National Collegiate Athletic Association) or post-season invitations or team graduation rates which are governed by the Athletic Department's established Championship & Post Season Compensation Guidelines

Limits on Supplemental Pay

a) Employees Within Contract Period

The maximum amount of supplemental pay cannot exceed 20% of an employee's annual base salary. If operational needs or other compelling circumstances arise, supplemental compensation may exceed the 20% threshold and must be approved by the appropriate Vice Chancellor. Supplemental compensation from federally sponsored contract and grants administered through

WSSU Office of Sponsored Programs is not allowable during the employment contract period unless specifically allowed by the sponsoring agency.

b) Employees Outside of Contract Period

1. Academic Year Appointments (9-month). Total supplemental pay that may be received during summer months is equal to the annual base salary divided by the number of contract/appointment month multiplied by the number of non-contract months. For example, a 9-month EHRA employee with a full-time annual salary of \$45,000 would have a summer salary cap of \$15,000 ($\$45,000/9 = \$5,000 * 3 = \$15,000$)
2. The same calculation method is used for appointments/contracts other than academic year appointments/contracts (i.e., <9, 10 or 11), using base salary, on a prorated basis
3. There is no out of contract period of 12-month employees

c) Under this policy EHRA employees and SHRA employees with appointments at less than 1.0 FTE (full time equivalent) are eligible for supplemental pay at the part time rate until they reach the equivalent of 1.0 FTE rate. Once 1.0 FTE rate is reached, supplemental pay limits apply as described in this section. Supplemental pay for SHRA employees includes duties on campus only when such duties are occasional, sporadic, unrelated to primary job duties and performed outside regular working hours. Assignments that are related to primary job duties should be compensated under the guidelines of the Overtime Compensation Policy.

EXAMPLE: An SHRA employee subject to FLSA may teach a course outside regular working hours or while using leave, and the compensation for teaching the course shall be consistent with the rate for instructors of the respective course.

d) Supplemental payments will not be adjusted if employee receives a salary increase applied retroactively to the period of supplemental assignment.

Approval Request Process

The following steps must be completed and documents before a supplemental payment can be made:

- a. The employee's supervisor must submit an appropriately completed Personnel Action Form with a written request stating the justification for supplemental pay in advance of the start of the special assignment.
- b. The request must clearly identify the activities covered, the relationship of the activities to normal job responsibilities, the expected duration and the basis for determining the one-time or periodic supplemental payment.
- c. The request must be made to the appropriate administrator (Provost/Vice Chancellor, Department Head, Dean, etc.)
- d. The approved request must be submitted to Human Resources or Faculty Personnel Administration for final review and processing.

Applicability

This policy applies to all Winston-Salem State University EHRA employees.

Compliance

Record Retention

Original supporting documentation for the supplemental pay must be retained in the hiring department's file for a period of five years from the date of payment. Documentation for the supplemental payment must also be retained in the employee's personnel file for a period of five years from the date of payment. If documentation is in support of expenditures charged to a

sponsored award, the documentation must be retained for 5 years after termination of the sponsored award.

Responsible Division: Vice Chancellor and Chief of Staff

Authority: Board of Trustees

History:

- Adopted: December 9, 2011

REVISED AND RESTATED BYLAWS OF THE BOARD OF TRUSTEES OF WINSTON-SALEM STATE UNIVERSITY

ARTICLE I Name

This organization shall be known as “The Board of Trustees of Winston-Salem State University.” Winston-Salem State University is a constituent institution of the multi-campus the University of North Carolina.

ARTICLE II Activity of the Institution

Winston-Salem State University is a public university providing baccalaureate and master’s level educational programs.

ARTICLE III Board of Trustees

Section 1. Appointment and Term of Office

a) The Board of Trustees shall consist of 13 persons chosen as follows: (1) eight elected by the Board of Governors of the University of North Carolina; (2) four appointed by the Governor; and (3) the president of the student government of the institution, ex officio. The president of the student government of the institution shall be administered the oath of office at the first Board meeting immediately following the student’s installation as SGA President and shall have full voting rights.

b) The Board of Governors, in electing trustees to serve terms (commencing July 1, 1973) shall designate four persons for four-year terms and four for two-year terms; and the Governor, in making appointments of trustees to serve commencing July 1, 1973, shall designate two persons for four-year terms and two for two-year terms. In every odd numbered year after 1973, the Board of Governors shall elect four persons to the Board and the Governor shall appoint two persons to the Board; and the term of office of all such elected or appointed trustees (excluding ex-officio trustees) shall be four years, commencing July 1 of such odd numbered year. [See G.S. §116-31(e) and (f)]

c) Whenever any vacancy shall occur in the membership of the Board among those appointed by the Governor, it shall be the duty of the secretary of the Board

to inform the Governor of the existence of the vacancy, and the Governor shall appoint a person to fill the unexpired term. Whenever any vacancy shall occur among those elected by the Board of Governors, it shall be the duty of the secretary of the Board to inform the Board of Governors of the existence of the vacancy, and the Board of Governors shall elect a person to fill the unexpired term. Whenever a member shall fail, for any reason other than ill health or service in the interest of the State or nation, to be present for three successive regular meetings of the Board or fails to attend three successive regular committee meetings, his or her place as a member shall be deemed vacant. [See G.S. §116-31(j)]

d) Any person who has served two full four-year terms in succession as a member of the Board shall, for a period of one year, be ineligible for election or appointment to the Board of Trustees of Winston-Salem State University.

e) No member of the General Assembly or officer or employee of the State, The University of North Carolina, or any constituent institution, shall be eligible for election or appointment as a trustee. No spouse of a member of the General Assembly, or of an officer or employee of a constituent institution may be a trustee of that constituent institution. Any trustee who is elected or appointed to the General Assembly or who becomes an officer or employee of the State, The University of North Carolina, or any constituent institution or whose spouse is elected or appointed to the General Assembly or becomes an officer or employee shall be deemed thereupon to resign from his or her membership on the Board of Trustees. [See G.S. §116-31(h)]

f) No person may serve simultaneously as a member of the Board of Trustees and as a member of the Board of Governors. Any trustee who is elected to the Board of Governors shall be deemed to have resigned as a trustee effective as of the date that his or her term commences as a member of the Board of Governors. [See G.S. §116-31(i)]

g) Members of the Board of Trustees shall be subject to removal for cause by the Governor and the Board of Governors.

Section 2. Meetings

a) The Board of Trustees shall hold not fewer than four regular meetings a year and may hold such additional meetings as may be deemed desirable. The Board, at these meetings, shall consider recommendations of the chancellor and such other matters as may properly come before it, subject to Article III, Section 3(e). Meetings may be held by conference telephone or electronic means. All meetings of the Board shall be open to the public unless, consistent with the requirements of State law, a meeting is closed to the public by a motion duly made and adopted by the Board in an open meeting.

b) The regular meeting of the Board shall be held four times yearly on the third Friday of the months of March, June, and September, and the second Friday of the Month in December, but the time and place of the meeting may be changed to any other date within the month on fifteen day's written notice from the chairperson. Whenever the chairperson deems the business of the Board not to require a regular meeting, the chairperson may cancel such meeting with five days' written notice; provided that no two consecutive regular meetings shall be so canceled. In the event of unforeseen circumstances, the chairperson may cancel a meeting with 24-hour notice to members.

c) A special meeting may be called by the chairperson of the Board. A notice specifying the time and place of a special meeting of the Board shall be mailed or otherwise delivered by the secretary or the assistant secretary to each member of the Board in order that it would reasonably be expected to be received by the member at least 48 hours before the meeting. Subject to the provisions of Article III, Section 3e, any matter of business relating to the university may be considered at a special meeting of the Board. Additionally, a special meeting of the Board of Trustees may be requested upon the written request of not fewer than six members of the Board directed to the attention of the Assistant Secretary. A special meeting requested by members to be called by the Assistant Secretary shall be held within fourteen (14) days of receipt by the Assistant Secretary of the sixth written request for such special meeting. Any matter of business may be considered at a special meeting of the Board.

d) Emergency meetings of the Board may be called by the chairperson when generally unexpected circumstances require immediate consideration by the Board. A notice specifying the time and place of an emergency meeting of the Board may be given by telephone, telegraph, or other method in sufficient time for a majority of the Board to reasonably be expected to be able to attend the meeting. Only business connected with the emergency may be considered at an emergency meeting in which less than 48-hour notice is given.

e) Agenda

1. A copy of the agenda for each regular meeting of the Board, including notice of all expiring terms or vacancies in membership of Board committees and, insofar as is practicable, copies of all reports and other materials to be presented to the regular meeting as a part of the agenda, shall be mailed or otherwise delivered by the secretary or assistant secretary to each member of the Board at least ten days in advance of the regular meeting. If practicable, a copy of the agenda for each special meeting of the Board, with reports and other materials to be presented, shall be mailed or otherwise delivered to each member of the Board at least five days in advance of the special meeting. When matters are to be considered by a committee between the time of the mailing or other delivery of the agenda and the time of any regular or special meeting of

the Board and are expected then to be presented to the Board for action at the meeting, all members of the Board shall be mailed or otherwise delivered such materials as a committee may prescribe by standing rule or as the chairperson of a committee may designate, in order to inform the Board, insofar as may be feasible, of the nature of the action that might be asked of it.

2. The agenda for a regular or special meeting of the Board shall be prepared by the chancellor with the approval of the chairperson. All requests for inclusion of a given item on the agenda of a particular meeting shall be filed, with supporting documents if any, with the assistant secretary. Any such requests from faculty, students, or staff members must be in writing and must be filed in sufficient time to be included on the agenda of the regular or special meeting in question.

3. Any member of the Board of Trustees may present to the Board, at any regular meeting, any item not on the agenda. However, such an item shall not be so considered without unanimous approval of the voting members of the Board present at such meeting.

f) A quorum of the Board is required for conducting business. A quorum shall consist of a majority of the members of the Board currently in office.

g) The chairperson shall preside at all regular and special meetings of the Board. In the absence of the chairperson, the vice chairperson shall preside and in the absence of both, the secretary shall preside. In the absence of an elected officer, a presiding officer shall be elected by and from the voting membership of the Board.

h) All members of the Board except ex officio members not designated as having the right to vote may vote on all matters coming before the Board for consideration, but no member may vote by proxy. No vote concerning any matter under consideration by the Board or by a committee of the Board may be cast, in absentia, by mail, email or fax, telegraph, or telephone; provided, however, that if a meeting is held by telephone or electronic means, a member attending such a meeting may vote using such means.

i) Except as modified by specific rules and regulations of the Board and State law, *Roberts Rules of Order* (latest edition) shall constitute the rules of parliamentary procedures applicable to the meetings of the Board and its committees.

j) The assistant secretary shall take minutes of all meetings of the Board; shall file, index, and preserve all minutes, papers, and documents pertaining to the business and proceedings of the Board; and shall be custodian of all records of the Board. The secretary or assistant secretary shall keep the Board of

Governors, through the secretary of the University of North Carolina, fully and promptly informed concerning activities of the Board of Trustees, including a copy of the minutes of all meetings, notice of any changes in the membership of the Board or in its bylaws or committee structure, and notice of meetings.

Section 3. Officers and Committees

a) At the first meeting after June 30 of each year, the Board shall elect from its membership a chairperson, a vice chairperson and a secretary, each of whom shall serve for a term of two years and until a successor is elected. If a vacancy occurs in any of these offices, the Board shall elect a person to serve for the remainder of the unexpired term. Each officer may serve no more than two consecutive terms.

b) The Board may also elect an assistant secretary of the Board from among the members of the chancellor's staff. Copies of the minutes, papers and documents of the Board may be certified by the assistant secretary with the same force and effect as though such certification were made by the secretary of the Board.

c) The chairperson shall be chairperson of the Executive Committee and an ex-officio member of each committee.

d) The standing committees of the Board shall be the Executive Committee, the Academic Affairs Committee, the Student Affairs and Enrollment Services Committee, the University Advancement Committee, the Finance and Administration Committee, the Audit Committee, The Personnel and Tenure Committee and the Grievance Appeal Committee.

e) All matters presented to the Board, except matters of routine business, which come within the sphere of interest or activity of any standing committee of the Board, shall be submitted by the Board to the appropriate standing committee for investigation and report. All matters, of other than routine business, which do not come within the sphere of interest or activity of any standing committee of the Board may be submitted by the Board to a special committee for investigation and report in advance of any action thereon by the Board. The Board may proceed to consider any matter without referring it to a standing or special committee if, by two-thirds vote, immediate consideration by the Board is ordered. The reports and recommendations of standing and special committees shall be submitted to the Board in writing consistent with the instructions of the Board.

f) Special committees may be created by the Board or the chairperson of the Board to perform specific functions not requiring the continuous existence of a committee. The size, function, and procedures of special committees shall be determined either by majority vote of the Board or by the chairperson of the

Board. The chairperson and members of a special committee shall be appointed by the chairperson of the Board from the membership of the Board unless the Board otherwise provides. Special committees shall cease to exist when their functions have been discharged; however, every special committee shall cease to exist one year after the date of its creation, unless continued by affirmative action of the Board or the chairperson of the Board.

g) The chairperson shall appoint all committees.

h) The Board may, at its discretion, authorize any of its committees to act in its stead in any and all matters which the Board may direct, except those powers expressly delegated to the Board of Trustees by the Board of Governors without the power to sub-delegate.

i) A Nominating Committee shall be appointed each year by the Chairperson of the Board and shall consist of not less than three members of the Board. The Chairperson shall not serve as a member of the Nominating Committee. The Nominating Committee shall be responsible for presenting a slate of nominees to the Board at its last meeting before the beginning of each University fiscal year. The slate of nominees shall contain at least one nominee for each of the offices of Chair, Vice Chair and Secretary.

Section 4. Powers and Duties of the Board

a) The Board shall promote the sound development of the institution within the functions prescribed for it, helping it to serve the people of the State in a way that will complement the activities of the other institutions, and aiding it to perform at a high level of excellence in every area of endeavor. The Board shall serve as advisor to the Board of Governors on matters pertaining to its institution and shall also serve as advisor to the chancellor concerning the management and development of the institution. [See G.S. 116-33]

b) The Board shall have such other powers and duties, not inconsistent with provisions of *The Code of the Board of Governors of the University of North Carolina* or with applicable provisions of State law, as are specified in said *Code* or as shall be defined and delegated by the Board of Governors. The Board of Governors' Delegation of Duty and Authority to Boards of Trustees are attached hereto as Appendix 1 and are hereby incorporated by reference and as amended from time to time.

Section 5. Powers and Duties of the Standing Committees

a) Executive Committee

The Executive Committee shall function as a policy advisory committee to the chancellor on all matters which require action between regularly scheduled meetings of the Board except that the Executive Committee is authorized to act on

behalf of the full Board of Trustees between full Board meetings on all matters of interest to the Board, including approval of appropriate academic and administrative appointments, when immediate action of the Board of Trustees is required and a quorum of the full Board cannot be obtained.

1. The Executive Committee shall consist of the Chairperson, the Vice Chairperson, the Secretary, and the chairpersons of the Audit, Advancement, Finance and Administration, Student Affairs and Academic Affairs committees.
2. Any action of the Executive Committee taken as prescribed above shall come to the full Board for ratification at its next regularly scheduled meeting.
3. Minutes shall be kept of all Executive Committee meetings and shall be mailed to each member of the full Board of Trustees within twenty (20) days of the date of the meeting where action was taken. The minutes of the Executive Committee shall be included in the agenda for the succeeding meeting of the Executive Committee.

b) Academic Affairs Committee

The duties of the Academic Affairs Committee shall include the preparation of the quarterly Academic Affairs report to the Board that includes reviews, discussions, recommendations, and reports to the full Board on strategic and operational issues to include:

1. programs of instruction, research, service, and economic development;
2. recruitment and retention;
3. grants and contracts,
4. organizational structure;
5. accreditation status; and other initiatives within the Division of Academic Affairs.

c) Student Affairs & Enrollment Services Committee

The duties of the Student Affairs & Enrollment Services Committee shall include the preparation of the Quarterly Student Affairs & Enrollment Services report to the Board which includes recommended policies with respect to:

Student Affairs:

1. Student Health Services Center
2. Counseling Center
3. Housing & Residence Life
4. Judicial Affairs

Campus Life:

5. Student Activities
6. Student Government
7. Campus Recreation
8. Fitness Center
9. Thompson Student Center

Administration:

10. Student Development
11. Career Services

Enrollment Services:

12. Undergraduate Admissions
13. Financial Aid
14. Solutions Center

Office of Student Affairs

15. Technology Service

d) Advancement Committee

The duties of the University Advancement Committee shall include the preparation of a Quarterly Advancement Relations report to the Board which includes recommended policies with respect to:

1. Development, implementation and management of fundraising activities, including capital campaigns.
2. Development of university marketing and communications programs.

e) Finance and Administration

The duties of the Finance and Administration Committee shall include the preparation of a Quarterly Finance and Administration report to the Board which includes recommended policies with respect to:

1. Parking and traffic regulations;
2. Property and buildings, including;
 - a. Selection of building site, architects, and engineers
 - b. Architect and engineers plan approval;
 - c. Acceptance of buildings and facilities;
 - d. Naming of buildings and facilities;
 - e. Real estate purchases; and
 - f. The campus master plan;
3. Campus security;
4. Auxiliary enterprises operations; and
5. Tuition, fees, and deposits.

f) Audit Committee

The duties of the Audit Committee shall include the preparation of a Quarterly Internal Audit and Compliance report to the Board which includes conclusions drawn and recommendations set forth concerning reviews, investigations and internal audit activities focused on:

1. University compliance with internal and external policies, procedures, rules and regulations.
2. Risk assessment.
3. The reliability and integrity of financial, operational and associated information.
4. The effectiveness and efficiency of operations;
5. Safeguarding assets.
6. The accomplishment of established goals and objectives by university divisions, units and operations.

g) Personnel and Tenure Committee

The duties of the Personnel and Tenure Committee shall include the preparation of a Quarterly Personnel and tenure report to the Board that includes:

1. Reviews, discussions, and reports on faculty personnel issues to include permanent tenure and promotion decisions;
2. Recommendations on the granting of honorary degrees;
3. Issues relating to the appointment of Senior Administrative and Academic Officers that are delegated to the Board of Trustees under the Institutional Plan of Management Flexibility to Appoint and Fix Compensation.

h) Grievance Appeal Committee

The duties of the Grievance Appeal Committee shall include:

1. Hearing appeals from the decisions of the Chancellor filed by faculty, staff and students from the EPA Non-Faculty Committee, The Student Judicial Council, The Faculty Committee on Discharge, Non-Reappointment and Promotion, The Faculty Grievance Committee and such other grievance hearing committees as may be established in the future.
2. The Grievance Appeal Committee will hear only those cases over which the Board of Trustees has jurisdiction as determined by Policies of The Board of Governors or Policies established by the Board of Trustees.
3. The Grievance Appeal Committee is further charged with approving guidelines and procedures for the processing of each appeal according to the policies granting jurisdiction of the appeals.

4. The Grievance Appeal Committee is authorized to act on behalf of the full Board of Trustees between full Board meetings. At the next regularly scheduled meeting of the full Board, a report will be made of the Committee's findings and any recommendations for further action it believes necessary.

ARTICLE IV **Amendment of Bylaws**

These bylaws may be amended at any regular or special meeting of the Board by the affirmative vote of two-thirds of the membership, provided that the substance of the proposed amendment is filed with the assistant secretary and a copy is mailed or otherwise delivered to each member not less than ten days prior to the meeting at which the amendment is to be voted upon.

ARTICLE V **Subordination to University Code**

To the extent that any of these bylaws may be inconsistent with *The Code of the Board of Governors of the University of North Carolina*, as the same may be amended from time to time, said *Code* shall control.

Adopted: June 5, 1974
Amended: March 8, 1978
March 15, 1979
September 3, 1987
September 6, 1990
September 18, 1998
June 18, 1999
June 28, 2000
March 28, 2008
September 16, 2016

APPENDIX I

DELEGATIONS OF DUTY AND AUTHORITY TO BOARDS OF TRUSTEES

Pursuant to authority vested in it by the General Statutes, and consistent with the provisions of *The Code of the University of North Carolina*, the Board of Governors hereby delegates to the boards of trustees of the constituent institutions of the University of North Carolina the following duties and powers:

I. ACADEMIC AND ADMINISTRATIVE PERSONNEL

Appointment and Compensation

1. Upon recommendation of the chancellor, the board of trustees of a special responsibility constituent institution with management flexibility for personnel appointments shall, for all positions exempt from the State Personnel Act except the position of the chancellor, appoint, promote, and set the compensation for such employees consistent with the policies and salary ranges set by the Board of Governors and the regulations and guidelines established by the Office of the President.
2. Personnel actions at a constituent institution, other than a special responsibility constituent institution with management flexibility, shall be governed as follows:
 - a. With respect to all faculty positions with permanent tenure and all senior administrative positions, namely vice chancellors, provosts, deans and directors of major educational and public service activities, the chancellor, following consultation with the board of trustees, shall forward to the president recommendations with respect to such appointments, promotions, and compensation; if the president concurs in such recommendations, the president shall forward them to the Board of Governors for approval. Notwithstanding the requirements of this paragraph, a board of trustees may promote in rank a faculty member with permanent tenure, upon the recommendation of the chancellor, and without approval by the Board of Governors.
 - b. With respect to all faculty and administrative positions other than those identified in subparagraph 2a above, and other than those subject to the State Personnel Act, the chancellor shall forward the chancellor's recommendations for appointment, promotion and compensation to the board of trustees; subject to applicable provisions

of the University *Code* and to such policies as may be established by the Board of Governors, the action of the board of trustees with respect to such personnel actions shall be final.

Discharge or Suspension

Subject to regulations of the board of trustees and consistent with applicable policies of the Board of Governors, all discharges or suspensions of faculty members and administrative personnel, other than those subject to the State Personnel Act, shall be effected by the chancellor. A discharged or suspended employee shall have such rights of appeal from the action of the chancellor as may be prescribed by the University *Code*, policies of the Board of Governors, or regulations of the board of trustees.

Personnel Policies

The board of trustees may adopt personnel policies not otherwise prescribed by state law, the University *Code*, or policies of the Board of Governors, for personnel in all categories of university employment. Policies adopted by a board of trustees regarding academic tenure and promotion shall be effective upon review by the senior vice president for academic affairs and the vice president and general counsel, and approved by the president.

Chancellor Selection

In the event of a vacancy in the chancellorship, the board of trustees shall establish a search committee composed of representatives of the board of trustees, the faculty, the student body and the alumni. Upon the establishment of the search committee, the chair of the board of trustees and the president shall jointly establish a budget and identify staff for the committee.

The search committee, through its chair, shall make a preliminary report to the president when the committee is preparing a schedule of interviews of those persons it considers to constitute the final list and from among whom it anticipates the trustees' nominees will be chosen, and the president will be given an opportunity to interview each of these candidates.

The board of trustees, following receipt of the report of the search committee, shall recommend at least two names for consideration by the president in designating a nominee for the chancellorship, for approval by the Board of Governors.

II. ACADEMIC PROGRAM

The board of trustees shall be responsible for ensuring the institution's compliance with the educational research and public service roles assigned to it by the Board of Governors, either by express directive or by promulgated long-range plans of the Board of Governors.

III. ACADEMIC DEGREES AND GRADING

Subject to authorization by the Board of Governors of the nature and general content of specific degree programs which may be offered by an institution, each institution shall determine whether an individual student shall be entitled to receipt of a particular degree. Each institution also shall determine what grade a student will be assigned in a particular course. No appeals from these decisions are allowable to the president or to the Board of Governors. [7/1/03]

IV. HONORARY DEGREES, AWARDS AND DISTINCTIONS

The board of trustees shall be responsible for approving the names of all individuals on whom it is proposed that an honorary degree or other honorary or memorial distinction be conferred by the institution, subject to such policies as may be established by the Board of Governors.

V. BUDGET ADMINISTRATION

The board of trustees shall advise the chancellor with respect to the development of budget estimates for the institution and with respect to the execution and administration of the budget of the constituent institution, as approved by the General Assembly and the Board of Governors.

VI. PROPERTY AND BUILDINGS

The board of trustees of a constituent institution shall be responsible, subject to policies of the Board of Governors and all legal requirements relative to the construction of state-owned buildings, for the following matters concerning campus capital construction projects which have been approved by the Board of Governors and authorized by the state of North Carolina:

- (1) the selection of architects or engineers for buildings and improvements requiring such professional services;
- (2) the approval of building sites;
- (3) the approval of plans and specifications; and
- (4) the final acceptance of all completed buildings and projects.

The board of trustees shall be responsible to the Board of Governors for preparing and maintaining a master plan for the physical development of the institution, consistent with the total academic and service mission of the institution as defined and approved by the Board of Governors.

Any proposal involving the acquisition or disposition by an institution of any interest in real property shall be recommended by the board of trustees to and must be approved by the Board of Governors; provided, that

- (a) if the proposal involves an interest in real property which is valued at less than \$50,000, the board of trustees may authorize such transaction and proceed to obtain the necessary approvals from appropriate state officials and agencies, without first obtaining the approval of the Board of Governors;
- (b) if the proposal involves an interest in real property, the president may approve or execute leases with a value higher than \$50,000 up to \$150,000, and may approve or execute contracts to acquire real property with a value higher than \$50,000 up to \$250,000, without first obtaining approval of the Board of Governors; and
- (c) the Board of Governors, under circumstances which it considers appropriate and following notice from it to the board of trustees, may take action necessary to effect the acquisition or disposition of an interest in real property which is related to or which affects the institution, without receipt of a recommendation from the board of trustees.¹

VII. ENDOWMENTS AND TRUST FUNDS

Subject to applicable provisions of state law and to such terms and conditions as may be prescribed from time to time by the Board of Governors, each board of trustees shall be responsible for the preservation, maintenance, and management of all properties, both real and personal, funds and other things of value which, either separately or in combination, constitute all or any part of the authorized endowment or trust funds, either currently in existence or to be established in the future, for the benefit of the individual constituent institution. [See G.S. 116-11(2); 116-12; 116-36; 116-36.1; 116-36.2; 116-36.3]

¹ By resolution adopted November 13, 1981, the Board of Governors elaborated upon this provision concerning the acquisition and disposition of interest in real estate. The resolution says, among other things, that the value of an interest in real estate shall, with respect to a lease, be deemed the annual rental thereof. Further, the resolution expressly authorizes the board of trustees to delegate to their respective chancellors the power to authorize for the institutions the acquisition or disposition by lease of institutions the acquisition or disposition by lease of interests in real estate valued at less than \$25,000, subject to any necessary approval from state officials and agencies.

VIII. ADMISSIONS

Subject to such enrollment levels and minimum general criteria for admission as may be established for a constituent institution by the Board of Governors, each constituent institution of the University of North Carolina shall establish admissions policies and resolve individual admission questions for all schools and divisions within the institution. No appeal concerning an individual admission case shall lie beyond the institutional board of trustees.

IX. TUITION, FEES AND DEPOSITS

General Authority of Boards of Trustees

The boards of trustees of the constituent institutions shall cause to be collected from each student, at the beginning of each semester, quarter or term, such tuition, fees and other amounts necessary to pay other expenses for the term, as have been approved by the Board of Governors. [See G.S. 116-11(7) and G.S. 116-143]

Tuition and Fee Deposits

Each board of trustees shall require the payment of such advance deposits, at such times and under such conditions as it determines are appropriate or as may be required by state law or by the Board of Governors. [See G.S. 116-143]

Application Fee

Each board of trustees shall require the payment of such nonrefundable application fees, in connection with each application for admission, as may be required by state law or by the Board of Governors. [See G.S. 116-143]

Acceptance of Obligations in Lieu of Cash

Subject to policies prescribed by the Board of Governors, the boards of trustees shall establish regulations concerning the acceptance of obligations of students, together with such collateral or security as may be deemed necessary or proper, in lieu of cash, in payment of tuition and fees. [See G.S. 116-143]

Fee Recommendations

Subject to policies prescribed by the Board of Governors, each board of trustees, in consultation with the chancellor, shall recommend to the president the amounts to be charged at the constituent institution for application, athletics, health services, student activities, educational and technology, retirement of debt incurred for capital improvements projects authorized by the General Assembly, course, and special fees. In carrying out this responsibility, each board of trustees and the chancellor shall ascertain that the benefits of the activity or service are commensurate with the recommended fee which is required to support the activity or service. Recommended fees should be consistent with the philosophy set forth in the North Carolina Constitution which states that the benefits of the University of North Carolina should be extended to the people of the state free of expense, as far as practicable.

X. STUDENT FINANCIAL AID

All scholarships and other forms of financial aid to students which are limited in their application to or are supported from sources generated by an individual campus shall be administered by the constituent institution pursuant to such regulations as may be prescribed by the board of trustees and subject to the terms of any applicable laws and to policies of the Board of Governors.

XI. STUDENT SERVICES

Each board of trustees, upon recommendation of the chancellor, shall determine the type, level, and extent of student services (such as health care, athletic programs, and counseling) to be maintained for the benefit of students at the institution, subject to general provisions concerning types and levels of student services as may be prescribed by the Board of Governors.

XII. STUDENT ACTIVITIES AND GOVERNMENT

Under such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the regulation and approval of organized, institutionally-recognized student activities, the definition of roles and functions of any institutionally-recognized system of student self- government and student participation in the governance of any aspect of the institutional programs and services. No appeal concerning such activities are allowable to the president or to the Board of Governors.

XIII. INTERCOLLEGIATE ATHLETICS

Subject to such policies as may be prescribed by the Board of Governors and the board of trustees, the chancellor shall be responsible for the establishment and supervision of the institution's program of intercollegiate athletics.

XIV. TRAFFIC AND PARKING REGULATIONS

Legislation adopted by the 1973 session of the General Assembly, on recommendation of the Board of Governors, gave the boards of trustees broad authority in this area and superseded the authority originally granted in this paragraph; hence it is omitted here. [See G.S. 116-44.3 et seq.]

XV. CAMPUS SECURITY

Subject to applicable provisions of state law and such policies as may be adopted by the Board of Governors or the board of trustees, the chancellor shall be responsible for the maintenance of campus security.

XVI. AUXILIARY ENTERPRISES, UTILITIES AND MISCELLANEOUS FACILITIES

Pursuant to applicable provisions of state law and policies of the Board of Governors, the boards of trustees of affected constituent institutions shall have authority and responsibility for the adoption of policies applicable to and the control and supervision of campus electric power plants and water and sewer systems, other utilities and facilities [See G.S. 116-35], and child development centers [See G.S. 116-38].

Statutory Powers/Duties of WSSU Trustees

A. The UNC Policy Manual – Code Section 400

- B. The UNC Policy Manual – Code Section 401**
- C. The UNC Policy Manual – Code Section 402**
- D. The UNC Policy Manual – Code Section 403**

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

H

D

BILL DRAFT 2019-Saf-9* [v.4]

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
03/07/2019 03:23:53 PM**

Short Title: ABC/Univ Athletic Facility.

(Public)

Sponsors: Representative Bell.

Referred to:

A BILL TO BE ENTITLED
AN ACT TO AUTHORIZE PUBLIC COLLEGES AND UNIVERSITIES TO ALLOW
ALCOHOL SALES AT STADIUMS, ATHLETIC FACILITIES, AND ARENAS
LOCATED ON SCHOOL PROPERTY.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 18B-1006(a) reads as rewritten:

"(a) School and College Campuses. – No permit for the sale of alcoholic beverages shall be issued to a business on the campus or property of a public school, college, or university. This subsection shall not apply to the following:

- (1) A regional facility as defined by G.S. 160A-480.2 operated by a facility authority under Part 4 of Article 20 of Chapter 160A of the General Statutes, ~~unless the permit is for a public school or public college or university function.~~ Statutes.
- (2) Property owned by a local board of education and leased for 99 years or more to a nonprofit auditorium authority created prior to 1991 whose governing board is appointed by a city governing board, a county board of commissioners, or a local school board.
- (3) A hotel.
- (4) A nonprofit alumni organization.
- (5) Restaurants, eating establishments, food businesses, or retail businesses on the property defined by G.S. 116-198.33(4).
- (6) Any golf courses owned or leased by the public college or university and open to the public for use.
- (7) The sale of malt beverages, unfortified wine, or fortified wine at the following:
 - a. Performing arts centers located on property owned or leased by the public college or university.
 - b. Any stadiums that support a NASCAR-sanctioned one-fourth mile asphalt flat oval short track, that are owned or leased by the public college or university, and that only sell malt beverages, unfortified wine, or fortified wine at events that are not sponsored or funded by the public college or university.
- (8) Special one-time permits as described in G.S. 18B-1002(a)(5) for the Loudermilk Center for Excellence facility at the University of North Carolina at Chapel Hill.



* 2 0 1 9 - S A F - 9 - V - 4 *

- (9) A stadium, athletic facility, or arena on the campus or property of a public college or university, if the Board of Trustees of the public college or university has voted to allow the issuance of permits for use at that stadium, athletic facility, or arena. Any permit described in G.S. 18B-1001, G.S. 18B-1002(a)(2), or G.S. 18B-1002(a)(5) may be issued pursuant to this subdivision to applicants meeting the requirements for the requested permit. Notwithstanding the issuance of a mixed beverages permit pursuant to G.S. 18B-1001(10), this subdivision does not authorize the sale of mixed beverages when the stadium, athletic facility, or arena is being used for a sports event sponsored by the public college or university. For purposes of this subdivision, the premises of a stadium, athletic facility, or arena shall include any area that meets all of the following requirements:
- a. Is within 500 feet of the furthest exterior building wall, perimeter fence, or permanent fixed perimeter.
 - b. Is designated by the stadium, athletic facility, or arena in a map or written description that clearly defines the boundary of the area, and that map or written description is included in the permit application.
 - c. Can be designated in a manner that enables the stadium, athletic facility, or arena to ensure compliance with the provisions of this Chapter."

SECTION 2. This act is effective when it becomes law.



Chancellor Elwood L. Robinson
cordially invites you to a

WSSU: MORE THAN A PLACE
LEGISLATIVE RECEPTION



Thursday, March 14, 2019

6 - 8 p.m.

Diggs Gallery

Winston-Salem State University

WSSU G.A.T.E. Committee

- **Governance**
- **Advocacy**
- **Trusteeship**
- **Ethics**

WINSTON-SALEM STATE UNIVERSITY



WSSU

What is the UNC Board of Governors (BOG)?

- 28 voting members
- Elected by the N.C. General Assembly for four-year terms. The president of the UNC Association of Student Governments or that student's designee is also a non-voting member.
- The UNC BOG is the policy-making body charged with “the general determination, control, supervision, management, and governance” of the UNC system.
- They typically meet once a month at the Spangler Center in Chapel Hill or at various UNC system campuses.
- The BOG has a dual role – maintaining the overall strength of the UNC system and addressing individual campus needs.
- The UNC President is chief administrative and executive officer, with authority to manage the affairs and execute the policies of the university system, subject to the direction of the BOG.
- The work of the President and BOG is supported by a staff within the UNC General Administration. Each of the 17 campuses is headed by a chancellor, who is chosen by the Board of Governors on the President's nomination and is responsible to the President.

Who makes up the BOG?

- Harry L. Smith, Jr. (**Chair**), 2021
- Randy Ramsey (**Vice Chair**), 2021
- Pearl Burris-Floyd (**Secretary**), 2019
- W. Louis Bissette, Jr., 2019
- Darrell Allison (**Chair, HMSI Committee**), 2019
- Kellie Hunt Blue, 2021
- Rob Bryan, 2021
- C. Philip Byers (**Chair, Public Affairs + Subcommittee on Lab Schools**), 2019
- Carolyn Coward, 2021
- N. Leo Daughtry, 2021
- Walter Davenport, 2019
- Thomas H. Fetzer, 2021
- Thomas C. Goolsby (**Vice Chair, Military & Veterans Affairs**), 2019
- H. Frank Grainger, 2019
- James L. Holmes, Jr. (**Chair, Audit, Risk Management & Compliance**), 2019
- Joe Knott, 2019
- W. Marty Kotis, III, 2021
- Steven B. Long, 2021
- Ann Maxwell, 2019
- J. Alex Mitchell (**Chair, Strategic Initiatives**), 2019
- Wendy Floyd Murphy (**Chair, Personnel & Tenure**), 2021
- Anna Spangler Nelson (**Chair, Ed. Planning, Policies, & Programs**), 2019
- Bettylenah Njaramba (**UNC Assoc. of Student Governments**), 2019
- R. Doyle Parrish, 2021
- David Powers (**Chair, University Governance**), 2019
- Robert Rucho, 2021
- Temple Sloan (**Chair, Budget & Finance + Healthcare**), 2019
- Michael Williford, 2019

UNC BOG Chairman: Who is Harry Smith?



- He was first named to the board in 2013 and reappointed in 2017.
- Smith was chairman and CEO of Flanders Corp., an air filtration company, from 2007 to 2015. An entrepreneur, Smith is co-owner of an electrical and HVAC contractor in Greenville and a warehouse leasing company. He's an East Carolina University graduate whose name is on the [school's basketball practice facility](#) after he and his wife donated \$1 million to ECU.
- Smith lives in the Beaufort County town of Washington.
- The Board of Governors unanimously selected Smith to succeed Lou Bissette, the former Asheville mayor who has led the appointed UNC board since late 2015. Smith's term as chairman started July 1, 2017 and runs through 2020.

HMSI Committee Chairman: Who is Darrell Allison?



- A native of Kannapolis, Allison received his undergraduate degree magna cum laude from N.C. Central University and his law degree from UNC-Chapel Hill.
- He served on the Board of Trustees at NCCU from 2015 until 2017 when he joined the UNC BOG.
- He is a former White House intern who also worked at the U.S. Department of Justice.
- He is currently the National Director for State Teams and Political Strategy for the American Federation for Children.

WSSU's UNC BOG Liaison: Who is David Powers?



- WSSU's BOG Liaison
- Often rated one of the top ten lobbyists in Raleigh
- **BOG COMMITTEES**
 - Committee on Military and Veterans Affairs
 - Committee on Strategic Initiatives
 - Chair, Committee on University Governance

CURRENT TERM 2015 - 2019

INTERIM UNC SYSTEM PRESIDENT: Who is Dr. William Roper?



- On November 1, 2018, the UNC BOG announced UNC Health Care CEO and Dean of the UNC School of Medicine Dr. William L. Roper as been named interim president of the UNC System, effective January 1, 2019.
- “Bill has run, grown and developed one of the most sophisticated and successful assets in the state of North Carolina, and he's done it well.” “The two pillars of society are health care and education. That's what's built the country, and I don't think we could have anyone better at the helm of the great state of North Carolina than Bill Roper.” – Harry Smith
- “Public institutions must be accountable to the public, to the legislature, to their governing boards, to the media, to the taxpayer.” – Dr. Roper
- “We will speak with one voice in Raleigh. One voice unified by the need to get more North Carolinians through college and give them the opportunity that comes with a good education and a degree. As Benjamin Franklin said, “We must all hang together, or, most assuredly, we shall all hang separately.” – Dr. Roper

How does WSSU & the UNC BOG work together (State Level)?

- The UNC System's State Government Relations is led by Drew Moretz, Vice President for State Government Relations. He serves as the UNC System Office's legislative liaison personnel to the NC General Assembly.
- State Government Relations works directly with campuses through the 17-member, chancellor appointed, State Relations Council (SRC). The SRC is active in the development of the University's non-budget legislative agenda and assists in passing key pieces of legislation.
- STATE LEGISLATIVE AGENDA
 - General Administration works jointly with each campus to develop a state legislative agenda for the year. The University's priorities reflect the highest needs of the chancellors and of the president. The Board of Governors approves the state legislative agenda for each year's legislative session.
- STATE BUDGET INFORMATION
 - State funds provided as a part of UNC's basic budget establish the financial foundation that the University needs to serve its students each year. Adequate state funding is essential in maintaining access to quality, low cost education.

State Legislature Leadership



Sen. Phil Berger,
Senate President Pro
Tempore, Republican -
District 30
Caswell, Rockingham,
Stokes, Surry (10
Terms exp.)
Office Phone:
[\(919\) 733-5708](tel:9197335708)
Email:
Phil.Berger@ncleg.net



Tim Moore
Speaker of the House,
Republican - District 111
Cleveland (9 terms exp.)
Main Phone:
[704-739-1221](tel:7047391221)
Email:
Tim.Moore@ncleg.net



Sen. Deanna Ballard
Chair Sen. Higher
Ed. & Higher Ed
Approps.,
Republican - District
45
Alleghany, Ashe,
Surry, Watauga,
Wilkes (2+ Terms
exp.)
Main Phone:
919-733-5742
Deanna.Ballard@ncleg.net



Rep. Donny
Lambeth,
House Approps. Sr.
Chair, Republican -
District 75
Forsyth (4 terms
exp.)
Main Phone:
[919-733-5747](tel:9197335747)
Email:
Donny.Lambeth@ncleg.net



Rep. John Fraley,
Chair House Ed.-
Univ., Republican -
District 95
Iredell (3 terms
exp.)
Main Phone:
[917-854-9793](tel:9178549793)
Email:
John.Fraley@ncleg.net



Rep. Kelly Hastings,
Chair House Ed. -
Univ., Republican -
District 110
Cleveland, Gaston (5
terms exp.)
Main Phone:
[704-473-3468](tel:7044733468)
Email:
Kelly.Hastings@ncleg.net

WSSU State Delegation (Forsyth County)



Sen. Paul Lowe,
Democrat - District 32
Forsyth
Main phone:
(919) 733-5620
Email:
Paul.Lowe@ncleg.net



**Sen. Joyce Krawiec, Chair
Healthcare, Chair Approps. HHS**
Republican - District 31
Davie, Forsyth
Office Phone:
[\(919\) 733-7850](tel:9197337850)
Email:
Joyce.Krawiec@ncleg.net



Rep. Derwin Montgomery, House
Dem. Freshman Co-Chair
Democrat - District 72 Forsyth (1.5
Terms)
Main Phone: [336-245-1088](tel:3362451088)
Email:
Derwin.Montgomery@ncleg.net



Rep. Lambeth,
House Approps. Sr. Chair,
Republican - District 75
Forsyth (4 terms)
Main Phone: [919-733-5747](tel:9197335747)
Email: Donny.Lambeth@ncleg.net



**Rep. Debra Conrad, Chair
Banking,** Republican - District
74
Forsyth (4 terms)
Main Phone: [336-978-0169](tel:3369780169)
Email:
Debra.Conrad@ncleg.net



Rep. Evelyn Terry, Democrat -
District 71
Forsyth (4 terms)
Main Phone: 919-733-5777
Email: evelyn.terry@ncleg.net



**Rep. Julia Howard, Sr.
Chairman Finance,**
Republican - District 77
Davie, Rowan (16 Terms)
Main Phone:
[336-751-3538](tel:3367513538)
Email:
Julia.Howard@ncleg.net

How WSSU & the UNC BOG work together (Federal Level):

- The UNC System's Federal Government Relations is led by Elizabeth Morra, Vice President for Federal Government Relations. She serves as the UNC System Office's legislative liaison personnel to the Federal Government.
- Federal Government Relations works directly with campuses through the 17-member, chancellor appointed, Federal Relations Council (FRC). The FRC is active in the development of the University's non-budget legislative agenda and assists in passing key pieces of legislation.
- FEDERAL LEGISLATIVE AGENDA
 - General Administration works jointly with each campus to develop a federal legislative agenda. The University's priorities reflect the highest needs of the chancellors and of the president. The Board of Governors approves the federal legislative agenda for each year's legislative session.
- FEDERAL BUDGET INFORMATION
 - Federal funds provided as a part of UNC's basic budget establish the financial foundation that the University needs to serve its students each year.

WSSU Federal Delegation



Virginia Foxx, Ranking Member, Committee on Education and the Workforce, U.S. House, North Carolina, Republican- District 5 (7 terms)
Main phone: 336-778-0211



Richard Burr, Committee on Intelligence (Select) Members, Chairman U.S. Senate North Carolina, Republican (3 Terms)
Main phone: (202) 224-3154



Thom Tillis, U.S. Senate North Carolina, Republican (1 Term)
Main phone: (202) 224-6342

Current State of NC Politics

- North Carolina Democrats broke the Republican super-majority in both the state House and state Senate
- Republicans won't be able to overturn Gov. Roy Cooper's vetoes without at least some Democratic support. The GOP still holds comfortable majorities in the two chambers, though.
- Senate: Republicans held the Senate 35-15. After, November 2018 it became 29-21.
- House: The GOP held 75-45. It is now 66-54

How We Can Work Together

- Share your network
- Attend meetings with legislators and/or their staff
- Attend meetings at UNC System Office
- Refer to WSSU advocacy guide
- Confer with Chancellor Robinson for institutional priorities

AGENDA ITEM

A-2. Overview of 2018-2019 Boards of Trustees Selection ProcessDavid Powers

- Situation:** Every two years, one-half of the UNC Board of Governors-elected board of trustee positions require either new elections or reelection.
- Background:** The Committee on University Governance, working with the campuses and the members of the Board of Governors, identifies candidates, reviews candidates, and makes recommendations to the full Board of Governors for elections or reelections.
- Assessment:** A proposed calendar for the 2018-2019 Boards of Trustees Selection Process is attached.
- Action:** This item is for discussion only.

2018 – 2019 BOARDS OF TRUSTEES SELECTION PROCESS

CALENDAR OF EVENTS

September 2018	<ul style="list-style-type: none">• Discuss priorities and trustee nomination and election process with the committee
September - December 2018	<ul style="list-style-type: none">• Committee members communicate with their assigned chancellors and board of trustee chairs about individual board of trustee needs• President and chancellors identify any key skills gaps on boards of trustees, and forward recommendations to liaison• Committee members solicit recommendations for nominations
December 2018	<ul style="list-style-type: none">• Committee members receive recommendations for their assigned campuses. Responses (on the attached form) are due no later than January 24, 2019
January 2019	<ul style="list-style-type: none">• Committee confers formally about trustee recommendations for the first time• Recommended nominees begin ethics compliance process
February/ March 2019	<ul style="list-style-type: none">• Committee continues conferring about trustee recommendations
May 2019	<ul style="list-style-type: none">• Committee to present finalized recommendations for new trustees to the Board of Governors
Summer/Fall 2019	<ul style="list-style-type: none">• New Trustee orientation

**University of North Carolina System
Board of Governors
Trustee Nomination Form**

Name of Institution: _____

Name of Governing/Advisory Board: _____

Legal Name of the Nominee: _____

Contact Information: _____

Street _____

City _____

State and Zip Code _____

Email _____

Term Beginning Date: _____ Term Ending Date: _____

Nominee is aware of:

UNC Policy Manual, Sections 400 to 403 of The Code, "Board of Trustees"	Yes	No
Board of Trustee Responsibilities (see below)	Yes	No
Attendance Requirements	Yes	No
Time Requirements	Yes	No
Conduct Requirements – UNC Policy 200.1	Yes	No
State Ethics Commission Requirements	Yes	No
Submission of the Statement of Economic Interest (SEI)		
http://www.ethicscommission.nc.gov/sei/blankForm.aspx		
Ethics Training Conducted by the State Ethics Commission		
http://www.ethicscommission.nc.gov/education/eduOnlineInst.aspx		

Biography (one-paragraph in length) is attached: Yes No

Please include a summary of the university's or the institution's activities that the nominee has been involved with to date.

Liaison has discussed candidate with Chancellor /Institution Director: _____

Liaison Initials

I acknowledge this submission (initial): _____ *Chancellor / Director*

I acknowledge this submission (initial): _____ *Chair of the Board of Trustees*

Board of Trustee Responsibilities

- Advocate, as appropriate, for campus policy views
- Be engaged in the University's activities
- Contribute constructively at meetings and during times of crisis
- Provide development contributions of time, effort, and resources, as appropriate
- Serve as an ambassador for the institution
- Be a willing resource when appropriate
- Use good judgment and be a good communicator

Please forward to:

Secretary of the University
University of North Carolina System
Post Office Box 2688
Chapel Hill, NC 27515-2688
arpoole@northcarolina.edu

Ethics Education Class Registration

The list below provides all available upcoming Ethics Education classes for which anyone may register. Find a date and location that is most convenient to you and register for the appropriate class/venue. After registering, you will receive an email containing confirmation and information about the class.

If you have already registered for a class and wish to cancel, you can click the cancel registration button and enter your confirmation number.

03/19/2019 Distance Education

03/19/2019 Raleigh Only

03/19/2019 Distance Education

04/24/2019 Raleigh Only

05/22/2019 Distance Education

06/26/2019 Raleigh Only

Cancel Registration

Showing Venues for Tuesday, March 19, 2019

Session runs from 9:00 AM until 12:30 PM

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Greensboro</u>	UNC - Greensboro	<u>319 College Avenue Greensboro NC 27412</u>	Stone Building - Rear Wing Room 186	39	<u>OPEN</u>
<u>RTP</u>	MCNC Building	<u>3021 Cornwallis Road RTP NC 27709</u>	Building 3 Video Conference Room	6	<u>OPEN</u>
<u>Wilmington</u>	UNC - Wilmington	<u>601 S. College Rd Wilmington NC 28403</u>	Teaching Lab Room 1053	25	<u>OPEN</u>
<u>Clyde</u>	Haywood Community College	<u>185 Freedlander Learning Center Clyde NC 28721</u>	Freedlander Learning Center 221	20	<u>OPEN</u>

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Murphy</u>	Tri-County Community College	<u>21 Campus Circle</u> <u>Murphy NC 28906</u>	West Building Room 115A (NCIH)	20	<u>OPEN</u>
<u>Charlotte</u>	UNC - Charlotte	<u>9201 University City Blvd</u> <u>Charlotte NC 28223</u>	McEniry Room 111	16	<u>OPEN</u>
<u>Boone</u>	Appalachian State University	<u>224 Joyce Lawrence Lane</u> <u>Boone NC 28608</u>	Anne Belk Hall Suite 106; A-D	23	<u>OPEN</u>

Ethics Education Class Registration

The list below provides all available upcoming Ethics Education classes for which anyone may register. Find a date and location that is most convenient to you and register for the appropriate class/venue. After registering, you will receive an email containing confirmation and information about the class.

If you have already registered for a class and wish to cancel, you can click the cancel registration button and enter your confirmation number.

03/19/2019 Distance Education

03/19/2019 Raleigh Only

03/19/2019 Distance Education

04/24/2019 Raleigh Only

05/22/2019 Distance Education

06/26/2019 Raleigh Only

Cancel Registration

Showing Venues for Wednesday, April 24, 2019

Session runs from 9:00 AM until 12:00 PM

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Raleigh</u>	Department of Justice	<u>114 West Edenton Street Raleigh NC 27603</u>	Department of Justice 1st Floor Conference Room, 148	28	<u>OPEN</u>

Ethics Education Class Registration

The list below provides all available upcoming Ethics Education classes for which anyone may register. Find a date and location that is most convenient to you and register for the appropriate class/venue. After registering, you will receive an email containing confirmation and information about the class.

If you have already registered for a class and wish to cancel, you can click the cancel registration button and enter your confirmation number.

03/19/2019 Distance Education

03/19/2019 Raleigh Only

03/19/2019 Distance Education

04/24/2019 Raleigh Only

05/22/2019 Distance Education

06/26/2019 Raleigh Only

Cancel Registration

Showing Venues for Wednesday, May 22, 2019

Session runs from 9:00 AM until 12:30 PM

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Fayetteville</u>	Fayetteville State University	<u>1200 Murchison Road Fayetteville NC 28301</u>	Telecommunications Building - Lower Level Distance Learning Center - Conference Room	10	<u>OPEN</u>
<u>Greensboro</u>	UNC - Greensboro	<u>319 College Avenue Greensboro NC 27412</u>	Stone Building - Rear Wing Room 186	40	<u>OPEN</u>
<u>Wilmington</u>	UNC - Wilmington	<u>601 S. College Rd Wilmington NC 28403</u>	Teaching Lab Room 1053	25	<u>OPEN</u>

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Tarboro</u>	Edgecombe Community College	<u>2009 West Wilson Street Tarboro NC 27886</u>	McIntyre Room 139	15	<u>OPEN</u>
<u>Clyde</u>	Haywood Community College	<u>185 Freedlander Learning Center Clyde NC 28721</u>	Freedlander Learning Center 221	20	<u>OPEN</u>
<u>Charlotte</u>	UNC - Charlotte	<u>9201 University City Blvd Charlotte NC 28223</u>	McEniry Room 111	14	<u>OPEN</u>
<u>Boone</u>	Appalachian State University	<u>224 Joyce Lawrence Lane Boone NC 28608</u>	Anne Belk Hall Suite 106; A-D	24	<u>OPEN</u>

Ethics Education Class Registration

The list below provides all available upcoming Ethics Education classes for which anyone may register. Find a date and location that is most convenient to you and register for the appropriate class/venue. After registering, you will receive an email containing confirmation and information about the class.

If you have already registered for a class and wish to cancel, you can click the cancel registration button and enter your confirmation number.

03/19/2019 Distance Education

03/19/2019 Raleigh Only

03/19/2019 Distance Education

04/24/2019 Raleigh Only

05/22/2019 Distance Education

06/26/2019 Raleigh Only

Cancel Registration

Showing Venues for Wednesday, June 26, 2019

Session runs from 9:00 AM until 12:00 PM

<u>Location</u>	<u>Venue</u>	<u>Address</u>	<u>Building/Room No.</u>	<u>Seats Available</u>	<u>Status</u>
<u>Raleigh</u>	Department of Justice	<u>114 West Edenton Street Raleigh NC 27603</u>	Department of Justice 1st Floor Conference Room, 148	33	<u>OPEN</u>



STATE ETHICS COMMISSION
2019 STATEMENT OF ECONOMIC INTEREST

CONTACT INFORMATION

This contact information page will *not* be available on the Commission's website, but it is a public document.

919-814-3600 <https://ethics.ncsbe.gov/>
(Select Option 3 then 2)

Send your signed original to:

BY MAIL
State Ethics Commission
Post Office Box 27685
Raleigh, NC 27611

HAND DELIVERY:
Dobbs Building -3rd Floor
430 N. Salisbury Street
Raleigh, NC 27603

For Staff Use Only

Date Received:

_____ Checked for Completion

This entire form must be completed to fulfill your ethics filing obligation.

Filer's Name (First, Middle, Last)

Prefix	First Name	Middle Name	Last Name	Suffix

Mailing Address (Required)

Address	City	State	Zip

Daytime Phone Number (Required)

Alternate Phone Number

E-Mail Address (Required)

Date of Birth (MM/DD/YYYY)

Home Address:

Provide your home address only if you are holding or seeking an elected office with a residency requirement. This requirement does not apply to Judicial Officers.

A "Judicial officer" is a Justice or Judge of the General Court of Justice, District Attorney, or Clerk of Court, or any individual elected or appointed to any of these positions prior to taking office.

☐ Same as mailing address

Address	City	State	Zip



STATE ETHICS COMMISSION
2019 STATEMENT OF ECONOMIC INTEREST

This entire form must be completed to fulfill your ethics filing obligation.

For Staff Use Only
Date Received:

____ Checked for completion

____ Scanned ____ Date

Incomplete Qs ____

Supp. sent date ____ by ____

Supp. received date ____

Entered in database ____ by ____

Filer's Name (First, Middle, Last)				
Prefix	First Name	Middle Name	Last Name	Suffix
Current Employer			Job Title	
Nature or Type of Business				
Reason For Filing (Complete all that apply.)				
State Government Job (Specify agency and position.)			Board/Commission (List complete names of all State boards on which you are serving or are being considered.)	
Judicial Officer (Specify office.)			Legislator (Specify House or Senate.)	
A. Do other immediate family members reside in your household? <input type="checkbox"/> Yes <input type="checkbox"/> No On this form, "immediate family" includes your spouse (unless legally separated). It also includes members of your extended family (your and your spouse's children, grandchildren, parents, grandparents, and siblings, and the spouses of each of those persons) who reside in your household.				
List the full name of all adults and emancipated minors in your household. Minors are children under 18. They are emancipated by marriage, enlistment in the US military, or court order for emancipation.				
Full names of Adults and Emancipated Minors	Relationship	Employer	Job Title	Nature of Business

B. List **only the initials** of all unemancipated minors in your household below. A minor is a child under 18 years old.

List the full name of each minor child on the Confidential Form at the end.

<u>Initials of Unemancipated Minors</u>	Relationship	Employer	Job Title	Nature of Business

Property Interests

1. As of December 31, 2018, did you or any members of your immediate family:

A. have an ownership interest in North Carolina real estate (including your residence) with a market value of \$10,000 or more?

☐ Yes ☐ No

Owner of Real Estate	% Ownership Interest	Location by City	Location by County

B. lease or rent real estate or personal property to or from the State of North Carolina with a market value of \$10,000 or more?

☐ Yes ☐ No

Name of Lessor	Name of Lessee (Renter)	If Real Estate, Location by City & County	If Personal Property, Describe

2. At any time during 2017 or 2018, did you or any members of your immediate family sell to or buy from the State of North Carolina personal property worth \$10,000 or more?

☐ Yes ☐ No

Name of Purchaser	Name of Seller	Type of Property

Financial Interests

3. As of December 31, 2018, did you or any members of your immediate family own any of the following financial interests valued at \$10,000 or more? **List each company individually.**

A. Stock in a publicly owned company?

☐ Yes ☐ No

► Do not list interests in a widely held investment fund (including mutual funds, regulated investment companies, or pension or deferred compensation plans) if:

1. the fund is publicly traded or its assets are widely diversified; and
2. neither you nor an immediate family member are able to control the underlying assets.

Owner of Interest	Full Name of Company or ticker symbol

B. Stock options in a company or business?

☐ Yes ☐ No

Owner of Stock Option	Full Name of Company (Do not use a ticker symbol)

C. Interests in a non-publicly owned company or business entity? These include interests in sole proprietorships, partnerships, limited partnerships, joint ventures, limited liability companies, limited liability partnerships, and closely held corporations.

☐ Yes ☐ No - If "No," proceed to question 4.

Owner of Interest	Name of Company or Business Entity

C (1). For each company or business entity identified in question 3.C. (the "Primary Company"), please list the names of *any other* companies or business entities in which the Primary Company owns securities or equity interests valued at over \$10,000, if known.

Non-Publicly Owned Company or Business Entity (the Primary Company)	Other Companies in which the Primary Company Owns Security or Equity Interests
<input type="checkbox"/> None or not known	

C (2). If you know that any entity listed in 3.C or 3.C(1) above has any material business dealings or business contracts with the State of North Carolina, or is regulated by the State, briefly describe that business activity.			
Name of Company or Business Entity		Description of Business Activity with the State	
<input type="checkbox"/> None or Not Known			
4. As of December 31, 2018, were you or any members of your immediate family the beneficiaries of a vested trust with a value of \$10,000 or more that you created, established, or controlled? Do not list assets held in blind trusts. <u>See 2019 SEI Helpful Tips for the definition of "Vested Trust" and "Blind Trust."</u> <input type="checkbox"/> Yes <input type="checkbox"/> No			
Name and Address of Trustee	Description of the Trust	Your Relationship to the Trust	
5. As of December 31, 2018, did you any members of your immediate family have liabilities of \$10,000 or more, excluding the mortgage on your primary personal residence? Examples include credit card debts, auto loans, student loans, personal loans and intra-family debt. <input type="checkbox"/> Yes <input type="checkbox"/> No			
Name of Debtor		Type of Creditor (commercial Bank, credit union, individual, etc.)	
6. List each source of income (not specific amounts) of more than \$5,000 received by you or any members of your immediate family during 2018. Include salary, wages, state/local government retirement income, professional fees, honoraria, interest, dividends, rental income, business income, and other types required to be reported on State and federal tax returns. Do not include income received from the following sources: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div> ▶ Capital gains ▶ Military retirement </div> <div> ▶ Federal government retirement ▶ Social security income/SSDI </div> </div>			
Recipient of Income	Name of Source	Type of Business/Industry	Type of Income
<input type="checkbox"/> I had no reportable income over \$5,000 in 2018.			

Professional and Civic Relationships

7(a). During 2018, were you or any members of your immediate family a director, officer, governing board member, employee, independent contractor, or registered lobbyist of a nonprofit corporation or organization operating in North Carolina primarily for religious, charitable, scientific, literary, public health and safety, or educational purposes?

☐ Yes ☐ No - If "No," proceed to question 8.

► Do not list State boards or entities.

► Do not list organizations of which you are a mere member.

Name of Person	Position	Name of Nonprofit Corporation or Organization	Nature or Purpose of Organization

7(b). If the nonprofit corporations or organizations listed above do business with the State of North Carolina or receive State funds, briefly describe the nature of that business, if known or with due diligence could reasonably be known.

Name of Nonprofit Corporation or Organization	Describe State Business
<input type="checkbox"/> None or Not Known	

8. During 2018, were you or any members of your immediate family a director, officer, or governing board member of any society, organization, or advocacy group with an interest in matters over which your agency or board may have jurisdiction?

☐ Yes ☐ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or judicial officer or you are filing as an appointee to one of those offices.

► Do not list organizations of which you are only a member and do not serve in a leadership role.

Name of Person	Name of Society, Organization, or Advocacy Group	Leadership Position (Director, Officer, Board Member)

9(a). List the name of each business with which you were associated where you or a member of your immediate family was an employee, director, officer, partner, proprietor, or member or manager as of December 31, 2018.

Name of Person	Relationship to Filer	Name of Company	Role of Person
<input type="checkbox"/> No Business Associations			

9(b). If you know that any entity listed in 9(a) above had any material business dealings or business contracts with the State of North Carolina or was regulated by the State as of December 31, 2018, briefly describe that activity.

Name of Company or Business Entity	Description of Business Activity with the State
<input type="checkbox"/> Not applicable (No entities listed on #9a)	

10. Are you a practicing attorney?

☐ Yes ☐ No ☐ Judicial Officer/State Attorney

If "Yes", check each category of legal representation in which you or the law firm with which you are affiliated has earned legal fees of more than \$10,000 during 2018.

- | | | | |
|---|---|--|-----------------------------------|
| <input type="checkbox"/> Administrative | <input type="checkbox"/> Admiralty | <input type="checkbox"/> Corporate | <input type="checkbox"/> Criminal |
| <input type="checkbox"/> Decedent's Estates | <input type="checkbox"/> Environmental | <input type="checkbox"/> Insurance | <input type="checkbox"/> Labor |
| <input type="checkbox"/> Local Government | <input type="checkbox"/> Real Property | <input type="checkbox"/> Securities | <input type="checkbox"/> Tax |
| <input type="checkbox"/> Tort litigation (including negligence) | <input type="checkbox"/> Utilities Regulation | <input type="checkbox"/> Other category not listed | |

11. During 2018, were you a licensed professional (other than an attorney) or did you provide consulting services individually or as a member of a professional association for which you charged or were paid over \$10,000?

☐ Yes ☐ No

Type of Business	Nature of Services Rendered

12. Are you or your employer, or any members of your immediate family, or their employers currently:

- licensed by the State board or agency with which you are or will be associated **or**
- regulated by the State board or agency with which you are or will be associated **or**
- in a business relationship with the State board or agency with which you are or will be associated?

☐ Yes ☐ No ☐ Legislator/Judicial Officer - You are not required to complete this question if you are filing because you are a legislator or a judicial officer or you are filing as an appointee to one of those offices.

Name of Person	Name of Employer (if applicable)	Type of Relationship (Licensing, Regulatory, Business)

13. Have you or a member of your immediate family been registered as a lobbyist or lobbyist principal within the 12 months preceding your filing of this form?

☐ Yes ☐ No

Name of Lobbyist	Lobbyist's Principal	Date of Registration	Registration Expiration

Other Disclosures

14. During 2018, after you were appointed, employed, or filed or were nominated as a candidate, did you

- receive any "gift(s)" exceeding \$200 per quarter from a person or group of persons acting together,
- when both you and those person(s) were outside North Carolina,
- under circumstances that would lead a reasonable person to conclude the gifts were given for lobbying?

To answer Yes, all three conditions must apply.

☐ Yes ☐ No

► Do not report gifts given by members of your extended family.

► Do not report gifts you have previously reported on the "Expense Report for Exempted Persons."

Date Item Received	Name and Address of Donor(s)	Describe Item Received	Estimated Market Value

15. During 2018, after you were appointed, employed, or filed or were nominated as a candidate, did you

- accept a "scholarship" exceeding \$200 related to your public position from a person or group of persons acting together,
- when those person(s) were outside North Carolina?

To answer Yes, both conditions must apply.

A "scholarship" is a grant-in-aid, either direct or indirect, to attend a conference, meeting, or similar event, including tuition, travel, lodging, meals, and other similar expenses.

☐ Yes ☐ No ☐ Judicial Officer - You are not required to complete this question if you are a judicial officer or you are filing as a judicial officer appointee.

- ▶ Do not report gifts you have previously reported on the "Expense Report for Exempted Persons."
- ▶ Legislators are not required to report scholarships paid by a nonpartisan legislative organization of which the legislator or the General Assembly is a member, participant, or affiliate.

Date of Scholarship	Name and Address of Donor(s)	Describe Event	Estimated Market Value

16. Have you been appointed or considered for appointment to a covered board by the Governor or another Council of State member?

Council of State members are:

- ▶ Governor
- ▶ Lt. Governor
- ▶ Secretary of State
- ▶ State Auditor
- ▶ State Treasurer
- ▶ Superintendent of Public Instruction
- ▶ Attorney General
- ▶ Commissioner of Agriculture
- ▶ Commissioner of Labor
- ▶ Commissioner of Insurance

☐ Yes ☐ No

If "Yes," list all contributions you made in 2018 with a cumulative total of more than \$1,000 to the Council of State member who appointed you. Do not include contributions from immediate family members.

- ▶ Contributions are defined broadly in N.C.G.S. § 163A-1411(13) and include "any advance, conveyance, deposit, distribution, transfer of funds, loan, payment, gift, pledge or subscription of money or anything of value whatsoever."

Date	Amount	Contributed to
<input type="checkbox"/> No contribution(s) with a cumulative total of more than \$1,000		

17. Are you an appointee or prospective appointee as:			
a. the head of a principal state department (e.g., cabinet secretary) appointed by the Governor; or b. a North Carolina Supreme Court Justice, Court of Appeals, Superior or District Court Judge; or c. a member of any of the following boards: <ul style="list-style-type: none"> • ABC Commission • Coastal Resources Commission • State Board of Education • State Board of Elections • Division of Employment Security • Environmental Management Commission • Industrial Commission • Human Resources Commission • Rules Review Commission • Board of Transportation • UNC Board of Governors • Utilities Commission • Wildlife Resources Commission 		<input type="checkbox"/> Yes <input type="checkbox"/> No If "No," proceed to question 18.	
d. If so, were you appointed or are you being considered for appointment to that position by a Council of State member?		<input type="checkbox"/> Yes <input type="checkbox"/> No If "No," proceed to question 18.	
e. If so, you must indicate whether during 2018 you engaged in any of the following activities with respect to or on behalf of the candidate or campaign committee of the Council of State member who appointed you:		<input type="checkbox"/> Yes <input type="checkbox"/> No	
i. Collected contributions from multiple contributors, took possession of such multiple contributions, and transferred or delivered those collected contributions to the candidate or committee?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
ii. Hosted a fundraiser at your residence or place of business?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
iii. Volunteered for campaign-related activities, including phone banks, event assistance, mailings, canvassing, surveying, or any other activity that advances the campaign of a candidate?		<input type="checkbox"/> Yes <input type="checkbox"/> No	
18. Have you ever been convicted of a felony for which you have not received either: (i) a pardon; or (ii) an order of expungement?			
<input type="checkbox"/> Yes <input type="checkbox"/> No			
Offense	Date of Conviction	County of Conviction	State of Conviction
19. Are you aware of any other information that <i>you believe</i> may assist the Ethics Commission in advising you concerning your compliance with the State Government Ethics Act?			
<input type="checkbox"/> Yes <input type="checkbox"/> No If yes, please provide that information below.			

Affirmation

The information provided in this Statement of Economic Interest and any attachments are true, complete, and accurate to the best of my knowledge and belief.

I have not transferred, and will not transfer, any asset, interest, or property for the purpose of concealing it from disclosure while retaining an equitable interest.

I understand that my Statement of Economic Interest and any attachments except for the Confidential Form regarding Unemancipated Children are public records.

I have read and understand the following statutes:

N.C.G.S. § 163A-191. Concealing or failing to disclose material information.

A filing person who knowingly conceals or knowingly fails to disclose information that is required to be disclosed on a statement of economic interest . . . shall be guilty of a Class 1 misdemeanor and subject to disciplinary action under G.S. 163A-415.

N.C.G.S. § 163A-192. Penalty for false information.

A filing person who provides false information on a statement of economic interest . . . knowing that the information is false is guilty of a Class H felony and shall be subject to disciplinary action under G.S. 163A-415.

I affirm that I have reviewed my most recently filed 2018 Statement of Economic Interest and that as of December 31, 2018, my responses continue to be true, correct, and complete to the best of my knowledge and belief.

I affirm under penalty of perjury that the foregoing is true and correct.

Signature

Date

Printed Name

Submit signed, original documents only. Do not fax or e-mail this form.

Confidential Form

Unemancipated Children

2019 Statement of Economic Interest

Confidential: Not a public record under N.C.G.S. § 163A-189(a)(1)

Name of Person Filing SEI _____

Agency or Board _____

Please list the full names of those children who were identified by initials on your Statement of Economic Interest.

Initials	Child's Full Name

Signature of Person Filing Supplement

Date: _____

This Confidential Form is not a public record; the Commission will not make it available on the Commission's website.

MOTIONS TO GO INTO CLOSED SESSION

I move that we go into closed session to:

(Specify one or more of the following permitted reasons for closed sessions)

☒ **Prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1):**

☒ **State employee personnel records**, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes.

☐ **Internal Auditor's work papers**, under Section 116-40.7 of the North Carolina General Statutes.

☐ **A student's education records**, under The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568.

☐ **Social Security account numbers**, under The Privacy Act of 1974, Public Law 93-579, as amended by Public Law 94-455.

☐ **Prevent the premature disclosure of an honorary degree, scholarship, prize or similar award under N.C.G.S. 143-318.11(a)(2)**

☐ **Consult with our attorney under N.C.G.S. 143-318.11(a)(3):**

☐ to protect the attorney-client privilege.

☐ to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action; if known, title of action is:

_____ v. _____

☐ **Discuss matters relating to the location or expansion of business in the area served by this body under N.C.G.S. 143-318.11(a)(4).**

☐ **Establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property under N.C.G.S. 143-318.11(a)(5).**

☐ **Establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract under N.C.G.S. 143-318.11(a)(5).**

☒ **Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).**

☐ **Hear or investigate a complaint, charge, or grievance by or against a public officer or employee under N.C.G.S. 143-318.11(a)(6).**

☐ **Plan, conduct, or hear reports concerning investigations of alleged criminal conduct N.C.G.S. 143-318.11(a)(7).**

Meeting Name: Audit, Risk, and Compliance Committee

Meeting Start Time: 10:00 AM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 11:30 AM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Blair 200, Chancellor's Conference Room

Agenda:

I. Open Session Agenda

- A. Call to Order and Confirm Quorum (Presenter: Chairman Clark)
- B. Approval of Minutes from the December 13, 2018 Meeting (Presenter: Chairman Clark)
- C. Enterprise Risk Management (Presenter: Shannon Henry and Austin Grier)
 - 1. NC State Practicum Participation
- D. Other Matters of Governance, Risk and Compliance
 - 1. NCAA Compliance (Presenter: James Bullock)
 - 2. Title IX Compliance (Presenter: Aishah Casseus)
 - 3. Compliance Calendar (Presenter: Austin Grier)
- E. Discussion of External Audits and Reviews (Presenter: S. Henry and WSSU Management)
 - 1. WSSU Financial Statement Audit Report FYE 6/30/18 (Presenter: Frank Lord)
 - 2. WSNC-FM, WSSU Financial Statement Audit Report FYE 9/30/18 & 9/30/17 (Presenter: Brian Anthony)
- F. Discussion of Internal Audits and Reviews (Presenter: Shannon Henry and Rod Isom)
 - 1. Activity Summaries and Reports
- G. Other Business

II. Motion to Go Into Closed Session

III. Closed Session Agenda

- A. Approval of Minutes from the December 13, 2018 Meeting (Presenter: Chairman Clark)
- B. Discussion of Internal and External Reviews and Reports (Presenter: Internal Audit Staff and WSSU Management)
 - 1. Discussion of Special Reviews, Investigations and Reports
- C. Litigation Report (Presenter: Ivey Brown)
- D. Motion to Resume in Open Session
- IV. Report on Actions Taken in Closed Session
- V. Motion to Adopt Actions Taken in Closed Session
- VI. Adjourn



WINSTON-SALEM STATE UNIVERSITY

MEETING OF THE BOARD OF TRUSTEES
Audit, Risk, and Compliance Committee
Thursday, December 13, 2018
10 – 11:30 AM

OPEN SESSION MINUTES

Winston-Salem State University
Chancellor's Conference Room
200 Blair Hall
Winston-Salem, NC 27110

TRUSTEES PRESENT

Kelvin Farmer, Jerry M. Shortt, Kathleen Kelly (phone), William Harris (ex-officio)

TRUSTEES ABSENT

Robert C. Clark (Chair)

COMMITTEE STAFF PRESENT

Shannon B. Henry (Chief Audit, Risk, and Compliance Officer), Ivey Brown (Chief Legal Counsel), Austin Grier (Risk and Compliance Program Specialist)

OTHER STAFF PRESENT

Elwood Robinson (Chancellor), Constance Mallette (Vice Chancellor for Finance and Administration), Rod Isom (Internal Audit Manager), Pilar Caldwell (Internal Auditor), James Bullock (Compliance Officer for Athletics), Raisha Cobb (Director of Communications, Technology and Security), Frank Lord (Controller), Latoya Wiley (Director of Budget), Derrick Murray (Associate Provost and Chief Information Officer), Camille Kluttz-Leach (Vice Chancellor and Chief of Staff), Lester Arnold (Associate Vice Chancellor for Human Resources), Jaime Hunt (Vice Chancellor for Strategic Communications), Jason Stogner (Director of Emergency Management)

CONVENE MEETING AND CONFIRM QUORUM

Kelvin Farmer convened the meeting at 10:03am. A quorum of board members was confirmed.

APPROVAL OF MINUTES

Jerry Shortt made the motion to approve the minutes from the September 20, 2018 meeting. The motion was seconded by William Harris and unanimously approved.

ENTERPRISE RISK MANAGEMENT

A. Approval of WSSU Risk Appetite Statement

Shannon Henry presented the WSSU Risk Appetite Statement for review and approval by the Chancellor and the Board of Trustees. Shannon noted that the document is a guide in that it articulates the university's appetite for risk in each main area of business risk

and therefore assists with the university's major business decisions regarding which goals or operational tactics to pursue. It further assists the university with prioritizing actions in those areas where risk is deemed to exceed the defined appetite, therefore ensuring better-informed business decisions are made. Shannon explained that the statement removes personal biases and adds objectivity to the decision-making process.

Shannon stated further that the university's overall appetite for risk is relatively low. However, the goals outlined in the strategic plan necessitate some acceptance of risk. The statement also recognizes that the risk appetite will often be different at an activity level than at an institutional level. In other words, there will be times where the university undertakes activities that carry greater risks to pursue rewards that have the potential to propel the school forward. However, in the pursuit of goals, we have a duty to ensure our practices are ethical and effective while also avoiding a risk averse culture that can stifle innovation. The overall goal is to minimize exposure to risks while accepting and encouraging the degree of risk necessary to pursue vision and strategy.

The statement will be monitored by the Enterprise Risk Management (ERM) Steering Committee.

Jerry Shortt made the motion to approve the risk appetite statement. The motion was seconded by William Harris and unanimously approved.

The WSSU Risk Appetite will be presented to the full Board for approval at its meeting on December 14th, 2019.

B. Discussion of Risk Assessment Results

An internal team was put together to perform WSSU's first campus-wide ERM risk assessment. The team's processes to: develop and understand the university's strategies and values and identify risks are complete. The process of having the risks rated and ranked, for prioritized risk management, and the creation of an enterprise level risk register is also complete and a report has been finalized. The ERM risk assessment report was presented by Austin Grier and Latoya Wiley, two members of the team.

The risk assessment team interviewed 15 members of management and 6 members from the Board of Trustees to create a risk register. Additionally, 23 individuals responded to an online survey, consisting of 14 members of management and 9 members of the Board of Trustees, and provided their rankings of the risks collected during the interviews.

We've assessed and analyzed the risks on the minds of executive mgmt. and the board – using a top-down approach. From that, an enterprise level risk register is also complete and a report has been finalized. The highlight of the report is the risk register which houses WSSU's enterprise-level risks in rank order. The report includes the university's

Top 30 risks and highlights the Top 10 risks.

Survey results were also filtered to account for responses from WSSU senior management and responses from WSSU Board of Trustees members so that differences in attitude could be accounted for.

Next steps for the ERM implementation process include management reviewing and discussing the report, coming to a consensus about the risks that will take priority in the 2019 academic year, and deciding what approach the university should take with regard to mitigating those risks.

Shannon initiated a collaboration with NC State's Poole College of Management practicum program for its graduate students to further WSSU's ERM process. The benefits of the collaboration include: the opportunity to leverage the expertise of the students and professors, the fact that the services the students are providing are free of charge to WSSU, and the opportunity for a comparative analysis of their results.

MATTERS OF GOVERNANCE, RISK, AND COMPLIANCE

A. Information Security Program Updates

The Chief Information Security Officer reported updates related to the WSSU Information Security Program.

- i. The ISO 27002 Gap Assessment has been completed and is going through a peer review process; results for this peer review can be expected by the end of January 2019. IT expects the peer review to return comments acknowledging progress and identifying areas of improvement. The result of the peer review will be communicated to the Audit, Risk, and Compliance Committee.

B. Environmental Health & Safety

The Director of Emergency Management provided information related to the Emergency Management department.

- i. The Environmental Health and Safety department recently merged with the Emergency Management department and the change is going well; the department has relocated to another building and is seeing an increased level of unity.
- ii. A final candidate has been selected for the role of Environmental Health and Safety Manager and the university is waiting for the candidate to respond to a job offer.
- iii. EHS has assessed **75-80%** of the university's Annual State Fire Marshall report and is prioritizing which issues can be addressed based on finances.

- iv. All findings from fire inspections conducted by the Winston-Salem Fire Department have been addressed.

C. NCAA Compliance

The Compliance Officer for Athletics provided the following:

- i. Athletics has hired LL Consulting to complete a NCAA compliance review starting in January 2019. Policies and procedures will be reviewed for alignment with NCAA compliance requirements. Records from the past five years will be reviewed to ensure the certification process has been completed correctly. Results from the review will be shared with the Audit, Risk, and Compliance Committee.

DISCUSSION OF EXTERNAL AUDIT REPORTS

A. WSSU Foundation 2018 Financial Statement Audit Report:

- i. The report was clean with no findings.

B. Status of WSSU Financial Statements Audit:

- i. The Financial Statement Audit is complete, the exit conference is pending. The audit was clean with no findings.
- ii. A finding was identified during the State's review of Title III funds. The finding related to university management not consistently verifying whether vendors had been placed on a federal debarment list. The university has since created policies and procedures to address this issue. It is anticipated that the report will be released in the spring.

DISCUSSION OF INTERNAL AUDIT REPORTS

A. Summary of New Reports:

Management Letter - Community Service Leave (CSL)

- i. The North Carolina Office of the State Auditor forwarded an anonymous complaint to Internal Audit related to concerns about the use of CSL hours at WSSU.
- ii. A management letter was issued with recommendations for corrective measures to mitigate adverse impacts on the university's ability to meet its operational and compliance objectives.

B. Summary of Observations and Recommendations for FY2019 - YTD:

- i. Internal Audit completed audits and advisory services resulting in reports with observations that produced **17** written recommendations and **3** verbal recommendations for the following university Departments: Enrollment Management, Registrar, Student Health Center, Admissions, Information Technology, Office of Sponsored Programs, Legal Affairs, CDI, and Human Resources.

C. Status of Projects:

- i. **7** Projects have been completed this year.
- ii. **1** planned project and **5** unplanned reviews/investigations are in various stages.

CLOSED SESSION

Kelvin Farmer read the motion to go into closed session at 11:03 a.m. to prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1) and protect the confidentiality of Internal Audit's work papers under N.C.G.S. 143-748. The motion was seconded by William Harris and unanimously approved.

RETURN TO OPEN SESSION

William Harris made the motion to come out of closed session at 11:30 a.m. The motion was seconded Jerry Shortt and unanimously approved.

ADJOURNMENT

William Harris made the motion to adjourn the meeting at 11:31 a.m. The motion was seconded by Jerry Shortt and unanimously approved.

The next WSSU Audit, Risk, and Compliance Committee meeting will be held on Thursday, March 14, 2018 at 10:00am.

Submitted by: Austin Grier, Risk and Compliance Program Specialist



AGENDA ITEM

Enterprise Risk Management – NC State Practicum Participation..... Shannon Henry
and Austin Grier

Summary: The team assembled by the Office of Audit, Risk, and Compliance completed its campus-wide risk assessment to identify the top risks related to the strategic success of the university and further our enterprise risk management (ERM) process. The result of the first phase of WSSU's ERM implementation was an ERM Risk Assessment Report that detailed WSSU's Top 30 Enterprise Risks from the perspective of the Board and the university's senior and executive leadership. From that list, we've developed a list of our Top 6 enterprise risks.

The next phase of implementation involves face-to-face interviews with university leadership to get a better understanding of what management is already doing or planning to do in relation to our top risks. We have partnered with NC State's Poole College of Management's ERM Initiative for this next phase. The interviews will be facilitated by students from NC State who are participating in an ERM Practicum led by their professor, Mark Beasley.

Action: For informational purposes only.



AGENDA ITEM

NCAA Compliance Review/Auditpresented by James Bullock,
Compliance Officer for Athletics

Summary: Double L Consulting has commenced an external review of the Department of Athletics' compliance with NCAA rules and regulations. The on-campus portion of the audit took place February 25th-27th. The Department of Athletics is awaiting further information from the external consultant about findings from the audit.

Action: For informational purposes only.



AGENDA ITEM

Title IX Update.....Aishah Casseus, EEO Officer/Title IX Coordinator

Summary:

WSSU's approach to Title IX, specifically our response to gender based discrimination and or harassment, includes but is not limited to both education and prevention strategies. The Title IX department has developed an education calendar in an effort to inform the campus of their resources and responsibilities while also creating prevention programming. It is important to discuss where we are as a University because the changes expected to the Title IX guidance may affect how we respond to gender based discrimination in the future.

Action: For informational purposes only.



AGENDA ITEM

Compliance Calendar Update.....Austin Grier, Risk and Compliance Program Specialist

Summary:

In July of 2018 the Office of Audit, Risk, and Compliance (OARC) initiated the process of establishing a university-wide compliance calendar in order to facilitate compliance, and to assist with awareness and monitoring. The process entailed getting an understanding of what compliance activities the university is responsible for, which organizational bodies and/or statutory law required each activity, what office and/or person was responsible for each activity, and when the university was required to demonstrate compliance (annually, quarterly, as needed etc.). OARC is compiling responses received from management regarding their respective compliance activities and putting the finishing touches on a compliance calendar document.

Action: For informational purposes only.

STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR

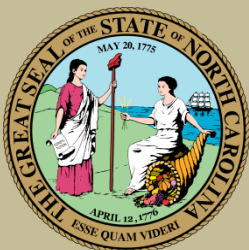
BETH A. WOOD, CPA



WINSTON-SALEM STATE UNIVERSITY

WINSTON-SALEM, NORTH CAROLINA
FINANCIAL STATEMENT AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2018

A CONSTITUENT INSTITUTION OF THE UNIVERSITY OF NORTH CAROLINA
SYSTEM AND A COMPONENT UNIT OF THE STATE OF NORTH CAROLINA



NCOSA
The Taxpayers' Watchdog

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0600
Telephone: (919) 807-7500
Fax: (919) 807-7647
<http://www.ncauditor.net>

AUDITOR'S TRANSMITTAL

The Honorable Roy Cooper, Governor
The General Assembly of North Carolina
Board of Trustees, Winston-Salem State University

We have completed a financial statement audit of Winston-Salem State University for the year ended June 30, 2018, and our audit results are included in this report. You will note from the independent auditor's report that we determined that the financial statements are presented fairly in all material respects.

The results of our tests disclosed no deficiencies in internal control over financial reporting that we consider to be material weaknesses in relation to our audit scope or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

A handwritten signature in black ink that reads "Beth A. Wood".

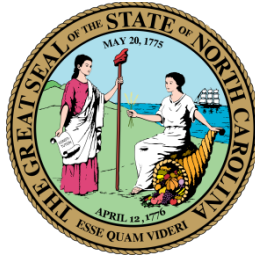
Beth A. Wood, CPA
State Auditor



Beth A. Wood, CPA
State Auditor

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INDEPENDENT AUDITOR'S REPORT

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

2 S. Salisbury Street
20601 Mail Service Center
Raleigh, NC 27699-0600
Telephone: (919) 807-7500
Fax: (919) 807-7647
<http://www.ncauditor.net>

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Winston-Salem State University
Winston-Salem, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of Winston-Salem State University (University), a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina, and its discretely presented component unit, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the consolidated financial statements of the Winston-Salem State University Foundation, Inc. and Subsidiary, the University's discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinions, insofar as they relate to the amounts included for the Winston-Salem State University Foundation, Inc. and Subsidiary, are based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The consolidated financial statements of the Winston-Salem State University Foundation, Inc. and Subsidiary were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of Winston-Salem State University, and its discretely presented component unit, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 17 to the financial statements, during the year ended June 30, 2018, Winston-Salem State University adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended by Governmental Accounting Standards Board Statement No. 85, *Omnibus 2017*. Our opinion is not modified with respect to this matter.

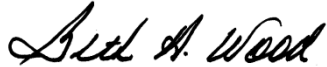
Other Matters – Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2018 on our consideration of the University's internal control over financial

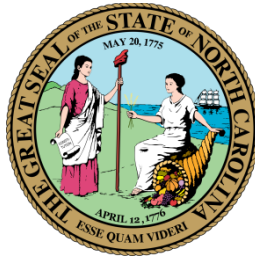
reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

December 13, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Winston-Salem State University (the "University") annual financial report presents our discussion and analysis of the financial performance of the University during the fiscal year ended June 30, 2018. This discussion has been prepared by University management along with the financial statements and notes to the financial statements and should be read in conjunction with, and is qualified in its entirety by, the financial statements and notes. The Management's Discussion and Analysis has comparative data for the applicable years (past and current) with emphasis on the current year. The financial statements, notes, and this discussion are the responsibility of University management.

Using the Annual Report

This annual report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board's (GASB) pronouncements. GASB pronouncements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis for the University as a whole, with resources classified for accounting and reporting purposes into four net position categories. One of the most important questions asked is whether the University as a whole is better or worse off as a result of the year's activities. The key to understanding this question is provided within the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements present financial information in a form similar to that used by corporations. They are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Net Position includes all assets and liabilities. The University's net position (total assets and total deferred outflows of resources less total liabilities and total deferred inflows of resources) is an indicator of the University's financial health. Over time, increases or decreases in net position are one indicator of the improvement or erosion of the University's financial health when considered with nonfinancial facts such as enrollment levels and the condition of the facilities.

The Statement of Revenues, Expenses, and Changes in Net Position presents the revenues earned and expenses incurred during the year. Activities are reported as either operating or nonoperating. All things being equal, a public University's dependency on state appropriations and gifts will result in operating deficits, because GASB Statement No. 35 classifies state appropriations, certain grants, and gifts as nonoperating revenues.

The Statement of Cash Flows provides information relative to the University's sources and uses of cash for operating activities, noncapital financing activities, capital and related financing activities, and investing activities. The statement provides a reconciliation of beginning cash balances and is representative of the activity reported on the Statement of Revenues, Expenses, and Changes in Net Position as adjusted for changes in the beginning and ending balances of noncash accounts on the Statement of Net Position. For the purpose of this discussion, we will address the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position.

Reporting Entity

The financial statements report information about the University as a whole using accounting methods similar to those used by private-sector companies. The University's supporting

organization, the Winston-Salem State University Foundation, Inc. and Subsidiary (the "Foundation"), is an independent nonprofit corporation formed for the exclusive benefit of the University. Under GASB Standards, the Foundation meets the requirements to be reported discretely in these financial statements; however, the Foundation is not included in Management's Discussion and Analysis. More information describing the relationship between the University and its discretely presented component unit can be found in Note 1A, Significant Accounting Policies - Financial Reporting Entity.

Financial Highlights

The University's financial position, as a whole, increased during the fiscal year ended June 30, 2018. Its combined net position increased \$8,837,411.04 or 411.4% from the previous year.

Condensed Financial Information

Statement of Net Position

The Statement of Net Position presents the assets (current and noncurrent), liabilities (current and noncurrent), and the net position (total assets and deferred outflows less total liabilities and deferred inflows) of the University. This condensed financial statement provides a comparative University fiscal snapshot as of June 30, 2018 and June 30, 2017. This provides the readers of this statement with information on assets available to continue operations.

Condensed Statements of Net Position 6/30/2018 and 6/30/2017				
	2018	2017 (as Restated)	\$ Change	% Chg
Assets				
Current Assets	\$ 23,935,348.31	\$ 18,176,150.76	\$ 5,759,197.55	31.7%
Noncurrent Assets:				
Capital, Net	223,347,312.72	205,287,432.47	18,059,880.25	8.8%
Other	39,914,666.15	55,723,733.69	(15,809,067.54)	(28.4%)
Total Assets	287,197,327.18	279,187,316.92	8,010,010.26	2.9%
Total Deferred Outflows of Resources	13,472,148.24	18,236,098.17	(4,763,949.93)	(26.1%)
Liabilities				
Current Liabilities	15,821,696.00	12,556,629.77	3,265,066.23	26.0%
Long-Term Liabilities	220,383,899.36	275,421,007.54	(55,037,108.18)	(20.0%)
Other Noncurrent Liabilities	3,199,459.00	3,192,700.66	6,758.34	0.2%
Total Liabilities	239,405,054.36	291,170,337.97	(51,765,283.61)	(17.8%)
Total Deferred Inflows of Resources	50,278,638.60	4,104,705.70	46,173,932.90	1124.9%
Net Position*				
Net Investment in Capital Assets	114,280,710.06	114,671,910.51	(391,200.45)	(0.3%)
Restricted:				
Nonexpendable	18,510,455.52	18,520,879.64	(10,424.12)	(0.1%)
Expendable	25,725,859.73	18,877,187.22	6,848,672.51	36.3%
Unrestricted	(147,531,242.85)	(149,921,605.95)	2,390,363.10	(1.6%)
Total Net Position	\$ 10,985,782.46	\$ 2,148,371.42	\$ 8,837,411.04	411.4%

*Net Position categories are defined in Note 1M of the Notes to the Financial Statements.

As of June 30, 2018, total University assets were \$287,197,327.18. The University's largest asset category at June 30, 2018 was capital assets totaling \$223,347,312.72, which increased \$18,059,880.25 compared to the prior year's capital assets of \$205,287,432.47. This increase was mainly due to an increase in construction in progress for a new residence hall and a new science building. These additions were offset against a \$6,877,506.73 net increase in accumulated depreciation/amortization. The University's June 30, 2018 current assets of \$23,935,348.31 increased \$5,759,197.55 compared to the prior year's current assets of \$18,176,150.76. This increase was primarily due to an increase in unrestricted cash of \$2,338,319.10 due to improved auxiliary operations and an increase in current restricted cash of \$4,007,879.49 due to increased drawdowns for restricted grants. Also, there was an increase in liabilities on construction in progress that resulted in noncurrent restricted cash to be reclassified to current restricted cash. The \$23,935,348.31 in current assets covered the current liabilities of \$15,821,696.00, as the current ratio was \$1.51 in current assets to every \$1.00 in current liabilities.

Other noncurrent assets at June 30, 2018 were \$39,914,666.15 compared to \$55,723,733.69 at June 30, 2017. The \$15,809,067.54 decrease was mainly due to a decrease in restricted cash and cash equivalents of \$18,013,239.53 due to bond proceeds drawn down during the year ended June 30, 2017 for the construction of the new residence hall project that were expended during the year ended June 30, 2018, offset by an increase in endowment gains from the market.

The University recorded deferred outflows related to pensions and deferred outflows related to other postemployment benefits in the amount of \$9,589,425.00 and \$3,629,414.00, respectively at June 30, 2018. The deferred outflow for pensions decreased \$4,869,294.00 due to differences between actual and projected earnings and actuarial assumptions relating to the pension plan. Approximately \$4 million of this deferred outflow will reduce the net pension liability for the year ending June 30, 2019. The deferred outflows related to other postemployment benefits is new for the year ended June 30, 2018 due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Approximately all of this outflow will reduce the other postemployment benefits liability for the year ending June 30, 2019. For more information about the University's deferred outflows related to pensions and other postemployment benefits, refer to Notes 13 and 14 of the Notes to the Financial Statements.

The University recorded deferred inflows related to pensions and deferred inflows related to other postemployment benefits in the amount of \$751,342.00 and \$46,722,799.00, respectively at June 30, 2018. This represents the net amount of the University's pension and other postemployment benefits deferrals that impact pension and other postemployment benefits expenses during fiscal years 2019 through 2023. The deferred inflows related to other postemployment benefits is new for the year ended June 30, 2018 due to the implementation of GASB Statement No. 75. This new implementation resulted in the reporting of deferred inflows related to other postemployment benefits of approximately \$46 million at year end due to differences between actual and expected experience, changes in proportion and differences between the University's contributions and proportionate share of contributions, and changes in actuarial assumptions performed every five years. For more information about the University's deferred inflows related to pensions and other postemployment benefits, refer to Notes 13 and 14 of the Notes to the Financial Statements.

University liabilities totaled \$239,405,054.36 at June 30, 2018 compared to \$291,170,337.97 per the prior year, a decrease of \$51,765,283.61. This variance was mainly attributed to the decrease in net pension liability and net other postemployment benefits liability totaling \$51,117,445.00 due to a change in assumptions from the latest experience study and much lower investment earnings than were projected along with the implementation of GASB 75, as well as principal payments made on bonds and capital leases of \$1,010,000.00 and \$1,490,000.00, respectively. These decreases were offset by an increase in accounts payable and accrued liabilities of \$3,361,574.49, primarily due to an increase in capital related year-end accruals on construction of the new residence hall and new science building.

As of June 30, 2018, the University's restricted expendable net position was \$25,725,859.73 compared to the prior year of \$18,877,187.22. The \$6,848,672.51 increase was due to unrealized gains from the investment fund for endowments as well as an increase in capital grants received during the fiscal year.

The University's unrestricted net position was a deficit \$147,531,242.85 at June 30, 2018 compared to a deficit \$149,921,605.95 in the prior year as restated (refer to Note 18 of the Notes to the Financial Statements for details). This \$2,390,363.10 or 1.6% change was primarily due to reduced spending in contracted services for maintenance and renovation expenses in the current year.

During the current fiscal year, the University implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. As a result of this new accounting and reporting change, participants in the State's OPEB plans, including the University, were allocated a proportionate share of the OPEB plan's net OPEB liabilities/assets, deferred outflows of resources, deferred inflows of resources, and OPEB benefits expense, specifically for the Disability Income Plan of North Carolina (DIPNC) and the Retiree Health Benefit Fund (RHBF). For the purpose of reporting actuarial determined OPEB benefits expense for fiscal year 2018, the Statement of Net Position was restated as of June 30, 2017. The amounts for the restatement, as well as the amounts for June 30, 2018, were based on the allocated proportionate shares from the State's Plans as determined by actuarial valuation and the deferred outflows for current contributions as determined by the participating entity. This reporting change resulted in a significant restatement to the University's June 30, 2017 beginning net position of \$145,332,133.42 to \$2,148,371.42, a net decrease of \$143,183,762.00.

More information regarding the GASB 75 restatement for OPEB can be located in Note 18 to the Financial Statements.

Significant to this reporting change was that the OPEB restatement for the RHBF resulted in a significant decrease in the University's June 30, 2017, unrestricted net position by \$143,599,422.00 that reduced the University's overall unrestricted net position balance at June 30, 2017, to a deficit \$149,921,605.95. To understand the continuing impact of the GASB 75 change as of June 30, 2018 and the effect of reporting the proportionate share of the RHBF as well as the University's proportionate share of the State's Pension Plan on unrestricted net position, Note 10 "Net Position" has been added to the Notes to the Financial Statements. As reported in Note 10, the total impact from reporting the RHBF as well as the Pension Plan obligations at June 30, 2018, was a deficit \$151,438,942.88. The difference between the net effect amount and the unrestricted net position reported on the financial statements (a deficit \$147,531,242.85) is a positive \$3,907,700.03. This positive difference represents unrestricted

funds held by the University in its institutional trust funds and special funds and includes any operating state funds authorized for carryforward.

More information regarding the GASB 75 change can be located in Note 17 to the Financial Statements.

Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position presents the activity that shows the changes in net position. The activity is represented by the revenues received by the University, both operating and nonoperating, and the expenses paid by the University, operating and nonoperating, as well as any other revenues, expenses, gains, and losses received or expended by the University.

Operating revenues are received for providing goods and services to the various customers of the University. Operating expenses are used to acquire goods and services provided in return for the operating revenues, and to carry out the mission of the University. Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions and state appropriations that represent subsidies or gifts to the University, as well as investment income, are considered nonoperating activities since these are either investing, capital, or noncapital financing activities. Nonoperating expenses are expenses other than those involved in the normal operation of the University that can include interest expense.

Condensed Statement of Revenues, Expenses, and
Changes in Net Position
6/30/2018 and 6/30/2017

	2018	2017*	\$ Change	% Chg
Operating Revenues:				
Student Tuition and Fees, Net	\$ 23,181,891.31	\$ 21,708,027.60	\$ 1,473,863.71	6.8%
Sales and Services, Net	18,638,661.08	18,486,746.30	151,914.78	0.8%
Other	2,205,764.38	1,306,982.27	898,782.11	68.8%
Total Operating Revenues	44,026,316.77	41,501,756.17	2,524,560.60	6.1%
Operating Expenses:				
Salaries and Benefits	82,613,906.28	82,251,387.43	362,518.85	0.4%
Supplies and Materials	7,453,787.89	7,669,657.67	(215,869.78)	(2.8%)
Services	25,882,435.96	29,255,230.53	(3,372,794.57)	(11.5%)
Scholarships and Fellowships	12,329,036.56	12,004,355.20	324,681.36	2.7%
Utilities	3,147,220.16	2,829,598.47	317,621.69	11.2%
Depreciation/Amortization	7,060,349.11	7,142,529.66	(82,180.55)	(1.2%)
Total Operating Expenses	138,486,735.96	141,152,758.96	(2,666,023.00)	(1.9%)
Operating Loss	(94,460,419.19)	(99,651,002.79)	5,190,583.60	(5.2%)
Nonoperating Revenues (Expenses):				
State Appropriations	63,955,923.65	65,869,317.17	(1,913,393.52)	(2.9%)
Noncapital Grants	33,692,264.14	32,855,283.14	836,981.00	2.5%
Noncapital Gifts	215,134.82	301,465.40	(86,330.58)	(28.6%)
Investment Income, Net	3,869,661.13	3,130,276.63	739,384.50	23.6%
Interest and Fees on Debt	(3,184,555.45)	(3,845,199.10)	660,643.65	(17.2%)
Other Nonoperating Expenses		(41,101.43)	41,101.43	
Net Nonoperating Revenues	98,548,428.29	98,270,041.81	278,386.48	0.3%
Income (Loss) Before Other Revenues	4,088,009.10	(1,380,960.98)	5,468,970.08	396.0%
Capital Appropriations		1,498,878.00	(1,498,878.00)	
Capital Grants	4,749,401.94	971,673.93	3,777,728.01	388.8%
Additions to Endowments		79,506.47	(79,506.47)	
Total Other Revenues	4,749,401.94	2,550,058.40	2,199,343.54	86.2%
Increase in Net Position	8,837,411.04	1,169,097.42	7,668,313.62	655.9%
Net Position:				
Beginning of the Year	2,148,371.42	144,163,036.00	(142,014,664.58)	(98.5%)
Restatement		(143,183,762.00)	143,183,762.00	
End of the Year	\$ 10,985,782.46	\$ 2,148,371.42	\$ 8,837,411.04	411.4%

*Note: The year ended June 30, 2017 column is not presented "as Restated" above because actuarial calculations performed relative to the implementation of GASB 75 do not provide sufficient information to restate these amounts.

Total operating loss for fiscal year 2018 was \$94,460,419.19. Since the State of North Carolina appropriations, certain grants, and gifts are not included within operating revenues per GASB Statement No. 35, the University will show a significant operating loss on a continuing basis.

The sources of operating revenues for the University are tuition and fees, auxiliary services, and other educational activities.

The University strives to provide students with the opportunity to obtain a quality education. Future University enrollments may be affected by a number of factors, including any material increase in tuition and other mandatory charges, stemming from any material decrease in appropriation funding from the State of North Carolina.

Total expenses were \$141,671,291.41 for fiscal year 2018, compared to \$145,039,059.49 for fiscal year 2017, resulting in a decrease of \$3,367,768.08. Operating expenses, including depreciation/amortization of \$7,060,349.11, totaled \$138,486,735.96. Of this total, \$60,705,503.76 or 43.8% was used for instruction and student support. The only key change in operating expenses pertains to services expense identified as follows:

- Services decreased by \$3,372,794.57 due to a decrease in contracted services for maintenance and renovation expenses from the prior year.

The University's largest source of nonoperating revenues is the State of North Carolina appropriations. This is received in monthly payments, beginning in July of each year, since the State's fiscal year begins on July 1. There is no direct connection between the amount of tuition revenues collected by the University and the amount of state funds appropriated in any given year. For the fiscal year ended June 30, 2018, the State of North Carolina appropriated to the University \$63,955,923.65 for operations and provided \$4,749,401.94 in capital grants.

Total revenues were \$150,508,702.45 for fiscal year 2018, compared to \$146,208,156.91 for fiscal year 2017, resulting in an increase of \$4,300,545.54, which is primarily attributed to the following:

- Student tuition and fees reflect a \$1,473,863.71 increase due to tuition rate increases for graduate and nonresident students and due to more students opting for the university system provided health insurance.
- State appropriations reflect a \$1,913,393.52 decrease due to decreased funding from the State of North Carolina.
- Capital appropriations reflect a \$1,498,878.00 decrease due to decreased funding from the State of North Carolina for capital projects.
- Capital grants reflect a \$3,777,728.01 increase due to receiving NC Connect Bond funds from the State for the new science building.
- Investment income increased \$739,384.50 mainly due to an improvement in the investment market resulting in unrealized gains for endowment investments.
- Noncapital grants increased by \$836,981.00 due to an increase in federal and state grant funding.
- Other operating revenues increased \$898,782.11 primarily due to an agreement with the University's food service vendor during fiscal year 2017 in which commissions were not received. The vendor agreed to renovate the Student Dining room in the Thompson Center in lieu of the commissions payment for fiscal year 2017. During fiscal year 2018, the commissions payment resumed.

One of the University's greatest strengths is the diverse streams of revenues which supplement its student tuition and fees, including voluntary private support from individuals, foundations, and corporations, along with government and other sponsored programs, state appropriations, and investment income. The University has and will continue to seek funding aggressively from all possible sources consistent with its mission, to supplement student tuition and manage prudently the financial resources realized from these efforts to fund its operating activities.

Capital Assets and Long-Term Debt

Major capital expenses for the year ended June 30, 2018 included \$22,972,010.02 for construction in progress on two major capital projects as detailed below.

New residence hall	\$16,852,674.78
New science building	\$6,119,335.24

The University's capital assets, net of accumulated depreciation/amortization at June 30, 2018, were \$223,347,312.72. For more information about the University's capital asset holdings, refer to Note 6 of the Notes to the Financial Statements.

Long-term debt totaled \$103,515,839.55 at June 30, 2018, compared to \$106,566,455.27 in the prior year, a decrease of \$3,050,615.72. The decrease is a result of the net effect of recording principal payments on long-term debt. For more information about the University's long-term debt, refer to Note 8 of the Notes to the Financial Statements.

Factors Impacting Future Periods

Management believes that the University is well positioned to continue its strong financial condition and level of excellence in service to students, the community, and governmental agencies. This flexibility, along with the University's ongoing efforts toward revenue diversification and cost containment, will enable the University to provide the necessary resources to support this level of excellence.

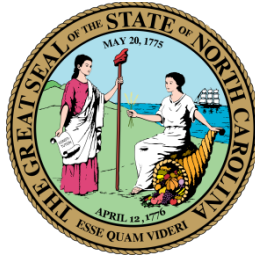
A crucial element to the University's future will continue to be our relationship with the State of North Carolina, as we work to manage tuition to make it competitive while providing an outstanding college education for our students. There is a direct relationship between the growth of state support and the University's ability to control tuition growth, as declines in state appropriations generally result in increased tuition levels.

The University continues to execute its long-range plan to modernize and expand its complement of facilities with a balance of new construction. The University has plans to increase the availability of on-campus housing offerings to its students and has entered into an agreement with the Winston-Salem State University Foundation, Inc. and Subsidiary to work collaboratively towards this effort. This strategy addresses the University's growth and the continuing effects of technology on teaching methodologies.

Private gifts are an important supplement to the fundamental support from the State and student tuition, and a significant factor in the growth of academic units. Economic pressures affecting donors may also affect the future level of support the University receives from corporate and individual giving.

The University will continue to employ its long-term investment strategy to maximize total returns, at an appropriate level of risk, while utilizing a spending rate policy to insulate the University's operations from temporary market volatility.

While it is not possible to predict the ultimate results, management believes that the University's financial condition is strong enough to weather any economic uncertainties.



FINANCIAL STATEMENTS

Winston-Salem State University
Statement of Net Position
June 30, 2018

Exhibit A-1
Page 1 of 2

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 10,984,917.66
Restricted Cash and Cash Equivalents	9,539,761.68
Restricted Short-Term Investments	788.37
Receivables, Net (Note 5)	3,258,091.42
Inventories	130,158.27
Notes Receivable, Net (Note 5)	21,630.91

Total Current Assets	<u>23,935,348.31</u>
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Noncurrent Assets:

Restricted Cash and Cash Equivalents	6,762,153.85
Endowment Investments	32,617,851.71
Notes Receivable, Net (Note 5)	335,623.59
Net Other Postemployment Benefits Asset	199,037.00
Capital Assets - Nondepreciable (Note 6)	40,822,780.74
Capital Assets - Depreciable, Net (Note 6)	182,524,531.98

Total Noncurrent Assets	<u>263,261,978.87</u>
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Total Assets	<u>287,197,327.18</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred Loss on Refunding	253,309.24
Deferred Outflows Related to Pensions	9,589,425.00
Deferred Outflows Related to Other Postemployment Benefits (Note 14)	3,629,414.00

Total Deferred Outflows of Resources	<u>13,472,148.24</u>
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LIABILITIES

Current Liabilities:

Accounts Payable and Accrued Liabilities (Note 7)	5,651,733.93
Unearned Revenue	4,953,085.55
Interest Payable	838,438.33
Long-Term Liabilities - Current Portion (Note 8)	4,378,438.19

Total Current Liabilities	<u>15,821,696.00</u>
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Noncurrent Liabilities:

Deposits Payable	94,369.68
Funds Held for Others	2,541,021.03
U. S. Government Grants Refundable	564,068.29
Long-Term Liabilities (Note 8)	220,383,899.36

Total Noncurrent Liabilities	<u>223,583,358.36</u>
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Total Liabilities	<u>239,405,054.36</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Capital Leases	2,804,497.60
Deferred Inflows Related to Pensions	751,342.00
Deferred Inflows Related to Other Postemployment Benefits (Note 14)	46,722,799.00

Total Deferred Inflows of Resources	<u>50,278,638.60</u>
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Winston-Salem State University
Statement of Net Position
June 30, 2018

Exhibit A-1
Page 2 of 2

NET POSITION

Net Investment in Capital Assets	114,280,710.06
Restricted for:	
Nonexpendable:	
Scholarships and Fellowships	3,716,776.18
Endowed Professorships	12,092,181.27
Departmental Uses	2,640,354.94
Loans	61,143.13
Expendable:	
Scholarships and Fellowships	127,164.11
Endowed Professorships	2,589,217.27
Departmental Uses	15,246,526.24
Loans	220,609.17
Capital Projects	7,184,424.94
Other	357,918.00
Unrestricted	<u>(147,531,242.85)</u>
Total Net Position	<u><u>\$ 10,985,782.46</u></u>

The accompanying notes to the financial statements are an integral part of this statement.

Winston-Salem State University
Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2018

Exhibit A-2

REVENUES

Operating Revenues:

Student Tuition and Fees, Net (Note 11)	\$ 23,181,891.31
Sales and Services, Net (Note 11)	18,638,661.08
Interest Earnings on Loans	3,846.42
Other Operating Revenues	2,201,917.96
	<hr/>
Total Operating Revenues	44,026,316.77

EXPENSES

Operating Expenses:

Salaries and Benefits	82,613,906.28
Supplies and Materials	7,453,787.89
Services	25,882,435.96
Scholarships and Fellowships	12,329,036.56
Utilities	3,147,220.16
Depreciation/Amortization	7,060,349.11
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Total Operating Expenses	138,486,735.96

Operating Loss	(94,460,419.19)
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NONOPERATING REVENUES (EXPENSES)

State Appropriations	63,955,923.65
Noncapital Grants - Student Financial Aid	23,018,879.71
Noncapital Grants	10,673,384.43
Noncapital Gifts	215,134.82
Investment Income (Net of Investment Expense of \$160,955.49)	3,869,661.13
Interest and Fees on Debt	(3,184,555.45)
	<hr/>
Net Nonoperating Revenues	98,548,428.29

Income Before Other Revenues	4,088,009.10
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Capital Grants	4,749,401.94
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Increase in Net Position	8,837,411.04
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NET POSITION

Net Position - July 1, 2017, as Restated (Note 18)	2,148,371.42
	<hr/>
Net Position - June 30, 2018	\$ 10,985,782.46

The accompanying notes to the financial statements are an integral part of this statement.

Winston-Salem State University
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Exhibit A-3
Page 1 of 2

CASH FLOWS FROM OPERATING ACTIVITIES

Received from Customers	\$ 43,672,631.27
Payments to Employees and Fringe Benefits	(83,037,613.49)
Payments to Vendors and Suppliers	(36,265,159.00)
Payments for Scholarships and Fellowships	(12,329,036.56)
Loans Issued	(70,919.46)
Collection of Loans	33,854.28
Interest Earned on Loans	3,846.42
Student Deposits Received	94,369.68
Student Deposits Returned	(121,523.66)
Net Cash Used by Operating Activities	(88,019,550.52)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Appropriations	63,955,923.65
Noncapital Grants - Student Financial Aid	22,953,065.36
Noncapital Grants	10,986,442.23
Noncapital Gifts	215,134.82
William D. Ford Direct Lending Receipts	33,792,227.00
William D. Ford Direct Lending Disbursements	(33,792,227.00)
Related Activity Agency Receipts	127,873.27
Net Cash Provided by Noncapital Financing Activities	98,238,439.33

CASH FLOWS FROM CAPITAL FINANCING AND RELATED FINANCING ACTIVITIES

Capital Grants	4,749,401.94
Acquisition and Construction of Capital Assets	(21,884,547.58)
Principal Paid on Capital Debt and Leases	(2,913,818.73)
Interest and Fees Paid on Capital Debt and Leases	(3,432,439.83)
Net Cash Used by Capital Financing and Related Financing Activities	(23,481,404.20)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales and Maturities of Investments	5,198,357.04
Investment Income	382,870.97
Purchase of Investments and Related Fees	(3,985,753.56)
Net Cash Provided by Investing Activities	1,595,474.45
Net Decrease in Cash and Cash Equivalents	(11,667,040.94)
Cash and Cash Equivalents - July 1, 2017	38,953,874.13
Cash and Cash Equivalents - June 30, 2018	\$ 27,286,833.19

Winston-Salem State University
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

Exhibit A-3
Page 2 of 2

**RECONCILIATION OF NET OPERATING LOSS
TO NET CASH USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (94,460,419.19)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:	
Depreciation/Amortization Expense	7,060,349.11
Allowances, Write-Offs, and Amortizations	19,389.47
Changes in Assets and Deferred Outflows of Resources:	
Receivables, Net	(61,072.25)
Inventories	68,486.92
Notes Receivable, Net	(37,065.18)
Net Other Postemployment Benefits Asset	3,192.00
Deferred Outflows Related to Pensions	4,869,294.00
Deferred Outflows Related to Other Postemployment Benefits	(152,280.00)
Changes in Liabilities and Deferred Inflows of Resources:	
Accounts Payable and Accrued Liabilities	102,939.80
Due to Primary Government	(8,563.39)
Unearned Revenue	(288,766.83)
Net Pension Liability	(3,617,808.00)
Net Other Postemployment Benefits Liability	(47,499,637.00)
Compensated Absences	(320,899.00)
Deposits Payable	(27,153.98)
Deferred Inflows Related to Pensions	(392,336.00)
Deferred Inflows Related to Other Postemployment Benefits	46,722,799.00
Net Cash Used by Operating Activities	<u><u>\$ (88,019,550.52)</u></u>

RECONCILIATION OF CASH AND CASH EQUIVALENTS

Current Assets:	
Cash and Cash Equivalents	\$ 10,984,917.66
Restricted Cash and Cash Equivalents	9,539,761.68
Noncurrent Assets:	
Restricted Cash and Cash Equivalents	<u>6,762,153.85</u>
Total Cash and Cash Equivalents - June 30, 2018	<u><u>\$ 27,286,833.19</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES

Assets Acquired through the Assumption of a Liability	\$ 3,255,071.25
Change in Fair Value of Investments	3,119,461.96
Loss on Disposal of Capital Assets	(19,389.47)
Amortization of Bond Premiums	(136,796.99)
Amortization of Deferred Loss on Refunding Bonds	(46,935.93)
Amortization of Deferred Inflows Related to Capital Leases	(156,530.10)

The accompanying notes to the financial statements are an integral part of this statement.

Winston-Salem State University Foundation, Inc. and Subsidiary
Consolidated Statement of Financial Position
June 30, 2018

Exhibit B-1

ASSETS

Cash and Cash Equivalents	\$	2,739,991
Restricted Cash		4,922,148
Certificates of Deposit		503,578
Receivables		108,698
Prepaid Expenses		8,526
Lease Obligation Receivable, Net		34,188,751
Pledges Receivable, Net		1,733,339
Investment Securities		16,520,823
Property and Equipment, Net		1,233,958
Total Assets	\$	<u>61,959,812</u>

LIABILITIES

Accounts Payable and Other Accruals	\$	692,763
Bonds Payable, Net		<u>39,503,253</u>
Total Liabilities		<u>40,196,016</u>

NET ASSETS

Unrestricted		1,024,512
Temporarily Restricted		11,973,237
Permanently Restricted		<u>8,766,047</u>
Total Net Assets		<u>21,763,796</u>
Total Liabilities and Net Assets	\$	<u>61,959,812</u>

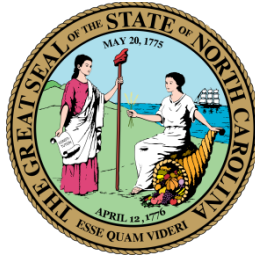
The accompanying notes to the financial statements are an integral part of this statement.

Winston-Salem State University Foundation, Inc. and Subsidiary
Consolidated Statement of Activities
For the Fiscal Year Ended June 30, 2018

Exhibit B-2

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Gifts and Grants	\$ 361,004	\$ 2,104,651	\$ 636,910	\$ 3,102,565
Investment Income	144,934			144,934
Realized and Unrealized Gains on Investments	53,706	1,381,746		1,435,452
Administrative Fees	210,818			210,818
Program Income	2,358	307,167		309,525
Lease Income	2,218,389			2,218,389
Amortization of Bond Premium, Net	202,910			202,910
Other	7,482			7,482
	<u>3,201,601</u>	<u>3,793,564</u>	<u>636,910</u>	<u>7,632,075</u>
Net Assets Released from Restrictions	1,939,308	(1,939,308)		
Total Support and Revenue	<u>5,140,909</u>	<u>1,854,256</u>	<u>636,910</u>	<u>7,632,075</u>
EXPENSES AND LOSSES				
Scholarships	947,348			947,348
Special Programs	1,309,794			1,309,794
Management and General	529,351			529,351
Depreciation	1,229			1,229
Amortization of Debt Issuance Costs	32,690			32,690
Interest	1,785,992			1,785,992
Fundraising Expense	19,220			19,220
	<u>4,625,624</u>			<u>4,625,624</u>
Total Expenses and Losses				
Change in Net Assets	515,285	1,854,256	636,910	3,006,451
NET ASSETS				
Net Assets, Beginning	<u>509,227</u>	<u>10,118,981</u>	<u>8,129,137</u>	<u>18,757,345</u>
Net Assets, Ending	<u>\$ 1,024,512</u>	<u>\$ 11,973,237</u>	<u>\$ 8,766,047</u>	<u>\$ 21,763,796</u>

The accompanying notes to the financial statements are an integral part of this statement.



NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- A. Financial Reporting Entity** - The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America (GAAP), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. Winston-Salem State University (University) is a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina and an integral part of the State's *Comprehensive Annual Financial Report*.

The accompanying financial statements present all funds belonging to the University and its component unit. While the Board of Governors of the University of North Carolina System has ultimate responsibility, the Chancellor, the Board of Trustees, and the Board of Trustees of the Endowment Fund have delegated responsibilities for financial accountability of the University's funds. The University's component unit is discretely presented in the University's financial statements. See below for further discussion of the University's component unit. Other related foundations and similar nonprofit corporations for which the University is not financially accountable or for which the nature of their relationship is not considered significant to the University are not part of the accompanying financial statements.

Discretely Presented Component Unit - The Winston-Salem State University Foundation, Inc. and Subsidiary (Foundation) is a legally separate nonprofit corporation and is reported as a discretely presented component unit based on the nature and significance of its relationship to the University. The Winston-Salem State University Housing Foundation, LLC, is the wholly owned subsidiary of the Foundation.

The Foundation acts primarily as a fundraising organization to supplement the resources that are available to the University in support of its programs. The Foundation board consists of not less than five and not more than 27 elected directors, with the number at any given time being set by the Board of Directors. In addition to the elected directors, the Chancellor and Vice Chancellor for University Advancement of the University shall be voting members of the Board. Although the University does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the University by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of the University, the Foundation is considered a component unit of the University and is reported in separate financial statements because of the difference in its reporting model, as described below.

The Foundation reports its financial results under the Financial Accounting Standards Board (FASB) Codification. As such, certain revenue

recognition criteria and presentation features are different from the Governmental Accounting Standards Board (GASB) revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the University's financial reporting entity for these differences.

During the year ended June 30, 2018, the Foundation distributed \$947,348.00 to the University for both restricted and unrestricted purposes. Complete financial statements for the Foundation can be obtained from the Winston-Salem State University Foundation, Inc. and Subsidiary, 304 Blair Hall, 601 Martin Luther King, Jr. Drive, Winston-Salem, NC 27110 or by calling (336) 750-3005.

- B. Basis of Presentation** - The accompanying financial statements are presented in accordance with accounting principles generally accepted in the United States of America as prescribed by the GASB.

Pursuant to the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the full scope of the University's activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

- C. Basis of Accounting** - The financial statements of the University have been prepared using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Nonexchange transactions, in which the University receives (or gives) value without directly giving (or receiving) equal value in exchange, include state appropriations, certain grants, and donations. Revenues are recognized, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met, if probable of collection.

- D. Cash and Cash Equivalents** - This classification includes deposits held by the State Treasurer in the Short-Term Investment Fund (STIF). The STIF maintained by the State Treasurer has the general characteristics of a demand deposit account in that participants may deposit and withdraw cash at any time without prior notice or penalty.

- E. Investments** - To the extent available, investments are recorded at fair value based on quoted market prices in active markets on a trade-date basis. Additional information regarding the fair value measurement of investments is disclosed in Note 3. Because of the inherent uncertainty in the use of estimates, values that are based on estimates may differ from the values that would have been used had a ready market existed for the

investments. The net change in the value of investments is recognized as a component of investment income.

Endowment investments include the principal amount of gifts and bequests that, according to donor restrictions, must be held in perpetuity or for a specified period of time, along with any accumulated investment earnings on such amounts.

- F. Receivables** - Receivables consist of tuition and fees charged to students and charges for auxiliary enterprises' sales and services. Receivables also include amounts due from the federal government, state and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants. Receivables are recorded net of estimated uncollectible amounts.
- G. Inventories** - Inventories, consisting of fuel oil held for consumption, are valued at cost using the last invoice cost method. Inventories of postage are valued at retail cost.
- H. Capital Assets** - Capital assets are stated at cost at date of acquisition or acquisition value at date of donation in the case of gifts. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. The value of assets constructed includes all material direct and indirect construction costs. Interest costs incurred are capitalized during the period of construction.

The University capitalizes assets that have a value or cost of \$5,000 or greater at the date of acquisition and an estimated useful life of more than one year except for purchased computer software which is capitalized when the value or cost is \$100,000 or greater.

Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets in the following manner:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	10-100 years
Machinery and Equipment	2-20 years
General Infrastructure	10-50 years
Computer Software	2-7 years

The Diggs Gallery collection is capitalized at cost or acquisition value at the date of donation. Donated capital assets acquired prior to July 1, 2015 are stated at fair value as of the date of donation. This collection is considered inexhaustible and is therefore not depreciated.

- I. Restricted Assets** - Certain resources are reported as restricted assets because restrictions on asset use change the nature or normal understanding of the availability of the asset. Resources that are not available for current operations and are reported as restricted include

resources restricted for the acquisition or construction of capital assets, resources legally segregated for the payment of principal and interest as required by debt covenants, unspent debt proceeds, and endowment and other restricted investments.

- J. Noncurrent Long-Term Liabilities** - Noncurrent long-term liabilities include principal amounts of long-term debt and other long-term liabilities that will not be paid within the next fiscal year. Long-term debt includes: revenue bonds payable, notes payable, and capital leases payable. Other long-term liabilities include: compensated absences, net pension liability, and net other postemployment benefits (OPEB) liability.

Revenue bonds payable are reported net of unamortized premiums. The University amortizes bond premiums over the life of the bonds using the straight-line method that approximates the effective interest method. Deferred gains and losses on refundings are amortized over the life of the old debt or new debt (whichever is shorter) using the straight-line method, and are aggregated as deferred outflows of resources or deferred inflows of resources on the Statement of Net Position. Issuance costs are expensed in the reporting period in which they are incurred.

The net pension liability represents the University's proportionate share of the collective net pension liability reported in the State of North Carolina's 2017 *Comprehensive Annual Financial Report*. This liability represents the University's portion of the collective total pension liability less the fiduciary net position of the Teachers' and State Employees' Retirement System. See Note 13 for further information regarding the University's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to pensions.

The net OPEB liability represents the University's proportionate share of the collective net OPEB liability reported in the State of North Carolina's 2017 *Comprehensive Annual Financial Report*. This liability represents the University's portion of the collective total OPEB liability less the fiduciary net position of the Retiree Health Benefit Fund. See Note 14 for further information regarding the University's policies for recognizing liabilities, expenses, deferred outflows of resources, and deferred inflows of resources related to OPEB.

- K. Compensated Absences** - The University's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the University has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

- L. Deferred Outflows/Inflows of Resources** - In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The University has the following items that qualify for reporting in this category: deferred loss on refunding, deferred outflows related to pensions, and deferred outflows related to other postemployment benefits.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The University has the following items that qualify for reporting in this category: deferred inflows related to capital leases, deferred inflows related to pensions, and deferred inflows related to other postemployment benefits.

- M. Net Position** - The University's net position is classified as follows:

Net Investment in Capital Assets - This represents the University's total investment in capital assets, net of outstanding liabilities related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. Additionally, deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of capital assets or related debt are also included in this component of net position.

Restricted Net Position - Nonexpendable - Nonexpendable restricted net position includes endowments and similar type assets whose use is limited by donors or other outside sources, and, as a condition of the gift, the principal is to be maintained in perpetuity.

Restricted Net Position - Expendable - Expendable restricted net position includes resources for which the University is legally or

contractually obligated to spend in accordance with restrictions imposed by external parties.

Unrestricted Net Position - Unrestricted net position includes resources derived from student tuition and fees, sales and services, unrestricted gifts, royalties, and interest income. It also includes the net position of accrued employee benefits such as compensated absences, pension plans, and other postemployment benefits.

Restricted and unrestricted resources are tracked using a fund accounting system and are spent in accordance with established fund authorities. Fund authorities provide rules for the fund activity and are separately established for restricted and unrestricted activities. When both restricted and unrestricted funds are available for expenditure, the decision for funding is transactional based within the departmental management system in place at the University. For projects funded by tax-exempt debt proceeds and other sources, the debt proceeds are always used first. Both restricted and unrestricted net position include consideration of deferred outflows of resources and deferred inflows of resources. See Note 10 for further information regarding deferred outflows of resources and deferred inflows of resources that had a significant effect on unrestricted net position.

- N. Scholarship Discounts** - Student tuition and fees revenues and certain other revenues from University charges are reported net of scholarship discounts in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. The scholarship discount is the difference between the actual charge for goods and services provided by the University and the amount that is paid by students or by third parties on the students' behalf. Student financial assistance grants, such as Pell grants, and other federal, state, or nongovernmental programs, are recorded as nonoperating revenues in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. To the extent that revenues from these programs are used to satisfy tuition, fees, and other charges, the University has recorded a scholarship discount.
- O. Revenue and Expense Recognition** - The University classifies its revenues and expenses as operating or nonoperating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the University's principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) student tuition and fees, (2) sales and services of auxiliary enterprises, (3) certain federal, state, and local grants and contracts that are essentially contracts for services, and (4) interest earned on loans. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenues from nonexchange transactions that represent subsidies or gifts to the University, as well as investment income, are considered nonoperating since these are either investing, capital, or noncapital financing activities. Capital contributions are presented separately after nonoperating revenues and expenses.

- P. Internal Sales Activities** - Certain institutional auxiliary operations provide goods and services to University departments, as well as to its customers. These institutional auxiliary operations include activities such as copy centers, motor pool, postal services, telecommunications, and facilities rentals. In addition, the University has other miscellaneous sales and service units that operated either on a reimbursement or charge basis. All internal sales activities to University departments from auxiliary operations and sales and service units have been eliminated in the accompanying financial statements. These eliminations are recorded by removing the revenue and expense in the auxiliary operations and sales and service units and, if significant, allocating any residual balances to those departments receiving the goods and services during the year.

NOTE 2 - DEPOSITS AND INVESTMENTS

- A. Deposits** - Unless specifically exempt, the University is required by *North Carolina General Statute 147-77* to deposit moneys received with the State Treasurer or with a depository institution in the name of the State Treasurer. However, the University of North Carolina Board of Governors, pursuant to G.S. 116-36.1, may authorize the University to deposit its institutional trust funds in interest-bearing accounts and other investments authorized by the Board of Governors, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. Although specifically exempted, the University may voluntarily deposit institutional trust funds, endowment funds, special funds, revenue bond proceeds, debt service funds, and funds received for services rendered by health care professionals with the State Treasurer. Special funds consist of moneys for intercollegiate athletics and agency funds held directly by the University.

At June 30, 2018, the amount shown on the Statement of Net Position as cash and cash equivalents includes \$27,286,833.19, which represents the University's equity position in the State Treasurer's Short-Term Investment Fund (STIF). The STIF (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission or subject to any other regulatory oversight and does not have a credit rating) had a weighted average maturity of 1.4 years as of June 30, 2018. Assets and shares of the STIF are valued at fair value. Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's STIF) are included in the North Carolina Department of State Treasurer Investment Programs' separately issued audit report. This separately issued report can be obtained from the Department of State Treasurer,

3200 Atlantic Avenue, Raleigh, NC 27604 or can be accessed from the Department of State Treasurer's website at <https://www.nctreasurer.com/> in the Audited Financial Statements section.

B. Investments

University - The University is authorized by the University of North Carolina Board of Governors pursuant to G.S. 116-36.2 and Section 600.2.4 of the Policy Manual of the University of North Carolina to invest its special funds and funds received for services rendered by health care professionals in the same manner as the State Treasurer is required to invest, as discussed below.

G.S. 147-69.1(c), applicable to the State's General Fund, and G.S. 147-69.2, applicable to institutional trust funds, authorize the State Treasurer to invest in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; certificates of deposit and other deposit accounts of specified financial institutions; prime quality commercial paper; asset-backed securities with specified ratings, specified bills of exchange or time drafts, and corporate bonds/notes with specified ratings; general obligations of other states; general obligations of North Carolina local governments; and obligations of certain entities with specified ratings.

In accordance with the bond resolutions, bond proceeds and debt service funds are invested in obligations that will by their terms mature on or before the date funds are expected to be required for expenditure or withdrawal.

G.S. 116-36(e) provides that the trustees of the Endowment Fund shall be responsible for the prudent investment of the Fund in the exercise of their sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries but in compliance with any lawful condition placed by the donor upon that part of the Endowment Fund to be invested.

Investments of various funds may be pooled unless prohibited by statute or by terms of the gift or contract. The University utilizes investment pools to manage investments and distribute investment income.

Investments are subject to the following risks as defined by GASB Statement No. 40, *Deposit and Investment Risk Disclosures - An Amendment of GASB Statement No. 3*.

Interest Rate Risk: Interest rate risk is the risk the University may face should interest rate variances affect the value of investments. The University does not have a formal policy that addresses interest rate risk.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The University does not have a formal policy that addresses credit risk.

UNC Investment Fund, LLC - At June 30, 2018, the University's investments include \$32,617,851.71, which represents the University's equity position in the UNC Investment Fund, LLC (UNC Investment Fund). The UNC Investment Fund is an external investment pool that is not registered with the Securities and Exchange Commission, does not have a credit rating, and is not subject to any regulatory oversight. Investment risks associated with the UNC Investment Fund are included in audited financial statements of the UNC Investment Fund, LLC which may be obtained from UNC Management Company, Inc., 1400 Environ Way, Chapel Hill, NC 27517.

Non-Pooled Investments - The following table presents investments by type and investments subject to interest rate risk at June 30, 2018, for the University's non-pooled investments.

Non-Pooled Investments

Investment Type	Amount	Investment Maturities (in Years)
		Less Than 1
Debt Securities		
Money Market Mutual Funds	\$ 788.37	\$ 788.37

As of June 30, 2018, the Money Market Mutual Funds, with an amortized cost of \$788.37, were rated AAAM by Standard and Poor's.

Total Investments - The following table presents the total investments at June 30, 2018:

Investment Type	Amount
Debt Securities	
Money Market Mutual Funds	\$ 788.37
Other Securities	
UNC Investment Fund	32,617,851.71
Total Investments	\$ 32,618,640.08

Component Unit - Investments of the University's discretely presented component unit, the Foundation, are subject to and restricted by G.S. 36E "Uniform Prudent Management of Institutional Funds Act" (UPMIFA) and any requirements placed on them by contract or donor agreements. Because the Foundation reports under the FASB reporting model, disclosures of the various investment risks are not required. The following is an analysis of investments by type:

	Amount
Investment Type	
UNC Investment Fund, LLC	\$ 13,601,815
Stocks, Including Exchange-Traded Funds	77,626
Mutual Funds	2,720,561
Money Market Funds	120,821
Total Investment Securities	<u>\$ 16,520,823</u>

C. Reconciliation of Deposits and Investments - A reconciliation of deposits and investments for the University as of June 30, 2018, is as follows:

Deposits in the Short-Term Investment Fund	\$ 27,286,833.19
Investments in the UNC Investment Fund	32,617,851.71
Non-Pooled Investments	788.37
Total Deposits and Investments	<u><u>\$ 59,905,473.27</u></u>
Deposits	
Current:	
Cash and Cash Equivalents	\$ 10,984,917.66
Restricted Cash and Cash Equivalents	9,539,761.68
Noncurrent:	
Restricted Cash and Cash Equivalents	6,762,153.85
Total Deposits	<u>27,286,833.19</u>
Investments	
Current:	
Restricted Short-Term Investments	788.37
Noncurrent:	
Endowment Investments	32,617,851.71
Total Investments	<u>32,618,640.08</u>
Total Deposits and Investments	<u><u>\$ 59,905,473.27</u></u>

NOTE 3 - FAIR VALUE MEASUREMENTS**University**

To the extent available, the University's investments are recorded at fair value as of June 30, 2018. GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which the inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take into account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources. In contrast, unobservable inputs reflect the entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1	Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.
Level 2	Investments with inputs - other than quoted prices included within Level 1 - that are observable for an asset, either directly or indirectly.
Level 3	Investments classified as Level 3 have unobservable inputs for an asset and may require a degree of professional judgment.

Short-Term Investment Fund - At year-end, the University's investments held in the STIF were valued at \$27,286,833.19. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Pool investments are measured at fair value in accordance with GASB 72. The University's position in the pool is measured and reported at fair value and the STIF is not required to be categorized within the fair value hierarchy.

UNC Investment Fund - At year-end, the University's investments held in the UNC Investment Fund were valued at \$32,617,851.71. Ownership interests of the UNC Investment Fund are determined on a market unit valuation basis each month and in accordance with the UNC Investment Fund's operating procedures. Valuation of the underlying assets is performed by the custodian.

Pool investments are measured at fair value in accordance with GASB 72. The University’s position in the pool is measured and reported at fair value and the UNC Investment Fund is not required to be categorized within the fair value hierarchy.

Component Unit

Because the Foundation reports under the FASB reporting model, the disclosure of fair value measurements differ from the GASB reporting model used by the University.

Financial assets and liabilities required to be measured on a recurring basis (at least annually) are classified under a three-tier hierarchy. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

The classification of assets and liabilities within the hierarchy is based on whether inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data.

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

- | | |
|---------|---|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access. |
| Level 2 | <p>Inputs to the valuation methodology include:</p> <ul style="list-style-type: none">• Quoted prices for similar assets or liabilities in active markets;• Quoted prices for identical or similar assets or liabilities in inactive markets;• Inputs other than quoted prices that are observable for the asset or liability;• Inputs that are derived principally from or corroborated by observable market data by correlation or other means. <p>If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.</p> |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The following

is a description of the valuation methodologies used for assets measured at fair value:

- **UNC Investment Fund, LLC** - Recorded at the amount that represents the Foundation's equity position in the UNC Investment Fund, LLC. This pooled investment fund determines ownership on a market unit valuation basis each month. The fund is a broadly diversified portfolio of assets including domestic and international equities, private equities, real estate, commodities, and fixed income securities. Due to the significance of alternative investments in the fund which have limited or no observable market data necessary to determine fair value, the entire fund is considered to fall within Level 3 measurements in the fair value hierarchy under GAAP.
- **Stocks, Mutual Funds, and Money Market Funds** - Valued at the closing price reported on the active markets on which individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The following table sets forth by level, within the fair value hierarchy, the Foundation's assets measured at fair value on a recurring basis as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Investments				
UNC Investment Fund, LLC	\$ 0	\$ 0	\$ 13,601,815	\$ 13,601,815
Stocks				
Exchange-Traded Funds	36,170			36,170
Other	41,456			41,456
Mutual Funds				
Foreign Large Blend	296,878			296,878
Foreign Small/Mid Growth	94,466			94,466
Intermediate Term Bond	1,357,338			1,357,338
Large Growth	638,526			638,526
Mid-Cap Growth	140,368			140,368
Small Growth	87,654			87,654
World Allocation	105,331			105,331
Money Market Funds	120,821			120,821
Total Assets at Fair Value	\$ 2,919,008	\$ 0	\$ 13,601,815	\$ 16,520,823

The table below sets forth a summary of changes in the fair value of the Foundation's Level 3 assets for the year ended June 30, 2018:

Balance, Beginning of Year	\$ 11,944,602.00
Purchases	689,386.00
Redemptions	(430,627.00)
Unrealized and Realized Gains	1,462,733.00
Investment Advisory Fees	<u>(64,279.00)</u>
Balance, End of Year	<u>\$ 13,601,815.00</u>

NOTE 4 - ENDOWMENT INVESTMENTS

Investments of the University's endowment funds are pooled, unless required to be separately invested by the donor. If a donor has not provided specific instructions, state law permits the Board of Trustees to authorize for expenditure the net appreciation, realized and unrealized, of the investments of the endowment funds. Under the "Uniform Prudent Management of Institutional Funds Act" (UPMIFA), authorized by the North Carolina General Assembly on March 19, 2009, the Board may also appropriate expenditures from eligible nonexpendable balances if deemed prudent and necessary to meet program outcomes and for which such spending is not specifically prohibited by the donor agreements. However, a majority of the University's endowment donor agreements prohibit spending of nonexpendable balances and therefore the related nonexpendable balances are not eligible for expenditure. During the year, the Board did not appropriate expenditures from eligible nonexpendable endowment funds.

Investment return of the University's endowment funds is predicated on the total return concept (yield plus appreciation). The total spending rate is calculated annually by taking the sum of the market value of the endowment investments for the preceding twelve quarters, and dividing the result by twelve. For the fiscal year ended June 30, 2018, the Board of Trustees approved spending from the average value shall be at a rate of four and half percent, paid out proportionately on a quarterly basis. To the extent that the total return for the current year exceeds the payout, the excess is added to principal. If current year earnings do not meet the payout requirements, the University uses accumulated income and appreciation from restricted, expendable net position endowment balances to make up the difference. At June 30, 2018, net appreciation of \$14,127,365.65 was available to be spent, all of which was classified in net position as restricted expendable for scholarships and fellowships, professorships, and departmental uses as it is restricted for specific purposes.

NOTE 5 - RECEIVABLES

Receivables at June 30, 2018, were as follows:

	Gross Receivables	Less Allowance for Doubtful Accounts	Net Receivables
Current Receivables:			
Students	\$ 2,855,130.77	\$ 1,460,223.20	\$ 1,394,907.57
Accounts	230,254.87		230,254.87
Intergovernmental	1,274,495.30		1,274,495.30
Interest on Loans	306,671.35		306,671.35
Other	51,762.33		51,762.33
Total Current Receivables	\$ 4,718,314.62	\$ 1,460,223.20	\$ 3,258,091.42
Notes Receivable:			
Notes Receivable - Current:			
Federal Loan Programs	\$ 50,939.50	\$ 34,199.74	\$ 16,739.76
Institutional Student Loan Programs	5,810.61	919.46	4,891.15
Total Notes Receivable - Current	\$ 56,750.11	\$ 35,119.20	\$ 21,630.91
Notes Receivable - Noncurrent:			
Federal Loan Programs	\$ 788,948.89	\$ 531,323.12	\$ 257,625.77
Institutional Student Loan Programs	116,374.71	38,376.89	77,997.82
Total Notes Receivable - Noncurrent	\$ 905,323.60	\$ 569,700.01	\$ 335,623.59

NOTE 6 - CAPITAL ASSETS

A summary of changes in the capital assets for the year ended June 30, 2018, is presented as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital Assets, Nondepreciable:				
Land	\$ 5,231,051.56	\$ 0.00	\$ 0.00	\$ 5,231,051.56
Art, Literature, and Artifacts	953,772.00			953,772.00
Construction in Progress	10,146,363.33	24,491,593.85		34,637,957.18
Total Capital Assets, Nondepreciable	16,331,186.89	24,491,593.85		40,822,780.74
Capital Assets, Depreciable:				
Buildings	250,817,199.41			250,817,199.41
Machinery and Equipment	20,241,774.52	395,524.98	202,231.85	20,435,067.65
General Infrastructure	19,447,668.79			19,447,668.79
Computer Software	250,006.94	252,500.00		502,506.94
Total Capital Assets, Depreciable	290,756,649.66	648,024.98	202,231.85	291,202,442.79
Less Accumulated Depreciation/Amortization for:				
Buildings	82,883,825.57	6,224,977.24		89,108,802.81
Machinery and Equipment	12,122,683.10	70,642.93	182,842.38	12,010,483.65
General Infrastructure	6,689,238.87	658,691.10		7,347,929.97
Computer Software	104,656.54	106,037.84		210,694.38
Total Accumulated Depreciation/Amortization	101,800,404.08	7,060,349.11	182,842.38	108,677,910.81
Total Capital Assets, Depreciable, Net	188,956,245.58	(6,412,324.13)	19,389.47	182,524,531.98
Capital Assets, Net	\$ 205,287,432.47	\$ 18,079,269.72	\$ 19,389.47	\$ 223,347,312.72

During the year ended June 30, 2018, the University incurred \$4,626,126.08 in interest costs related to the acquisition and construction of capital assets. Of this total, \$3,184,555.45 was charged in interest expense, and \$1,441,570.63 was capitalized.

The University has pledged the energy savings improvements installed in its buildings and other structures financed through the UNC System Guaranteed Energy Savings Installment Financing Agreement (agreement) dated September 1, 2014. The carrying value of the energy savings improvement assets associated with the agreement is \$249,496.99 and is subject to security provisions in the agreement to ensure timely debt service payments. Additional information regarding the agreement can be found in Note 8.

NOTE 7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities at June 30, 2018, were as follows:

	Amount
Current Accounts Payable and Accrued Liabilities	
Accounts Payable	\$ 764,808.33
Accounts Payable - Capital Assets	3,403,163.12
Accrued Payroll	133,876.64
Contract Retainage	1,308,712.17
Other	41,173.67
	<hr/>
Total Current Accounts Payable and Accrued Liabilities	\$ 5,651,733.93
	<hr/>

NOTE 8 - LONG-TERM LIABILITIES**University****A. Changes in Long-Term Liabilities** - A summary of changes in the long-term liabilities for the year ended June 30, 2018, is presented as follows:

	Balance July 1, 2017 (as Restated)	Additions	Reductions	Balance June 30, 2018	Current Portion
Long-Term Debt					
Revenue Bonds Payable	\$ 56,550,000.00	\$ 0.00	\$ 1,010,000.00	\$ 55,540,000.00	\$ 1,390,000.00
Plus: Unamortized Premium	3,902,131.51		136,796.99	3,765,334.52	
Total Revenue Bonds Payable	60,452,131.51		1,146,796.99	59,305,334.52	1,390,000.00
Notes Payable	5,784,323.76		413,818.73	5,370,505.03	461,036.19
Capital Leases Payable	40,330,000.00		1,490,000.00	38,840,000.00	1,545,000.00
Total Long-Term Debt	106,566,455.27		3,050,615.72	103,515,839.55	3,396,036.19
Other Long-Term Liabilities					
Compensated Absences	4,542,637.00	3,285,350.00	3,606,249.00	4,221,738.00	982,402.00
Net Pension Liability	21,279,080.00		3,617,808.00	17,661,272.00	
Net Other Postemployment Benefits Liability	146,863,125.00		47,499,637.00	99,363,488.00	
Total Other Long-Term Liabilities	172,684,842.00	3,285,350.00	54,723,694.00	121,246,498.00	982,402.00
Total Long-Term Liabilities	\$ 279,251,297.27	\$ 3,285,350.00	\$ 57,774,309.72	\$ 224,762,337.55	\$ 4,378,438.19

Additional information regarding capital lease obligations is included in Note 9.

Additional information regarding the net pension liability is included in Note 13.

Additional information regarding the net other postemployment benefits liability is included in Note 14.

B. Revenue Bonds Payable - The University was indebted for revenue bonds payable for the purposes shown in the following table:

Purpose	Series	Interest Rate Ranges	Final Maturity Date	Original Amount of Issue	Principal Paid Through June 30, 2018	Principal Outstanding June 30, 2018
Revenue Bonds Payable						
Housing and Dining System						
UNC System Pool Revenue Bonds	2008A	3.00%-5.00%	10/01/2033	\$ 4,591,004.21	\$ 4,114,016.76	\$ 476,987.45
2013 General Revenue Bonds	2013	2.00%-5.125%	04/01/2043	18,269,190.00	3,646,362.71	14,622,827.29
2017 General Revenue Bonds	2017	3.00%-5.00%	10/01/2046	23,589,748.95		23,589,748.95
Total Housing and Dining System				46,449,943.16	7,760,379.47	38,689,563.69
Student Services System						
UNC System Pool Revenue Bonds	2008A	3.00%-5.00%	10/01/2033	2,723,995.79	2,440,983.24	283,012.55
2013 General Revenue Bonds	2013	2.00%-5.125%	04/01/2043	11,686,230.00	2,332,560.65	9,353,669.35
2017 General Revenue Bonds	2017	3.00%-5.00%	10/01/2046	1,655,251.05		1,655,251.05
Total Student Services System				16,065,476.84	4,773,543.89	11,291,932.95
Parking System						
2013 General Revenue Bonds	2013	2.00%-5.125%	04/01/2043	6,944,580.00	1,386,076.64	5,558,503.36
Total Revenue Bonds Payable (principal only)				\$ 69,460,000.00	\$ 13,920,000.00	55,540,000.00
Plus: Unamortized Premium						3,765,334.52
Total Revenue Bonds Payable						\$ 59,305,334.52

C. Annual Requirements - The annual requirements to pay principal and interest on the long-term obligations at June 30, 2018, are as follows:

Fiscal Year	Annual Requirements			
	Revenue Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 1,390,000.00	\$ 2,726,993.74	\$ 461,036.19	\$ 193,343.21
2020	1,460,000.00	2,663,118.74	491,135.32	176,374.20
2021	1,535,000.00	2,604,053.12	522,620.75	158,280.79
2022	1,570,000.00	2,539,462.50	561,923.83	138,950.22
2023	1,660,000.00	2,460,087.50	591,638.40	118,063.80
2024-2028	9,850,000.00	10,994,737.50	2,742,150.54	244,317.36
2029-2033	12,785,000.00	8,249,062.50		
2034-2038	11,385,000.00	4,955,950.02		
2039-2043	8,980,000.00	2,516,125.02		
2044-2047	4,925,000.00	507,875.00		
Total Requirements	\$ 55,540,000.00	\$ 40,217,465.64	\$ 5,370,505.03	\$ 1,029,329.58

Interest on the variable rate debt is predetermined in each of the bond covenants.

D. Prior Year Defeasances - During prior years, the University defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the University's financial statements. At June 30, 2018, the outstanding balance of prior year defeased bonds was \$4,810,000.00.

E. Notes Payable - The University was indebted for notes payable for the purposes shown in the following table:

Purpose	Financial Institution	Interest Rate	Final Maturity Date	Original Amount of Issue	Principal Paid Through June 30, 2018	Principal Outstanding June 30, 2018
Energy Performance Contract	Siemens Public, Inc.	3.81%	09/30/2027	\$ 6,517,358.00	\$ 1,409,260.60	\$ 5,108,097.40
UNC System Guaranteed Energy Savings Project	Banc of America Public Capital Corp.	1.84%	02/14/2023	370,679.00	108,271.37	262,407.63
Total Notes Payable				\$ 6,888,037.00	\$ 1,517,531.97	\$ 5,370,505.03

On September 15, 2011, the University entered into an installment financing contract with Siemens Public, Inc. for \$6,517,358.00 resulting in a Guaranteed Energy Savings Note Payable with an interest rate of 3.81% per annum fixed, maturing on September 30, 2027. The University shall

pay the purchase price plus interest to Siemens Public, Inc. in quarterly installments consisting solely of interest commencing on September 15, 2012, and then in quarterly installments consisting of principal and interest commencing on September 30, 2013.

On September 16, 2014, the University entered into an installment financing contract with Banc of America Public Capital Corp. for \$370,679.00 resulting in a Guaranteed Energy Savings Note Payable with an interest rate of 1.84% per annum fixed, maturing on February 14, 2023. The University shall pay the purchase price plus interest to Banc of America Public Capital Corp. in quarterly installments consisting of principal and interest commencing on May 7, 2016.

Component Unit

Bonds Payable - Three student housing facilities have been financed through the issuance of bonds.

In August 2014, \$27,990,000 of Series 2014 bonds were issued. The proceeds of this issuance were used to retire the Series 2004 bonds, and to reduce total debt service payments by \$2,787,745 over the next 22 years and resulted in an economic gain of \$1,579,809. The original purpose of this debt was to construct two student residence halls for which the University leases (capital) from the Foundation. These bonds mature at various intervals through 2036, and bear interest at fixed rates ranging from 2% to 5%.

In September 2016, the Foundation issued \$13,235,000 in Series 2016 Refunding Limited Obligation (Winston-Salem State University Student Housing Project) refunding bonds. The bonds were issued for a current refunding of \$15,345,000 of outstanding Series 2006 Winston-Salem State University Housing Project Certificates of Participation. The refunding was undertaken to reduce total debt service payments by \$2,352,707 over the next 20 years and resulted in an economic gain of \$1,871,849. The original purpose of this debt was to construct Foundation Heights, a student residence hall, for which the University leases (capital) from the Foundation. These bonds mature at various intervals through 2036, and bear interest at fixed rates ranging from 2% to 5%.

Bonds payable are as follows at June 30, 2018:

	Amount
Series 2014 Bonds	\$ 24,415,000
Series 2016 Bonds	12,190,000
Gross Bonds Payable	36,605,000
Unamortized Bond Premium	3,485,288
Unamortized Debt Issuance Costs	(587,035)
Total Requirements	<u>\$ 39,503,253</u>

Scheduled maturities of the bonds are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 1,415,000
2020	1,475,000
2021	1,545,000
2022	1,625,000
2023	1,700,000
Thereafter (2024-2036)	28,845,000
Total Requirements	\$ 36,605,000

Unamortized bond premium is amortized over the lives of the related bond issues using the interest method. Amortization of the bond premium amounted to \$202,910 for the year ended June 30, 2018.

In connection with the financing arrangements for the construction of the student housing facilities, the Foundation paid certain fees and expenses. These debt issuance costs, including insurance premiums and other issuance costs, are being amortized over the terms of the bonds using the interest method. Any unamortized cost would be charged to earnings upon repayment of or in connection with a material change in the terms of the underlying debt agreement. Amortization of debt issuance costs was \$32,690 for the year ended June 30, 2018. Accumulated amortization amounted to \$75,209 at June 30, 2018.

NOTE 9 - LEASE OBLIGATIONS

A. Capital Lease Obligations - Capital lease obligations relating to student housing and athletic facilities are recorded at the present value of the minimum lease payments. Future minimum lease payments under capital lease obligations consist of the following at June 30, 2018:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 3,392,203.50
2020	3,394,350.50
2021	3,389,107.00
2022	3,390,123.00
2023	3,386,898.50
2024-2028	16,935,916.50
2029-2033	16,491,161.00
2034-2037	7,197,275.00
Total Minimum Lease Payments	57,577,035.00
Amount Representing Interest (2.00%-5.00% Rate of Interest)	18,737,035.00
Present Value of Future Lease Payments	\$ 38,840,000.00

Buildings acquired under capital lease amounted to \$58,035,000.00 at June 30, 2018. Depreciation for the capital assets associated with capital leases is included in depreciation expense, and accumulated depreciation for assets acquired under capital lease totaled \$23,589,480.23 at June 30, 2018.

- B. Operating Lease Obligations** - The University entered into operating leases for athletic fields and parking. Future minimum lease payments under noncancelable operating leases consist of the following at June 30, 2018:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 27,478.92
2020	24,357.18
2021	7,865.47
2022	8,101.43
2023	8,344.47
2024-2028	45,630.95
2029-2033	52,898.80
2034-2039	74,714.65
Total Minimum Lease Payments	\$ 249,391.87

Rental expense for all operating leases during the year was \$1,582,119.76.

NOTE 10 - NET POSITION

The deficit in unrestricted net position of \$147,531,242.85 has been significantly affected by transactions that resulted in the recognition of deferred outflows of resources and deferred inflows of resources. A summary of the balances reported within unrestricted net position relating to the reporting of net pension liability and net other postemployment benefits (OPEB) liability, and the related deferred outflows of resources and deferred inflows of resources is presented as follows:

	<u>TSERS</u>	<u>Retiree Health Benefit Fund</u>	<u>Total</u>
Deferred Outflows Related to Pensions	\$ 9,589,425.00	\$ 0.00	\$ 9,589,425.00
Deferred Outflows Related to OPEB		3,470,533.12	3,470,533.12
Noncurrent Liabilities:			
Long-Term Liabilities:			
Net Pension Liability	17,661,272.00		17,661,272.00
Net OPEB Liability		99,363,488.00	99,363,488.00
Deferred Inflows Related to Pensions	751,342.00		751,342.00
Deferred Inflows Related to OPEB		46,722,799.00	46,722,799.00
Net Effect on Unrestricted Net Position	\$ (8,823,189.00)	\$ (142,615,753.88)	\$ (151,438,942.88)

NOTES TO THE FINANCIAL STATEMENTS

See Notes 13 and 14 for detailed information regarding the amortization of the deferred outflows of resources and deferred inflows of resources relating to pensions and OPEB, respectively.

NOTE 11 - REVENUES

A summary of eliminations and allowances by revenue classification is presented as follows:

	Gross Revenues	Internal Sales Eliminations	Less Scholarship Discounts	Less Allowance for Uncollectibles	Net Revenues
Operating Revenues:					
Student Tuition and Fees, Net	\$ 33,835,955.75	\$ 0.00	\$ 10,350,730.80	\$ 303,333.64	\$ 23,181,891.31
Sales and Services:					
Sales and Services of Auxiliary Enterprises:					
Residential Life	\$ 14,608,374.66	\$ 0.00	\$ 4,791,206.97	\$ 219,972.59	\$ 9,597,195.10
Dining	7,169,727.97		2,379,625.22	114,327.55	4,675,775.20
Student Union Services	1,931,973.49			30,765.52	1,901,207.97
Health, Physical Education, and Recreation Services	265,448.70				265,448.70
Parking	977,558.47			4,752.43	972,806.04
Athletic	585,577.63				585,577.63
Telecommunications	738,335.01	646,161.94			92,173.07
Print Shop	94,073.41	94,073.41			
Transport Services	152,057.35	130,000.49			22,056.86
Other	528,560.51	2,140.00			526,420.51
Total Sales and Services, Net	\$ 27,051,687.20	\$ 872,375.84	\$ 7,170,832.19	\$ 369,818.09	\$ 18,638,661.08

NOTE 12 - OPERATING EXPENSES BY FUNCTION

The University's operating expenses by functional classification are presented as follows:

	Salaries and Benefits	Supplies and Materials	Services	Scholarships and Fellowships	Utilities	Depreciation/ Amortization	Total
Instruction	\$ 43,601,262.20	\$ 1,199,515.32	\$ 3,098,946.44	\$ 444,639.17	\$ 0.00	\$ 0.00	\$ 48,344,363.13
Research	731,573.99	309,586.78	562,499.70	13,932.00			1,617,592.47
Public Service	637,465.97	172,158.48	117,123.57				926,748.02
Academic Support	5,043,387.08	2,004,470.29	438,134.08	11,253.90			7,497,245.35
Student Services	4,023,099.17	70,942.05	761,105.06	8,749.00			4,863,895.28
Institutional Support	12,009,391.22	208,971.92	4,701,457.20	1,507.00			16,921,327.34
Operations and Maintenance of Plant	7,439,307.49	832,693.27	3,570,013.43		1,861,804.35		13,703,818.54
Student Financial Aid	553,793.36		11,712.76	10,596,727.83			11,162,233.95
Auxiliary Enterprises	8,574,625.80	2,655,449.78	12,621,443.72	1,252,227.66	1,285,415.81		26,389,162.77
Depreciation/Amortization						7,060,349.11	7,060,349.11
Total Operating Expenses	\$ 82,613,906.28	\$ 7,453,787.89	\$ 25,882,435.96	\$ 12,329,036.56	\$ 3,147,220.16	\$ 7,060,349.11	\$ 138,486,735.96

NOTE 13 - PENSION PLANS

A. Defined Benefit Plan

Plan Administration: The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

Benefits Provided: TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of general members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions: Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Employees are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the North Carolina General Assembly in the Appropriations Act based on the actuarially-determined rate recommended by the actuary. The University's contractually-required contribution rate for the year ended June 30, 2018 was 10.78% of covered payroll. Employee contributions to the pension plan were \$2,193,221.52, and the University's contributions were \$3,940,488.00 for the year ended June 30, 2018.

The TSERS plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2017 *Comprehensive Annual Financial Report*. An

electronic version of this report is available on the North Carolina Office of the State Controller's website at <https://www.osc.nc.gov/> or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

TSERS Basis of Accounting: The financial statements of the TSERS plan were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The plan's fiduciary net position was determined on the same basis used by the pension plan.

Methods Used to Value TSERS Investment: Pursuant to *North Carolina General Statutes*, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. TSERS and other pension plans of the State of North Carolina are the sole participants in the Long-Term Investment, Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment Portfolios. The Fixed Income Asset Class includes the Long-Term Investment and Fixed Income Investment Portfolios. The Global Equity Asset Class includes the Equity Investment Portfolio. The investment balance of each pension trust fund represents its share of the fair market value of the net position of the various portfolios within the External Investment Pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2017 *Comprehensive Annual Financial Report*.

Net Pension Liability: At June 30, 2018, the University reported a liability of \$17,661,272.00 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, and update procedures were used to roll forward the total pension liability to June 30, 2017. The University's proportion of the net pension liability was based on the present value of future salaries for the University relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2017, the University's proportion was 0.22259%, which was a decrease of 0.00893 from its proportion measured as of June 30, 2016, which was 0.23152%.

Actuarial Assumptions: The following table presents the actuarial assumptions used to determine the total pension liability for the TSERS plan at the actuarial valuation date:

Valuation Date	12/31/2016
Inflation	3%
Salary Increases*	3.50% - 8.10%
Investment Rate of Return**	7.20%

* Salary increases include 3.5% inflation and productivity factor.

** Investment rate of return includes inflation assumption and is net of pension plan investment expense.

TSERS currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2016 valuations were based on the results of an actuarial experience review for the period January 1, 2010 through December 31, 2014.

Future ad hoc Cost of Living Adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017 (the valuation date) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	1.4%
Global Equity	5.3%
Real Estate	4.3%
Alternatives	8.9%
Opportunistic Fixed Income	6.0%
Inflation Sensitive	4.0%

The information in the preceding table is based on 30-year expectations developed with the consulting actuary and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2017 is 1.3%.

Discount Rate: The discount rate used to measure the total pension liability was lowered from 7.25% to 7.20% for the December 31, 2016 valuation. The discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension liability is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the plan at June 30, 2017 calculated using the discount rate of 7.20%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.20%) or 1-percentage point higher (8.20%) than the current rate:

Net Pension Liability		
1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
\$ 36,354,209.00	\$ 17,661,272.00	\$ 1,998,974.00

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended June 30, 2018, the University recognized pension expense of \$4,795,792.00. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Employer Balances of Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions by Classification:		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 382,864.00	\$ 577,792.00
Changes of Assumptions	2,790,215.00	
Net Difference Between Projected and Actual Earnings on Plan Investments	2,390,169.00	
Change in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	85,689.00	173,550.00
Contributions Subsequent to the Measurement Date	3,940,488.00	
Total	\$ 9,589,425.00	\$ 751,342.00

The amount of \$3,940,488.00 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Schedule of the Net Amount of the Employer's Balances of Deferred Outflows of Resources and Deferred Inflows of Resources That will be Recognized in Pension Expense:

Year Ended June 30:	Amount
2019	\$ 985,818.00
2020	3,292,464.00
2021	1,575,884.00
2022	(956,571.00)
Total	\$ 4,897,595.00

- B. Defined Contribution Plan** - The Optional Retirement Program (ORP) is a defined contribution pension plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant's death. Faculty and staff of the University may join ORP instead of TSERS. The Board of Governors of the University of North Carolina is responsible for the administration of ORP and designates the companies authorized to offer investment products or the trustee responsible for the investment of contributions under ORP and approves the form and contents of the contracts and trust agreements.

Participants in ORP are immediately vested in the value of employee contributions. The value of employer contributions is vested after five years of participation in ORP. Participants become eligible to receive distributions when they terminate employment or retire.

Participant eligibility and contributory requirements are established by General Statute 135-5.1. Member and employer contribution rates are set each year by the North Carolina General Assembly. For the year ended June 30, 2018, these rates were set at 6% of covered payroll for members and 6.84% of covered payroll for employers. The University assumes no liability other than its contribution.

For the current fiscal year, the University had a total payroll of \$64,084,858.83, of which \$20,810,491.80 was covered under ORP. Total employee and employer contributions for pension benefits for the year were \$1,248,629.51 and \$1,423,437.64, respectively. The amount of expense recognized in the current year related to ORP is equal to the employer contributions. A total of \$22,006.24 in forfeitures was reflected in pension expense for the fiscal year 2018.

NOTE 14 - OTHER POSTEMPLOYMENT BENEFITS

The University participates in two postemployment benefit plans, the Retiree Health Benefit Fund and the Disability Income Plan of North Carolina, that are administered by the State of North Carolina as pension and other employee benefit trust funds. Each plan's financial information, including all information about the plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2017 *Comprehensive Annual Financial Report*. An electronic version of this report is available on the North Carolina Office of the State Controller's website at <https://www.osc.nc.gov/> or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

A. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements of these plans were prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan. The fiduciary net position of

each plan was determined using the same basis as the other postemployment benefit (OPEB) plans.

Methods Used to Value Plan Investments: Pursuant to *North Carolina General Statutes*, the State Treasurer is the custodian and administrator of the other postemployment benefits funds. The State Treasurer maintains various investment portfolios in its External Investment Pool. The Retiree Health Benefit Fund participates in the External Investment Pool. The Disability Income Plan of North Carolina is invested in the Short-Term Investment Portfolio of the External Investment Pool and the Bond Index External Investment Pool. The investment balance of each other employee benefit trust fund represents its share of the fair market value of the net position of the various portfolios within the pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2017 *Comprehensive Annual Financial Report*.

B. Plan Descriptions

1. Health Benefits

Plan Administration: The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the State's financial reporting entity also participate. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Plan Board of Trustees.

The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of eligible former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments that are not part of the State's financial reporting entity also participate.

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS). RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the Plan. The State Treasurer, with the approval of the Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the Plan.

Benefits Provided: Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees as described in Note 15. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan options or the self-funded Traditional 70/30 Preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from RHBF are long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of TSERS, the Consolidated Judicial Retirement System, the Legislative Retirement System, the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium.

The Plan's and RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBF does not provide for automatic post-retirement benefit increases.

Contributions: Contribution rates to RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. The University's contractually-required contribution rate for the year ended June 30, 2018 was 6.05% of covered payroll. The University's contributions to the RHBF were \$3,470,533.12 for the year ended June 30, 2018.

2. Disability Income

Plan Administration: As discussed in Note 15, short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer,

defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain participating component units, LEAs which are not part of the reporting entity, and the University Employees' ORP. By statute, DIPNC is administered by the Department of State Treasurer and the Board of Trustees of TSERS.

Benefits Provided: Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or the University Employees' ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age.

For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits

been awarded. When an employee qualifies for an unreduced service retirement allowance from TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under TSERS or the University Employees' ORP.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions: Although DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State's fiscal year. The University's contractually-required contribution rate for the year ended June 30, 2018 was 0.14% of covered payroll. The University's contributions to DIPNC were \$80,309.86 for the year ended June 30, 2018.

Net OPEB Liability (Asset)

Net OPEB Liability: At June 30, 2018, the University reported a liability of \$99,363,488.00 for its proportionate share of the collective net OPEB liability for RHBF. The net OPEB liability was measured as of June 30, 2017. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016, and update procedures were used to roll forward the total OPEB liability to June 30, 2017. The University's proportion of the net OPEB liability was based on the present value of future salaries for the University relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2017, the University's proportion was 0.30306%, which was a decrease of 0.03453 from its proportion measured as of June 30, 2016, which was 0.33759%.

Net OPEB Asset: At June 30, 2018, the University reported an asset of \$199,037.00 for its proportionate share of the collective net OPEB asset for DIPNC. The net OPEB asset was measured as of June 30, 2017. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2016, and update procedures were used to roll forward the total OPEB asset to June 30, 2017. The University's proportion of the net OPEB asset was based on the present value of future salaries for the University relative to the present value of future salaries for all participating employers, actuarially-determined. As of

June 30, 2017, the University's proportion was 0.32565%, which was no change from its proportion measured as of June 30, 2016, which was 0.32565%.

Actuarial Assumptions: The total OPEB liabilities (assets) for RHBF and DIPNC were determined by actuarial valuations as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liabilities (assets) were then rolled forward to June 30, 2017 utilizing update procedures incorporating the actuarial assumptions.

	Retiree Health Benefit Fund	Disability Income Plan of N.C.
Valuation Date	12/31/2016	12/31/2016
Inflation	2.75%	3.00%
Salary Increases*	3.50% - 8.10%	3.50% - 8.10%
Investment Rate of Return**	7.20%	3.75%
Healthcare Cost Trend Rate - Medical	5.00% - 6.50%	N/A
Healthcare Cost Trend Rate - Prescription Drug	5.00% - 7.25%	N/A
Healthcare Cost Trend Rate - Medicare Advantage	4.00% - 5.00%	N/A
Healthcare Cost Trend Rate - Administrative	3.00%	N/A

* Salary increases include 3.5% inflation and productivity factor.

** Investment rate of return is net of pension plan investment expense, including inflation.

N/A - Not Applicable

The OPEB plans currently use mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The projected long-term investment returns and inflation assumptions are developed through a review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projects are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. DIPNC is primarily invested in the Bond Index Investment Pool as of June 30, 2017.

Best estimates of real rates of return for each major asset class included in RHBF's target asset allocation as of June 30, 2017 (the valuation date) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed Income	1.4%
Global Equity	5.3%
Real Estate	4.3%
Alternatives	8.9%
Opportunistic Fixed Income	6.0%
Inflation Sensitive	4.0%

The information in the preceding table is based on 30-year expectations developed with the consulting actuary and is part of the asset, liability, and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2017 is 1.3%.

Actuarial valuations of the plans involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial assumptions used for RHBF are consistent with those used to value the pension benefits of TSERS where appropriate. These assumptions are based on the most recent pension valuations available. The discount rate used for RHBF reflects a pay-as-you-go approach.

Projections of benefits for financial reporting purposes of the plans are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and historical pattern of sharing of benefit costs between the employer and plan members to that point. Historically, the benefits funded solely by employer contributions applied equally to all retirees. Currently, as described earlier in the note, benefits are dependent on membership requirements.

The actuarial methods and assumptions used for DIPNC include techniques that are designed to reduce the effects of short-term volatility

in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions used in the December 31, 2016 valuations were based on the results of an actuarial experience study prepared as of December 31, 2014.

Discount Rate: The discount rate used to measure the total OPEB liability for RHBF was 3.58%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.58% was used as the discount rate used to measure the total OPEB liability. The 3.58% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2017.

The discount rate used to measure the total OPEB asset for DIPNC was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB asset.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate: The following presents the University's proportionate share of the net OPEB liability (asset) of the plans, as well as what the plans' net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

Net OPEB Liability (Asset)				
	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)	
RHBF	\$ 118,534,524.00	\$ 99,363,488.00	\$ 84,157,519.00	
	1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)	
DIPNC	\$ (169,211.00)	\$ (199,037.00)	\$ (228,932.00)	

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability (asset) of the plans, as well as what the plans' net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage

point lower or 1-percentage point higher than the current healthcare cost trend rates:

	1% Decrease (Medical - 4.00 - 5.50%, Pharmacy - 4.00 - 6.25%, Med. Advantage - 3.00 - 4.00%, Administrative - 2.00%)	Current Healthcare Cost Trend Rates (Medical - 5.00 - 6.50%, Pharmacy - 5.00 - 7.25%, Med. Advantage - 4.00 - 5.00%, Administrative - 3.00%)	1% Increase (Medical - 6.00 - 7.50%, Pharmacy - 6.00 - 8.25%, Med. Advantage - 5.00 - 6.00%, Administrative - 4.00%)
RHBF Net OPEB Liability	\$ 81,170,539.00	\$ 99,363,488.00	\$ 123,543,442.00
DIPNC Net OPEB Asset	N/A	N/A	N/A

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2018, the University recognized OPEB expense of \$2,486,865.00 for RHBF and \$108,917.00 for DIPNC. At June 30, 2018, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Employer Balances of Deferred Outflows of Resources Related to OPEB by Classification:			
	RHBF	DIPNC	Total
Differences Between Actual and Expected Experience	\$ 0.00	\$ 40,004.51	\$ 40,004.51
Changes of Assumptions			
Net Difference Between Projected and Actual Earnings on Plan Investments		29,059.51	29,059.51
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions		9,507.00	9,507.00
Contributions Subsequent to the Measurement Date	3,470,533.12	80,309.86	3,550,842.98
Total	\$ 3,470,533.12	\$ 158,880.88	\$ 3,629,414.00

Employer Balances of Deferred Inflows of Resources
Related to OPEB by Classification:

	RHBFB	DIPNC	Total
Differences Between Actual and Expected Experience	\$ 7,124,545.00	\$ 0.00	\$ 7,124,545.00
Changes of Assumptions	27,364,251.00		27,364,251.00
Net Difference Between Projected and Actual Earnings on Plan Investments	36,928.00		36,928.00
Changes in Proportion and Differences Between Employer's Contributions and Proportionate Share of Contributions	12,197,075.00		12,197,075.00
Total	\$ 46,722,799.00	\$ 0.00	\$ 46,722,799.00

Amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability related to RHBFB and an increase of the net OPEB asset related to DIPNC in the fiscal year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Schedule of the Net Amount of the Employer's Balances of Deferred Outflows
of Resources and Deferred Inflows of Resources That will be Recognized in
OPEB Expense:

<u>Year Ended June 30:</u>	RHBFB	DIPNC
2019	\$ (9,346,406.00)	\$ 22,560.34
2020	(9,346,406.00)	22,560.34
2021	(9,346,406.00)	22,551.34
2022	(9,346,406.00)	10,899.00
2023	(9,337,175.00)	
Total	\$ (46,722,799.00)	\$ 78,571.02

NOTE 15 - RISK MANAGEMENT

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

A. Employee Benefit Plans**1. State Health Plan**

University employees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan is funded by employer contributions. Certain plans also require contributions from employees. The Plan has contracted with third parties to process claims. See Note 14, Other Postemployment Benefits, for additional information regarding retiree health benefits.

2. Death Benefit Plan of North Carolina

Term life insurance (death benefits) of \$25,000 to \$50,000 is provided to eligible workers. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.16% for the current fiscal year.

3. Disability Income Plan

Short-term and long-term disability benefits are provided to University employees through the Disability Income Plan of North Carolina (DIPNC), part of the State's Pension and Other Employee Benefit Trust Funds. Short-term benefits are paid by the University up to the first six months of benefits and reimbursed by DIPNC for any additional short-term benefits. As discussed in Note 14, long-term disability benefits are payable as other postemployment benefits from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled.

B. Other Risk Management and Insurance Activities**1. Automobile, Fire, and Other Property Losses**

The University is required to maintain fire and lightning coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Such coverage is provided at no cost to the University for operations supported by the State's General Fund. Other operations not supported by the State's General Fund are charged for the coverage. Losses covered by the Fund are subject to a \$5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium. The University also purchased through the Fund "all-risk" coverage against losses caused by fire, windstorm or hail, explosion, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice, or sleet, water damage, theft, and any other loss not specifically excluded on certain buildings and contents.

All state-owned vehicles are covered by liability insurance through a private insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are \$1,000,000 per claim and \$10,000,000 per occurrence. The University pays premiums to the North Carolina Department of Insurance for the coverage.

2. Public Officers' and Employees' Liability Insurance

The risk of tort claims of up to \$1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to \$10,000,000 via contract with a private insurance company. The University pays the premium, based on a composite rate, directly to the private insurer.

3. Employee Dishonesty and Computer Fraud

The University is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. Universities are charged a premium by the private insurance company. Coverage limit is \$5,000,000 per occurrence. The private insurance company pays 90% of each loss less a \$100,000 deductible.

4. Statewide Workers' Compensation Program

The North Carolina Workers' Compensation Program provides benefits to workers injured on the job. All employees of the State and its component units are included in the program. When an employee is injured, the University's primary responsibility is to arrange for and provide the necessary treatment for work related injury. The University is responsible for paying medical benefits and compensation in accordance with the North Carolina Workers' Compensation Act. The University retains the risk for workers' compensation.

Additional details on the state-administered risk management programs are disclosed in the State's *Comprehensive Annual Financial Report*, issued by the Office of the State Controller.

NOTE 16 - COMMITMENTS AND CONTINGENCIES

- A. **Commitments** - The University has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments on construction contracts were \$40,253,501.27 and on other purchases were \$1,909,518.99 at June 30, 2018.
- B. **Pending Litigation and Claims** - The University is a party to litigation and claims in the ordinary course of its operations. Since it is not possible to

predict the ultimate outcome of these matters, no provision for any liability has been made in the financial statements. University management is of the opinion that the liability, if any, for any of these matters will not have a material adverse effect on the financial position of the University.

NOTE 17 - CHANGES IN FINANCIAL ACCOUNTING AND REPORTING

For the fiscal year ended June 30, 2018, the University implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*

GASB Statement No. 85, *Omnibus 2017*

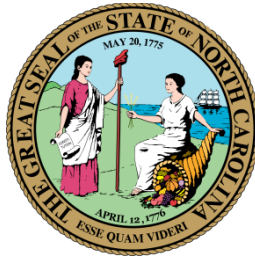
GASB Statement No. 75 improves accounting and financial reporting requirements by state and local governments for postemployment benefits other than pensions (OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. In addition, this Statement details the recognition and disclosure requirements for employers with payables to defined benefit OPEB plans that are administered through trusts that meet the specified criteria and for employers whose employees are provided with defined contribution OPEB.

GASB Statement No. 85 addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and OPEB).

NOTE 18 - NET POSITION RESTATEMENT

As of July 1, 2017, net position as previously reported was restated as follows:

	Amount
July 1, 2017 Net Position as Previously Reported	\$ 145,332,133.42
Restatement:	
Record the University's Net OPEB Asset and Liability and OPEB Related Deferred Outflows and Inflows of Resources Per GASB 75 Requirements.	(143,183,762.00)
July 1, 2017 Net Position as Restated	<u>\$ 2,148,371.42</u>



REQUIRED SUPPLEMENTARY INFORMATION

Winston-Salem State University
Required Supplementary Information
Schedule of the Proportionate Net Pension Liability
Teachers' and State Employees' Retirement System
Last Five Fiscal Years

Exhibit C-1

	2017	2016	2015	2014	2013
Proportionate Share Percentage of Collective Net Pension Liability	0.22259%	0.23152%	0.23991%	0.24667%	0.24290%
Proportionate Share of TSERS Collective Net Pension Liability	\$ 17,661,272.00	\$ 21,279,080.00	\$ 8,841,159.00	\$ 2,892,011.00	\$ 14,746,505.00
Covered Payroll	\$ 35,447,028.56	\$ 35,253,636.84	\$ 35,992,422.42	\$ 36,471,278.37	\$ 36,534,751.72
Net Pension Liability as a Percentage of Covered Payroll	49.82%	60.36%	24.56%	7.93%	40.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.51%	87.32%	94.64%	98.24%	90.60%

Note: Information is presented for all years that were measured in accordance with the requirements of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, as amended.

Winston-Salem State University
Required Supplementary Information
Schedule of University Contributions
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years

Exhibit C-2

	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 3,940,488.00	\$ 3,537,613.45	\$ 3,225,707.77	\$ 3,293,306.65	\$ 3,169,354.09
Contributions in Relation to the Contractually Determined Contribution	3,940,488.00	3,537,613.45	3,225,707.77	3,293,306.65	3,169,354.09
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 36,553,692.04	\$ 35,447,028.56	\$ 35,253,636.84	\$ 35,992,422.42	\$ 36,471,278.37
Contributions as a Percentage of Covered Payroll	10.78%	9.98%	9.15%	9.15%	8.69%

	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 3,043,344.82	\$ 2,665,555.35	\$ 1,729,323.28	\$ 1,228,010.43	\$ 1,199,279.42
Contributions in Relation to the Contractually Determined Contribution	3,043,344.82	2,665,555.35	1,729,323.28	1,228,010.43	1,199,279.42
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 36,534,751.72	\$ 35,827,356.81	\$ 35,077,551.34	\$ 34,398,051.26	\$ 35,692,839.96
Contributions as a Percentage of Covered Payroll	8.33%	7.44%	4.93%	3.57%	3.36%

Note: Changes in benefit terms, methods, and assumptions are presented in the Notes to Required Supplementary Information (RSI) schedule following the pension RSI tables.

Winston-Salem State University
Notes to Required Supplementary Information
Schedule of University Contributions
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years

Changes of Benefit Terms:

				<u>Cost of Living Increase</u>					
<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
N/A	N/A	N/A	1.00%	N/A	N/A	N/A	2.20%	2.20%	3.00%

Changes of assumptions. In 2015, the actuarial assumptions were updated to more closely reflect actual experience. In 2015, the North Carolina Retirement Systems' consulting actuaries performed the quinquennial investigation of each retirement systems' actual demographic and economic experience (known as the "Experience Review"). The Experience Review provides the basis for selecting the actuarial assumptions and methods used to determine plan liabilities and funding requirements. The most recent Experience Review examined each plan's experience during the period between January 1, 2010, and December 31, 2014. Based on the findings, the Board of Trustees of the Teachers' and State Employees' Retirement System adopted a number of new actuarial assumptions and methods. The most notable changes to the assumptions include updates to the mortality tables and the mortality improvement projection scales to reflect reduced rates of mortality and significant increases in mortality improvements. These assumptions were adjusted to reflect the mortality projection scale MP-2015, released by the Society of Actuaries in 2015. In addition, the assumed rates of retirement, salary increases, and rates of termination from active employment were reduced to more closely reflect actual experience. The discount rate for Teachers' and State Employees' Retirement System was lowered from 7.25% to 7.20% for the December 31, 2016 valuation.

The Board of Trustees also adopted a new asset valuation method for the Teachers' and State Employees' Retirement System. For determining plan funding requirements, these plans now use a five-year smoothing method with a reset of the actuarial value of assets to market value as of December 31, 2014.

The Notes to Required Supplementary Information reflect the most recent available information included in the State of North Carolina's 2017 *Comprehensive Annual Financial Report*.

Winston-Salem State University
Required Supplementary Information
Schedule of the Proportionate Net OPEB Liability or Asset
Cost-Sharing, Multiple-Employer, Defined Benefit OPEB Plans
Last Two Fiscal Years

Exhibit C-3

	<u>2017</u>	<u>2016</u>
Retiree Health Benefit Fund		
Proportionate Share Percentage of Collective Net OPEB Liability	0.30306%	0.33759%
Proportionate Share of Collective Net OPEB Liability	\$ 99,363,488.00	\$ 146,863,125.00
Covered Payroll	\$ 56,169,626.15	\$ 55,545,610.59
Net OPEB Liability as a Percentage of Covered Payroll	176.90%	264.40%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.52%	2.41%
Disability Income Plan of North Carolina		
Proportionate Share Percentage of Collective Net OPEB Asset	0.32565%	0.32565%
Proportionate Share of Collective Net OPEB Asset	\$ 199,037.00	\$ 202,229.00
Covered Payroll	\$ 56,169,626.15	\$ 55,545,610.59
Net OPEB Asset as a Percentage of Covered Payroll	0.35%	0.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Asset	116.23%	116.06%

Note: Information is presented for all years that were measured in accordance with the requirements of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Winston-Salem State University
Required Supplementary Information
Schedule of University Contributions
Cost-Sharing, Multiple-Employer, Defined Benefit OPEB Plans
Last Ten Fiscal Years

Exhibit C-4

	2018	2017	2016	2015	2014
Retiree Health Benefit Fund					
Contractually Required Contribution	\$ 3,470,533.12	\$ 3,263,455.28	\$ 3,110,554.19	\$ 3,079,732.92	\$ 3,121,030.81
Contributions in Relation to the Contractually Determined Contribution	<u>3,470,533.12</u>	<u>3,263,455.28</u>	<u>3,110,554.19</u>	<u>3,079,732.92</u>	<u>3,121,030.81</u>
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 57,364,183.84	\$ 56,169,626.15	\$ 55,545,610.59	\$ 56,097,138.83	\$ 57,796,866.84
Contributions as a Percentage of Covered Payroll	6.05%	5.81%	5.60%	5.49%	5.40%
	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 3,104,043.14	\$ 2,869,683.18	\$ 2,782,760.77	\$ 2,507,221.48	\$ 2,369,931.43
Contributions in Relation to the Contractually Determined Contribution	<u>3,104,043.14</u>	<u>2,869,683.18</u>	<u>2,782,760.77</u>	<u>2,507,221.48</u>	<u>2,369,931.43</u>
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 58,566,851.65	\$ 57,393,663.69	\$ 56,791,036.03	\$ 55,716,032.99	\$ 57,803,205.51
Contributions as a Percentage of Covered Payroll	5.30%	5.00%	4.90%	4.50%	4.10%
Disability Income Plan of North Carolina					
	2018	2017	2016	2015	2014
Contractually Required Contribution	\$ 80,309.86	\$ 213,444.58	\$ 227,737.00	\$ 229,998.27	\$ 254,306.21
Contributions in Relation to the Contractually Determined Contribution	<u>80,309.86</u>	<u>213,444.58</u>	<u>227,737.00</u>	<u>229,998.27</u>	<u>254,306.21</u>
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 57,364,183.84	\$ 56,169,626.15	\$ 55,545,610.59	\$ 56,097,138.83	\$ 57,796,866.84
Contributions as a Percentage of Covered Payroll	0.14%	0.38%	0.41%	0.41%	0.44%
	2013	2012	2011	2010	2009
Contractually Required Contribution	\$ 257,694.15	\$ 298,447.06	\$ 295,313.39	\$ 289,723.37	\$ 300,576.67
Contributions in Relation to the Contractually Determined Contribution	<u>257,694.15</u>	<u>298,447.06</u>	<u>295,313.39</u>	<u>289,723.37</u>	<u>300,576.67</u>
Contribution Deficiency (Excess)	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Covered Payroll	\$ 58,566,851.65	\$ 57,393,663.69	\$ 56,791,036.03	\$ 55,716,032.99	\$ 57,803,205.51
Contributions as a Percentage of Covered Payroll	0.44%	0.52%	0.52%	0.52%	0.52%

Note: Changes in benefit terms, methods, and assumptions are presented in the Notes to Required Supplementary Information (RSI) schedule following the OPEB RSI tables.

Winston-Salem State University
Notes to Required Supplementary Information
Schedule of University Contributions
Cost-Sharing, Multiple-Employer, Defined Benefit OPEB Plans
Last Ten Fiscal Years

Changes of Benefit Terms: Effective January 1, 2016, benefit terms related to copays, out-of-pocket maximums, and deductibles were changed for three of four options of the Retiree Health Benefit Fund. Most of the changes were an increase in the amount from the previous year.

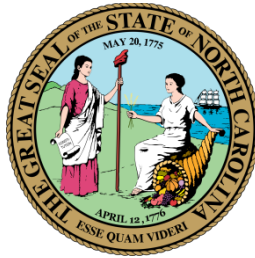
Effective January 1, 2017, benefit terms related to copays, coinsurance maximums, out-of-pocket maximums, and deductibles were changed for two of four options of the Retiree Health Benefit Fund. Most of the changes were an increase in the amount from the previous year.

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: An actuarial valuation is performed for each plan each year. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated by the actuary as a projection of the required employer contribution for the fiscal year beginning six months following the date of the valuation results for the Retiree Health Benefit Fund. The actuarially determined contribution rates in the Schedule of Employer Contributions are calculated by the actuary as a projection of the required employer contribution for the fiscal year beginning 18 months following the date of the valuation results for the Disability Income Plan of North Carolina. See Note 14 for more information on the specific assumptions for each plan. The actuarially determined contributions for those items with covered payroll were determined using the actuarially determined contribution rate from the actuary and covered payroll as adjusted for timing differences and other factors such as differences in employee class. Other actuarially determined contributions are disclosed in the schedule as expressed by the actuary in reports to the plans.

Changes of assumptions: In 2015, the North Carolina Retirement Systems' consulting actuaries performed the quinquennial investigation of each retirement system's actual demographic and economic experience (known as the "Experience Review"). The Experience Review provides the basis for selecting the actuarial assumptions and methods used to determine plan liabilities and funding requirements. The most recent experience review examined each plan's experience during the period between January 1, 2010, and December 31, 2014. Based on the findings, the Boards of Trustees of the Teachers' and State Employees' Retirement System and the State Health Plan adopted a number of new actuarial assumptions and methods for the Retiree Health Benefit Fund and the Disability Income Plan of North Carolina. The most notable changes to the assumptions include updates to the mortality tables and the mortality improvement projection scales to reflect reduced rates of mortality and significant increases in mortality improvements. These assumptions were adjusted to reflect the mortality projection scale MP-2015, released by the Society of Actuaries in 2015. In addition, the assumed rates of retirement and rates of termination from active employment were reduced to more closely reflect actual experience.

In 2017, the medical and prescription health trend rates used in the December 31, 2016 actuarial valuation of the Retiree Health Benefit Fund were reduced based upon the plan's most recent experience.

The Notes to Required Supplementary Information reflect the most recent available information included in the State of North Carolina's 2017 *Comprehensive Annual Financial Report*.



INDEPENDENT AUDITOR'S REPORT

STATE OF NORTH CAROLINA
Office of the State Auditor



Beth A. Wood, CPA
State Auditor

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**INDEPENDENT AUDITOR'S REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Winston-Salem State University
Winston-Salem, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Winston-Salem State University (University), a constituent institution of the multi-campus University of North Carolina System, which is a component unit of the State of North Carolina, and its discretely presented component unit, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated December 13, 2018. Our report includes a reference to other auditors who audited the consolidated financial statements of the Winston-Salem State University Foundation, Inc. and Subsidiary, as described in our report on the University's financial statements. The consolidated financial statements of the Winston-Salem State University Foundation, Inc. and Subsidiary were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the entity.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable

possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

December 13, 2018

ORDERING INFORMATION

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For additional information contact:
Brad Young
Director of External Affairs
919-807-7513



This audit required 650 hours at an approximate cost of \$66,950.

STATE OF NORTH CAROLINA
Office of the State Auditor

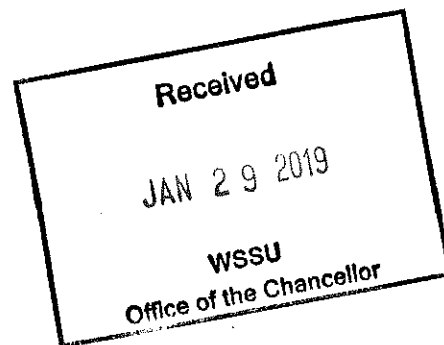


Beth A. Wood, CPA
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January 22, 2019

Robert C. Clark
Audit, Risk, and Compliance Committee Chair
Winston-Salem State University
2815 Country Club Road
Winston-Salem, North Carolina 27104



Dear Mr. Clark:

We have completed our financial statement audit at Winston-Salem State University for the year ended June 30, 2018, and have issued our report thereon dated December 13, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Auditor's Responsibility

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. We made reference to the report of another auditor as a basis, in part, for our opinions on the basic financial statements. During the course of the audit, we performed certain procedures to ensure that the other auditor was independent and professionally competent, which included obtaining certain confirmations directly from the other auditor. We also reviewed the other auditor's report to ensure that it contained all required information and that the audit was conducted in accordance with generally accepted auditing standards. We did not assume responsibility for, and thus were not required to be involved in the work of the component auditor. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements 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 entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Winston-Salem State University solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, material weaknesses may exist that have not been identified.

Compliance with Independence Requirements

We have complied with all relevant independence requirements.

Qualitative Aspects of the Entity's Significant Accounting Practices

Management, along with the Office of the State Controller, has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Winston-Salem State University is included in the notes to the financial statements.

The University changed accounting policies related to other postemployment benefit plans by adopting Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended by Statement No. 85, *Omnibus 2017*. This statement establishes standards of measuring and recognizing assets, deferred outflows of resources, liabilities, deferred inflows of resources, and expenditures related to postemployment benefits other than pensions. The implementation of these standards also includes new requirements for note disclosures and required supplementary information intended to provide users with a more comprehensive and transparent understanding of postemployment benefits other than pension plans. Accordingly, the cumulative effect of the accounting change as of the beginning of the year is reported in the financial statements. In accordance with the terms of our engagement letter, we advised management about the appropriateness of accounting policies and their application.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial

statements as a whole and each applicable opinion unit. There were no uncorrected financial statement misstatements.

In addition, professional standards require us to accumulate all material corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. No such disagreement arose during the course of the audit.

Representations Requested from Management

We have requested certain representations from management that are included in the attached management representation letter dated December 13, 2018.

Management Consultations with Other Independent Accountants

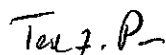
In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, there were no such consultations with other accountants.

Other Matters

This information is intended solely for the use of the Winston-Salem State University Board of Trustees, the Audit, Risk, and Compliance Committee of Winston-Salem State University, and management of Winston-Salem State University and is not intended to be and should not be used by anyone other than those specified parties. If you have any questions about these matters, please contact the Financial Audit Director at (919) 807-7514.

Sincerely,

BETH A. WOOD, CPA
STATE AUDITOR



Ted F. Price, CPA
Financial Audit Director

BAW/TFP:ae

cc: Dr. Elwood L. Robinson, Chancellor
Constance G. Mallette, Vice Chancellor for Finance and Administration
Frank Lord, Associate Vice Chancellor for Financial Services and Controller
Dr. William U. Harris, Board Chair

Attachment



December 13, 2018

The Honorable Beth A. Wood, State Auditor
Office of the State Auditor
2 South Salisbury Street
20601 Mail Service Center
Raleigh, North Carolina 27699-0600

Dear Auditor Wood:

We are providing this letter in connection with your audit of the basic financial statements of Winston-Salem State University as of June 30, 2018, and for the year then ended for the purpose of expressing an opinion as to whether the basic financial statements present fairly, in all material respects, the financial position of Winston-Salem State University and the results of its operations and, where applicable, cash flows in conformity with accounting principles generally accepted in the United States of America. We confirm that we are responsible for the fair presentation of Winston-Salem State University's basic financial statements in conformity with the aforementioned accounting principles.

Along with the Office of the State Controller, we are responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement, for the preparation and fair presentation of the basic financial statements of Winston-Salem State University in conformity with accounting principles generally accepted in the United States of America.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatements, whether due to fraud or error.
3. We have provided you with:

WINSTON-SALEM STATE UNIVERSITY
200 BLAIR HALL • WINSTON-SALEM, NORTH CAROLINA • 27110
PHONE: 336-750-2041 • FAX: 336-750-2049 • E-MAIL: robinsonel@wsu.edu

Winston-Salem State University is a constituent institution of the University of North Carolina
An Equal Opportunity Employer

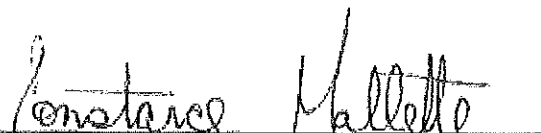
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements, such as records, documentation, and other matters.
 - b. Additional information that you have requested from us for purposes of the audit, including minutes of meetings of the Winston-Salem State University Board of Trustees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
4. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, nor are we aware of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects we should have considered when preparing the basic financial statements.
5. All transactions have been properly recorded in the accounting records underlying the basic financial statements and supplementary information.
6. We are in agreement with the adjusting journal entries and related notes and cash flow statement changes you have recommended, and they have been posted.
7. We have disclosed to you any risks that we have identified that the basic financial statements may be materially misstated as a result of fraud.
8. We acknowledge our responsibility for the design, implementation, and maintenance of programs and internal controls to prevent and detect fraud.
9. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's basic financial statements received in communications from employees, former employees, analysts, governmental agencies, regulators, or others.
11. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
12. The following have been properly recorded or disclosed in the basic financial statements:
 - a. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which Winston-Salem State University is contingently liable.

- c. All accounting estimates that could be material to the basic financial statements. We believe the estimates and the key factors and assumptions underlying those estimates, including those measured at fair value, are reasonable in the circumstances.
- 13. We are responsible for compliance with all laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of basic financial statement amounts.
- 14. There are no:
 - a. Violations or possible violations of laws, regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the basic financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Items of which we are aware involving pending or threatened litigation, claims, or assessments or unasserted claims or assessments whose effects we should have considered when preparing the basic financial statements, or that are required to be disclosed in the basic financial statements in accordance with accounting principles generally accepted in the United States of America, and we have not consulted legal counsel concerning litigation, claims, or assessments.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by accounting principles generally accepted in the United States of America.
- 15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 16. Winston-Salem State University or the State of North Carolina has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 17. To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the date of the basic financial statements and through the date of this letter that would require adjustment to or disclosure in the aforementioned basic financial statements or in the supplementary information.
- 18. With respect to the basic financial statements:
 - a. All component units, joint ventures, and/or related organizations are properly reported/disclosed.
 - b. All funds and activities are properly classified.
 - c. Equity accounts are properly classified.
 - d. Investments are properly valued.

- e. Provisions for uncollectible receivables have been properly identified and recorded.
 - f. Expenses have been appropriately classified and allocated.
 - g. Revenues are appropriately classified.
 - h. Interfund, internal, and intra-equity activity and balances have been appropriately classified and reported.
 - i. Capital assets are properly capitalized, reported, and if applicable, depreciated.
19. With respect to information required by the Governmental Accounting Standards Board (GASB) to be presented with the basic financial statements (required supplementary information or RSI, including Management's Discussion and Analysis):
- a. We acknowledge our responsibility for the RSI.
 - b. RSI is presented and measured according to authoritative guidelines on a basis consistent with that of the prior year.
 - c. RSI is consistent with the basic financial statements.
 - d. We have disclosed any significant assumptions or interpretations underlying the measurement or presentation of the RSI.
 - e. Management's discussion and analysis (MD&A) is based on facts, decisions, or conditions currently known to management and does not contain forecasts or other prospective information.
20. To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the date of the basic financial statements and through the date of this letter that would require adjustment to or disclosure in the aforementioned basic financial statements as pertains to the Winston-Salem State University Foundation, Inc. and Subsidiary, Winston-Salem State University's discretely presented component unit.



Chief Executive Officer



Chief Financial Officer

February 22, 2019

Mr. Brian Anthony
General Manager
WSNC-FM Winston-Salem State University
601 South Martin Luther King Jr. Drive
Winston-Salem, North Carolina 27110

Mr. Anthony,

Please find enclosed the following ***final*** documents relating to our audit of WSNC-FM, Winston-Salem State University (the “Station”) for the year ended September 30, 2018:

1. Audited financial statements and compliance

2. Report to the University’s Board of Trustees – AU-C 260

This report relates to communications required under AU-C 260, *The Auditor’s Communication With Those Charged with Governance*. AU-C 260 applies to all nonpublic entities and requires auditors to communicate matters that are significant and relevant to those charged with governance and overseeing the financial reporting process.

The AU-C 260 report is a separate document.

3. Report to the University’s Board of Trustees – AU-C 265

This report relates to communications required under AU-C 265, *Communicating Internal Control and Compliance Related Matters Identified in an Audit*. This Statement establishes standards and provides guidance on the auditor’s responsibilities for identifying, evaluating, and communicating matters related to an entity’s internal control over financial reporting identified in an audit of the financial statements.

The AU-C 265 report has been issued in conjunction with our report on internal control over financial reporting and compliance and other matters on pages 26-27 in the audit report.

4. Management letter comments

The management letter communicates matters noted during an audit that do not rise to the level of those required to be communicated in the AU-C 265 report described above.

There were no management letter comments for the year ended September 30, 2018.

5. Corrected misstatements (audit adjustments)

Professional standards require us to communicate all known and likely misstatements identified during an audit, other than those that are trivial, and communicate them to the appropriate level of management.

An audit adjustment is defined as a proposed correction of the financial statements that may not have been detected except through our auditing procedures.

The five (5) audit adjustments for the year ended September 30, 2018 are enclosed.

6. Uncorrected misstatements (passed audit adjustments)

A passed audit adjustment is an observation detected through our auditing procedures that is not corrected (reported as an audit adjustment) due to its immateriality in relation to the financial statements as a whole.

There were no passed audit adjustments for the year ended September 30, 2018.

7. Adjusted trial balance (Grouping Schedule Report)

This report, which supports balances reported in the September 30, 2018 audited financial statements, presents the Station's final trial balance after inclusion of the five (5) audit adjustments.

We truly appreciate the courtesy and professionalism exhibited by the Station's management team and staff throughout this engagement.

Please call me or Zac Giles, staff accountant, if you have any questions. I can be reached at (919) 544-0555, extension 105 and Zac is at extension 114.

Sincerely,



Bruce L. Thomas, CPA, Esq.
Member

Enclosures

WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

Audited Financial Statements

Years Ended September 30, 2018 and 2017

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Fayetteville Road Office Park
6114 Fayetteville Road, Suite 101
Durham, North Carolina 27713

919/ 544-0555 Phone
919/ 544-0556 Fax
866/ 956-5544 Toll Free
Certified Public Accountants
and Consultants

Report of Independent Auditors

To the Board of Trustees
WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of WSNC-FM, Winston-Salem State University (the “Station”), a public telecommunications entity operated by Winston-Salem State University (the “University”) as of and for the years ended September 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Station’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Station’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Station as of September 30, 2018 and 2017, and the respective changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters - Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 3 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 21, 2019 on our consideration of the Station's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control over financial reporting and compliance.



Durham, North Carolina
February 21, 2019

Introduction to the Reporting Entity

The following discussion and analysis is an overview of the financial position and activities of WSNC-FM (the “Station”), a public radio station operated by Winston-Salem State University (the “University”), during the fiscal years ended September 30, 2018 and 2017. The discussion has been prepared by management and should be read in conjunction with the financial statements and the accompanying notes that follow. The Station is an instrumentality of the University and is therefore not a separate legal entity from the University.

Overview of the Financial Statements

The Station’s financial report includes three basic financial statements: the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. The financial statements of the Station were prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities*.

The Statement of Net Position presents the financial position of the Station and includes all assets and liabilities of the Station. Over time, increases or decreases in net position is one indicator of the improvement or erosion of the Station’s financial health when considered with nonfinancial facts.

The Statement of Net Position provides information about assets and liabilities in a format that distinguishes between current and noncurrent. Individual assets and liabilities are classified as current or noncurrent based on whether they are expected to generate or use cash within the next 12 months after the end of the fiscal period.

Net position, or the difference between total assets and total liabilities, are divided into three major components. The first component, invested in capital assets, net or related debt, consists of capital assets, net accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages or notes that are attributable to the acquisition, construction, or improvement of those assets. The next component, restricted net position, is divided into two categories: expendable and nonexpendable. Net position are assets restricted when constraints are placed on them by either external parties (creditors, grantors, donors, etc.) or by enabling legislation or constitutional provisions. Nonexpendable net position is required to be retained in perpetuity. The final component is unrestricted net position, which are available to the Station for any lawful purpose of the University.

The Station’s current assets continue to cover its current liabilities which support the Station’s ability to meet financial obligations as they occur. The statement of cash flows presents information related to cash inflows and outflows summarized by operating and investing activities.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended September 30, 2018 and 2017

A summary of the Station's assets, liabilities, and net position at September 30, 2018 and 2017 is as follows:

Comparative, Condensed Statements of Net Position

	At September 30,			
	<u>2018</u>	<u>2017</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Assets				
Current assets	\$ 67,417	\$ 76,598	\$ (9,181)	-12%
Capital assets, net	30,598	-	30,598	100%
Total assets	<u>98,015</u>	<u>76,598</u>	<u>21,417</u>	<u>28%</u>
Liabilities				
Current liabilities	42,435	45,299	(2,864)	-6%
Total liabilities	<u>42,435</u>	<u>45,299</u>	<u>(2,864)</u>	<u>-6%</u>
Net position				
Net investment in capital assets	30,598	-	30,598	100%
Unrestricted	24,982	31,299	(6,317)	-20%
Total net position	<u>\$ 55,580</u>	<u>\$ 31,299</u>	<u>\$ 24,281</u>	<u>78%</u>

**Net position categories are defined in Note 2 of the notes to the financial statements.*

Fiscal Year 2018 to Fiscal Year 2017 Comparison

Current assets decreased \$9,181 (-12%) from fiscal year 2017 to fiscal year 2018. Current assets consist primarily of cash and cash equivalents, which represents the Station's net claim on cash held by the Foundation. At September 30, 2018 and 2017, cash and cash equivalents totaled \$24,962 and \$31,347, respectively. Due from the University represents the Station's net claim on cash held in the State Institutional Trust Fund account by the University. As revenue and expense transactions occur, the Station's claim on cash increases or decreases.

Capital assets, net increased \$30,598 (100%) during fiscal year 2018 due to the addition of a radio transmitter. Depreciation expense on capital assets was \$7,650 and \$20,737, for the years ended September 30, 2018 and 2017, respectively.

The Station's current liabilities totaled \$42,435 and \$45,299 at September 30, 2018 and 2017, respectively. For 2018, current liabilities consist of accounts payable of \$68 and deferred revenue in the amount of \$42,435. For 2018 and 2017, deferred revenue represents unspent funds from The Corporation for Public Broadcasting ("CPB") received prior to the fiscal year that will be earned when expenditures occur in the subsequent year.

Overall, the Station's net position increased by \$24,281 (78%) during the year ended September 30, 2018 compared to a decrease in net position of \$14,348 (31%) during the year ended September 30, 2017.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended September 30, 2018 and 2017

Comparison of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses generally result from providing goods and services and the cost of providing those goods and services. Non-operating revenues are revenues for which goods and services are not provided.

Years Ended September 30, 2018 and 2017

	2018	2017	Dollar Change	Percentage Change
Operating revenues:				
CPB Community Service grant	\$ 111,265	\$ 82,162	\$ 29,103	35%
Other operating revenues	16,405	23,091	(6,686)	-29%
Total operating revenues	<u>127,670</u>	<u>105,253</u>	<u>22,417</u>	<u>21%</u>
Operating expenses:				
Salaries and benefits	197,260	136,068	61,192	45%
Indirect University and administrative support	82,557	59,151	23,406	40%
Depreciation expense	7,650	20,737	(13,087)	-63%
Dues and subscriptions	34,581	42,667	(8,086)	-19%
Contract services	25,879	15,053	10,826	72%
Other operating expenses	35,279	41,144	(5,865)	-14%
Total operating expenses	<u>383,206</u>	<u>314,820</u>	<u>68,386</u>	<u>22%</u>
Non-operating revenue:				
Direct University and administrative support	197,260	136,068	61,192	45%
Indirect University and administrative support	82,557	59,151	23,406	40%
Total non-operating revenues	<u>279,817</u>	<u>195,219</u>	<u>84,598</u>	<u>43.3%</u>
Change in net position	24,281	(14,348)	38,629	-269%
Net position, beginning of year	31,299	45,647	(14,348)	-31%
Net position, end of year	<u>\$ 55,580</u>	<u>\$ 31,299</u>	<u>\$ 24,281</u>	<u>78%</u>

Fiscal Year 2018 to Fiscal Year 2017 Comparison

Total operating revenues increased by \$22,417 (21%) during fiscal year 2018 due primarily to a \$29,103 (35%) increase in CPB Community Service grant revenue. At September 30, 2018, \$42,435 of CPB funds received during 2018 is reported as deferred revenue that will be recognized in 2019 as expenditures occur.

Total operating expenses increased by \$68,386 (22%) to \$383,206 for the year ended September 30, 2018 compared to \$314,820 for the year ended September 30, 2017. Operating expenses fall into three categories: 1) Program services which represented 52% and 32%, 2) Support services which represented 39% and 52%, and 3) Fundraising which represented 8% and 10% of total operating expenses for the fiscal years ended September 30, 2018 and 2017, respectively.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Years Ended September 30, 2018 and 2017

Condensed Statements of Cash Flows

A very useful measure of financial operations is the statement of cash flows. This statement provides the sources of cash inflows and outflows for major activities: operating, financing, and investing activities. The ending cash and cash equivalents on the statement of cash flows corresponds directly with the sum of the cash and cash equivalents balances on the statement of net position.

Comparative Condensed Statement of Cash Flows

Years Ended September 30,				
	2018	2017	Dollar Change	Percentage Change
Net cash used by operating activities	\$ (247,954)	\$ (194,287)	\$ (53,667)	28%
Net cash used by financing activities	(38,248)	-	84,598	43%
Net cash provided by non-capital financing activities	279,817	195,219	84,598	43%
Net change in cash and cash equivalents	(6,385)	932	(7,317)	-785%
Cash and cash equivalents - beginning of year	31,347	30,415	932	3%
Cash and cash equivalents - end of year	<u>\$ 24,962</u>	<u>\$ 31,347</u>	<u>\$ (6,385)</u>	<u>-20%</u>

Net cash used by operating activities shows net outflows of \$247,954 for the year ended September 30, 2018. The major outflows were payments to employees of \$136,068 for the year ended September 30, 2017. The major source of operating inflow was the receipt of CPB funds of \$82,162 for the year ended September 30, 2018.

Economic Factors for the Future

There are constant challenges to the success and growth of the Station. The economic outlook for the Station is dependent on various influences of the Station's funding sources.

- Corporation for Public Broadcasting: Eligibility for receipt of the Community Service Grant (CSG) is dependent upon stations meeting certain community service goals, successfully submitting the Station Activity Survey (SAS), and the attaining Non-Federal Funding Support (NFFS). Based on these factors, the overall grant will either increase or decrease.
- Underwriting fees: The Station has worked for a number of years to increase private business sponsorship and will continue towards an annual increase in underwriting revenue.
- Support from Winston-Salem State University: The Station does not foresee a dramatic change in funding for future years. Indirect funding is dependent on Institutional Support expenditures.

Request for Information

The financial report is designed to provide a general overview of the Station's finances for all those who have an interest in its finances. Questions concerning any of the information presented in this report or requests for additional financial information should be addressed to the Vice Chancellor for Institutional Advancement, Winston-Salem State University, 601 South Martin Luther King Jr. Drive, Winston-Salem, NC 27110.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENTS OF NET POSITION
September 30, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents (note 3)	\$ 24,962	\$ 31,347
Accounts receivable, net	20	20
Due from the University (note 4)	42,435	45,231
Total current assets	67,417	76,598
Capital assets:		
Depreciable, net (note 5)	30,598	-
Total assets	\$ 98,015	\$ 76,598
Liabilities		
Current liabilities:		
Accounts payable (note 6)	-	68
Deferred revenue (note 7)	42,435	45,231
Total current liabilities	42,435	45,299
Total liabilities	42,435	45,299
Net position:		
Net investment in capital assets	30,598	-
Unrestricted	24,982	31,299
Total net position	\$ 55,580	\$ 31,299

The accompanying notes are an integral part of these financial statements.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended September 30, 2018 and 2017

	2018	2017
Operating revenues:		
CPB Community Service grant (note 7)	\$ 111,265	\$ 82,162
Private gifts	12,964	19,891
Underwriting fees	-	2,225
Other	3,441	975
Total operating revenues	<u>127,670</u>	<u>105,253</u>
Operating expenses:		
Salaries and benefits (note 10)	197,260	136,068
Advertising	2,389	4,536
Contract services	25,879	15,053
Depreciation expense (note 5)	7,650	20,737
Dues and subscriptions	34,581	42,667
Postage	252	49
Printing and copying	3,150	700
Conferences and meetings	260	657
Miscellaneous	2,345	2,434
Supplies	20,248	8,741
Telephone and utilities	3,417	3,737
Admin fees	1,148	1,616
Indirect University and administrative support (note 12)	82,557	59,151
Travel and lodging	1,449	10,284
Equipment	621	8,390
Total operating expenses	<u>383,206</u>	<u>314,820</u>
Operating loss	(255,536)	(209,567)
Non-operating revenues:		
Direct University and administrative support (note 10)	197,260	136,068
Indirect University and administrative support (note 12)	82,557	59,151
Total non-operating revenues	<u>279,817</u>	<u>195,219</u>
Change in net position	24,281	(14,348)
Net position, beginning of year	<u>31,299</u>	<u>45,647</u>
Net position, end of year	<u><u>\$ 55,580</u></u>	<u><u>\$ 31,299</u></u>

The accompanying notes are an integral part of these financial statements.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2018

	Programming and Production	Management and General	Fundraising	Total Expenses
EPA salaries	\$ 9,333	\$ 27,548	\$ 9,785	\$ 46,667
SPA salaries	64,819	27,009	16,205	108,033
Payroll taxes	6,405	2,668	1,601	10,674
State retirement	8,624	3,594	2,156	14,374
Medical insurance	6,835	2,849	1,709	11,393
Optional retirement	3,671	1,530	918	6,119
Total salaries and benefits	<u>99,688</u>	<u>65,197</u>	<u>32,375</u>	<u>197,260</u>
Advertising	2,389	-	-	2,389
Contract services	14,232	5,177	6,470	25,879
Depreciation expense	1,912	5,738	-	7,650
Dues and subscriptions	34,581	-	-	34,581
Postage	-	63	189	252
Printing and copying	-	1,576	1,574	3,150
Conferences and meetings	260	-	-	260
Miscellaneous	-	2,345	-	2,345
Supplies	15,185	4,050	1,013	20,248
Telephone and utilities	2,903	514	-	3,417
Administrative fees	1,148	-	-	1,148
Indirect University and administrative support	-	82,557	-	82,557
Travel and lodging	1,304	72	72	1,449
Equipment	-	621	-	621
Total expenses	<u>\$ 173,603</u>	<u>\$ 167,909</u>	<u>\$ 41,693</u>	<u>\$ 383,206</u>

The accompanying notes are an integral part of these financial statements.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended September 30, 2017

	Programming and Production	Management and General	Fundraising	Total Expenses
SPA salaries	\$ 62,960	\$ 26,233	\$ 15,740	\$ 104,934
Payroll taxes	4,020	1,675	1,005	6,699
State retirement	8,091	3,371	2,023	13,485
Medical insurance	6,569	2,738	1,643	10,950
Total salaries and benefits	<u>81,640</u>	<u>34,017</u>	<u>20,411</u>	<u>136,068</u>
Advertising	4,536	-	-	4,536
Contract services	8,279	3,011	3,763	15,053
Depreciation expense	5,184	15,553	-	20,737
Dues and subscriptions	42,667	-	-	42,667
Postage	-	12	37	49
Printing and copying	-	350	350	700
Conferences and meetings	657	-	-	657
Miscellaneous	-	2,434	-	2,434
Supplies	6,555	1,748	437	8,741
Telephone and utilities	3,175	562	-	3,737
Administrative fees	1,616	-	-	1,616
Indirect University and administrative support	-	59,151	-	59,151
Travel and lodging	9,255	514	514	10,284
Equipment	-	8,390	-	8,390
Total expenses	<u>\$ 163,565</u>	<u>\$ 125,743</u>	<u>\$ 25,512</u>	<u>\$ 314,820</u>

The accompanying notes are an integral part of these financial statements.

WSNC-FM, WINSTON-SALEM STATE UNIVERSITY
STATEMENTS OF CASH FLOWS
Years Ended September 30, 2018 and 2017

	2018	2017
Cash flows from operating activities:		
Receipts from:		
CPB Community Service grant	\$ 111,265	\$ 82,162
Private gifts	12,964	19,891
Underwriting fees	-	2,225
Other	3,441	975
Payments for:		
Programming and production	(168,050)	(163,861)
Management and general	(166,791)	(110,171)
Fundraising	(40,783)	(25,508)
Net cash provided (used) by operating activities	<u>(247,954)</u>	<u>(194,287)</u>
Cash flows from financing activities:		
Purchase of capital assets	(38,248)	-
Net cash provided (used) by financing activities	<u>(38,248)</u>	<u>-</u>
Cash flows from non-capital financing activities:		
University and administrative support, net	279,817	195,219
Net cash provided (used) by financing activities	<u>279,817</u>	<u>195,219</u>
Net change in cash and cash equivalents	(6,385)	932
Cash and cash equivalents, beginning of year	31,347	30,415
Cash and cash equivalents, end of year	<u>\$ 31,347</u>	<u>\$ 31,347</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	(255,536)	(209,567)
Adjustments to reconcile to net cash provided (used) by operating activities:		
Depreciation expense	7,650	20,737
(Increase) decrease in operating assets:		
Due from the University	2,796	(26,078)
Accounts receivable	-	(20)
Increase (decrease) in liabilities:		
Deferred revenue	(2,796)	26,078
Accounts payable	(68)	(5,437)
Net cash provided (used) by operating activities	<u>\$ (247,954)</u>	<u>\$ (194,287)</u>

The accompanying notes are an integral part of these financial statements.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 1 – Organization

WSNC-FM is operated by Winston-Salem State University (the “University”) in Winston-Salem, North Carolina. Administrative offices and studio facilities are located in the Hall-Patterson Building on the University campus. WSNC provides listeners in Forsyth, Guilford, and Davidson counties with traditional Jazz and NPR news, and national and locally-produced public affairs programming.

Note 2 – Significant accounting policies

Basis of Accounting

The financial statements of the Station have been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred, regardless of the timing of the cash flows.

Basis of Presentation

The accompanying financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

Pursuant to the provisions of GASB Statement Number 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, as amended by GASB Statement Number 35, Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities, the full scope of the Station’s activities is considered to be a single business-type activity and accordingly, is reported within a single column in the basic financial statements.

In accordance with GASB Statement Number 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, the Station does not apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and cash equivalents – For purposes of cash flows, cash and cash equivalents include balances held in pooled accounts of the WSSU Foundation, and cash on hand. WSSU Foundation accounts are deposited with financial institutions. Restricted cash and cash equivalents are limited in use to payment for program expenses, contributions, inductions, or fundraising. At September 30, 2018 and 2017, cash and cash equivalents held by the Foundation totaled \$24,962 and \$31,347, respectively.

Accounts receivable, net – Receivables consist of amounts due from the federal government, State and local governments, and private sources in connection with reimbursement of allowable expenditures made pursuant to contracts and grants, and pledges that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider’s conditions have been satisfied. Receivables are recorded net of estimated uncollectible amounts.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 2 – Significant accounting policies (continued)

Due from the University

Due from the University represents the Station's net claim on cash held in the State Institutional Trust Fund account by the University. As revenue and expense transactions occur, the Station's claim on cash increases or decreases. At September 30, 2018 and 2017, the University owed the Station \$42,435 and \$45,231, respectively.

Capital assets – Capital assets are stated at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Capital assets are stated at estimated historical cost at date of acquisition or estimated fair value at date of donation in the case of gifts. The Station, consistent with the University, capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of one or more years.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 5 to 15 years for radio and office equipment.

Compensated absences – All employees of the Station are University employees, thus all employees are able to participate in the benefit programs offered by the University.

The University's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out (LIFO) method. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee at June 30 equals the leave carried forward at the previous December 31 plus the leave earned, less the leave taken between January 1 and June 30.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to the limitation on annual leave carried forward described above and is not subject to conversion to sick leave.

There is no liability for unpaid accumulated sick leave because the University has no obligation to pay sick leave upon termination or retirement. However, additional service credit for retirement pension benefits is given for accumulated sick leave upon retirement.

Net position – The Station's net position is classified as follows:

Net investment in capital assets – This represents the Station's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets.

Unrestricted Net Position – Unrestricted net position are all assets not invested in capital assets or restricted by external parties.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 2 – Significant accounting policies (continued)

Deferred revenue – Deferred revenue consists of CPB Community Service grant funds received prior to the end of the fiscal year that will be earned in subsequent years when related expenses are incurred.

Donated services and facilities – Donated services and facilities from the University consist of direct services provided to the Station and an allocation of costs and certain other indirect expenses incurred by the University on behalf of the Station.

Revenue and expense recognition – The Station classifies its revenues and expenses as operating or non-operating in the accompanying Statement of Revenues, Expenses, and Changes in Net Position. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Station’s principal ongoing operations. Operating revenues include activities that have characteristics of exchange transactions, such as (1) sales and broadcast services, and (2) certain federal, state, and local grants and contracts that are essentially contracts for services. Operating expenses are all expense transactions incurred other than those related to capital and noncapital financing or investing activities as defined by GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*.

Non-operating revenues include activities that have the characteristics of non-exchange transactions. Revenues from non-exchange transactions and state appropriations that represent subsidies or gifts to the Station, as well as investment income, are considered non-operating since these are investing, capital, or noncapital financing activities.

Corporation for Public Broadcasting Community Service Grants - The Corporation for Public Broadcasting (the “CPB”) is a private, nonprofit grant making organization responsible for funding more than 1,000 television and radio stations. CPB distributes annual Community Service Grants (the “CSGs”) to qualifying public broadcasting entities. CSGs are used to augment the financial resources of public broadcasting entities and thereby to enhance the quality of programming and expand the scope of public broadcasting services. Each CSG may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated, Section 396(k)(7). In any event, each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

Certain *General Provisions* must be satisfied in connection with application for and use of the grants to maintain eligibility and meet compliance requirements. These *General Provisions* pertain to the use of grant funds, record keeping, audits, financial reporting, mailing lists, and licensee status with the Federal Communications Commission.

The CSGs are reported in the accompanying financial statements as increases in deferred revenue when received and are transferred to operating revenue when qualifying expenses are incurred.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 2 – Significant accounting policies (continued)

Functional allocation of expenses – The costs of providing the various program services and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the program and supporting services using allocation rates, based on allocation of time, for payroll and payroll related expenses.

Use of estimates – The preparation of the accompanying financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimated and assumptions.

Note 3 – Cash and cash equivalents

Cash and cash equivalents on deposit with the Foundation are comprised of the following at September 30:

	2018	2017
Non-interest-bearing checking accounts	\$ 24,962	\$ 31,347
Total	<u>\$ 24,962</u>	<u>\$ 31,347</u>

Note 4 – Due from the University

Due from the University represents the Station's claim on cash and cash equivalents deposited by the University with the State Treasurer. The Station's portion of the State Treasurer's Investment Pool was \$42,435 and \$45,231 as of September 30, 2018 and 2017, respectively. It is the State Treasurer's policy and practice for deposits not covered by federal depository insurance to be covered by collateral held by the State of North Carolina's agent in the name of the state and for investments to be held by the state's agent in the state's name.

G.S. 147-69.2, applicable to institutional trust funds, authorize the State Treasurer to invest in the following: obligations of or fully guaranteed by the United States; obligations of certain federal agencies; repurchase agreements; obligations of the State of North Carolina; time deposits of specified institutions; prime quality commercial paper, and asset-backed securities with specified ratings.

Also, G.S. 147-69.1(c) authorizes the following: specified bills of exchange or time draft and corporate bonds and notes with specified ratings. G.S. 147-69.2 authorizes the following: general obligations of other assets; general obligations of North Carolina local governments; and obligations of certain entities with specified ratings.

The financial statements and disclosures for the State Treasurer's Investment Pool are included in the State of North Carolina's Comprehensive annual Financial Report. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page <http://www.ncosc.net/> and clicking on "Financial Reports", or by calling the State Controller's Financial Reporting Section at (919) 981-5454.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 5 - Capital assets, net

A summary of the changes in capital assets is presented as follows:

	Balance October 1, 2017	Increases	Decreases	Balance September 30, 2018
Capital assets, depreciable				
Furniture, fixtures, and office equipment	\$ 102,558	\$ -	\$ -	\$ 102,558
Radio equipment	914,050	38,248	-	952,298
Total capital assets, depreciable	1,016,608	38,248	-	1,054,856
Less accumulated depreciation	1,016,608	7,650	-	1,024,258
Capital assets, net	\$ -	\$ 30,598	\$ -	\$ 30,598

Depreciation expense charged to operations was \$7,650 and \$20,737 for the years ended September 30, 2018 and 2017, respectively.

Note 6 – Accounts payable

Accounts payable consist of the following at September 30:

	2018	2017
Payable to vendors	\$ -	\$ 68
	\$ -	\$ 68

Note 7 – Deferred revenue

Deferred revenue represents the Station's financial equity in unused cash balances provided by grantors and donors for specific purposes not yet fulfilled.

The following is a summary of the changes in deferred revenue at September 30:

	2018	2017
Balance, beginning of year	\$ 45,231	19,153
Additional revenue received	108,469	108,240
Revenue recognized	(111,265)	(82,162)
Balance, end of year	\$ 42,435	\$ 45,231

The following is a summary of the components of deferred revenue at September 30:

	2018	2017
CPB - Community Service grant	\$ 42,435	\$ 45,231
	\$ 42,435	\$ 45,231

Note 8 – Nonfederal Financial Support

The Corporation for Public Broadcasting (CPB) is a private, nonprofit corporation, funded by federal appropriations authorized by the United States Congress and other sources. The CPB allocates a portion of its funds annually to public broadcasting entities, primarily based on Nonfederal Financial Support (NFFS). NFFS is defined as the total value of cash and the fair market value of property and services received as either a contribution or a payment and meeting of all of the respective criteria for each.

A “contribution” is cash, property or services given to a public broadcasting entity for general operational purposes. Support received as a contribution by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source may be an entity except the federal government or any other public broadcasting entity; (2) the contribution may take the form of a gift, grant, bequest, donation or appropriation; (3) the purpose must be for the construction or operation of a noncommercial educational public broadcast station or for the production, acquisition, distribution or dissemination of educational television or radio program and related activities; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcast station. However, to eliminate distortions in the TV CSG grant program precipitated by extraordinary infusions of new capital investments in Digital Television (DTV), all capital contributions received for purposes of acquiring new equipment or upgrading existing or building new facilities regardless of source or form of the contribution are not included in calculating NFFS. This change excludes all revenues received for any capital purchases.

A “payment” is cash, property or services received by a public broadcasting entity from specific sources in exchange for specific services or materials. Support received as a payment by a public broadcasting entity must meet the following criteria to be includable as NFFS: (1) the source must be a state, any agency or political subdivision of a state, an educational institution or organization or a nonprofit entity; (2) the form of the payment must be appropriations or contract payments in exchange for specific services or materials; (3) the purpose must be for any related activity of the public broadcast station; and (4) the recipient must be a public broadcasting entity on behalf of a public broadcasting station.

Note 9 – Community service grants

The CPB also distributes annual CSGs to qualifying public telecommunications entities. These grants are used to augment the financial resources of public television stations and thereby to enhance the quality of programming and expand the scope of public television services. Each grant may be expended over one or two federal fiscal years as described in the Communications Act, 47 United States Code Annotated Section 396(k)(7), (1983) Supplement. Each grant must be expended within two years of the initial grant authorization.

According to the Communications Act, funds may be used at the discretion of recipients. The Station uses these funds for purposes relating primarily to production and acquisition of programming. Also, the grants may be used to sustain activities begun with CSGs awarded in prior years.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 9 – Community service grants (continued)

The grants are reported in the accompanying financial statements as unrestricted operating funds; however, certain guidelines must be satisfied in connection with application for and use of the grants to maintain eligibility and compliance requirements. These guidelines pertain to the use of grant funds, recordkeeping, audits, financial reporting, and licensee status with the Federal Communications Commission.

Note 10 – Direct University and administrative support

The Station receives Department of Education (DOE) Title III grant funds from the University for salary expense. The amounts were \$197,260 and \$136,068 for years ended September 30, 2018 and 2017, respectively.

Note 11 – Concentrations

The Station receives a substantial portion of its support from two sources, the CPB and the DOE.

During the years ended September 30, 2018 and 2017, the Station received \$111,265 (87%) and \$85,162 (79%) of its total operating revenue in the form of grants from the CPB.

During the years ended September 30, 2018 and 2017, the Station received \$197,260 (70%) and \$136,068 (70%), respectively, of its total non-operating revenue in the form of Title III grants from the DOE. If future CPB and DOE funds were significantly reduced, it could have a severe impact on the Station's ability to continue its operations. The Station does not expect that the support from these sources will be substantially reduced in the near term.

Note 12 – Indirect University and administrative support

Indirect University and administrative support is calculated on the basis of a Facilities and Administrative Cost Rate negotiated between the University and the U.S. Department of Health and Human Services. The on-campus rate is 46% as of September 30, 2018 and 2017 which is applicable for all University programs. The calculation is based on direct salaries and wages including vacation, holiday, sick pay and other paid absences, but excludes all other fringe benefits.

Additionally, the Station receives indirect occupancy support from the University. This support is the value of the Station's pro-rata share of studio costs (operations and maintenance of the studio). Occupancy support is based on the square footage of the Station's studio and a comparable per square foot value of the studio space. For the years ended September 30, 2018 and 2017, total indirect University and administrative support was from the following sources:

	2018	2017
DOE - Title III program	\$ 67,957	\$ 44,551
University occupancy support	14,600	14,600
Total	<u>\$ 82,557</u>	<u>\$ 59,151</u>

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 13 – Pension plans

All employees of the Station are University employees, thus all employees are able to participate in the pension plans offered by the University.

A. Defined Benefit Plan

Plan Administration: The State of North Carolina administers the Teachers' and State Employees' Retirement System (TSERS) plan. This plan is a cost-sharing, multiple-employer, defined benefit pension plan established by the State to provide pension benefits for general employees and law enforcement officers (LEOs) of the State, general employees and LEOs of its component units, and employees of Local Education Agencies (LEAs) and charter schools not in the reporting entity. Membership is comprised of employees of the State (state agencies and institutions), universities, community colleges, and certain proprietary component units along with the LEAs and charter schools that elect to join the Retirement System. Benefit provisions are established by General Statute 135-5 and may be amended only by the North Carolina General Assembly.

Benefits Provided: TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of general members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions: Contribution provisions are established by General Statute 135-8 and may be amended only by the North Carolina General Assembly. Employees are required to contribute 6% of their annual pay. The contribution rate for employers is set each year by the North Carolina General Assembly in the Appropriations Act based on the actuarially-determined rate recommended by the actuary. The University's contractually-required contribution rate for the year ended June 30, 2018 was 10.78% of covered payroll. Employee contributions to the pension plan were \$2,193,221.52, and the University's contributions were \$3,940,488.00 for the year ended June 30, 2018.

The TSERS plan's financial information, including all information about the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position, is included in the State of North Carolina's fiscal year 2017 Comprehensive Annual Financial Report. An electronic version of this report is available on the North Carolina Office of the State Controller's website at <https://www.osc.nc.gov/> or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

Note 13 – Pension plans (continued)

TSERS Basis of Accounting: The financial statements of the TSERS plan were prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. The plan's fiduciary net position was determined on the same basis used by the pension plan.

Methods Used to Value TSERS Investment: Pursuant to North Carolina General Statutes, the State Treasurer is the custodian and administrator of the retirement systems. The State Treasurer maintains various investment portfolios in its External Investment Pool. TSERS and other pension plans of the State of North Carolina are the sole participants in the Long-Term Investment, Fixed Income Investment, Equity Investment, Real Estate Investment, Alternative Investment, Opportunistic Fixed Income Investment, and Inflation Sensitive Investment Portfolios. The Fixed Income Asset Class includes the Long-Term Investment and Fixed Income Investment Portfolios. The Global Equity Asset Class includes the Equity Investment Portfolio. The investment balance of each pension trust fund represents its share of the fair market value of the net position of the various portfolios within the External Investment Pool. Detailed descriptions of the methods and significant assumptions regarding investments of the State Treasurer are provided in the 2017 Comprehensive Annual Financial Report.

Net Pension Liability: At June 30, 2018, the University reported a liability of \$17,661,272.00 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, and update procedures were used to roll forward the total pension liability to June 30, 2017. The University's proportion of the net pension liability was based on the present value of future salaries for the University relative to the present value of future salaries for all participating employers, actuarially-determined. As of June 30, 2017, the University's proportion was 0.22259%, which was a decrease of 0.00893 from its proportion measured as of June 30, 2016, which was 0.23152%.

Defined Contribution Plan

The Optional Retirement Program (ORP) is a defined contribution pension plan that provides retirement benefits with options for payments to beneficiaries in the event of the participant's death. Faculty and staff of the University may join ORP instead of TSERS. The Board of Governors of the University of North Carolina is responsible for the administration of ORP and designates the companies authorized to offer investment products or the trustee responsible for the investment of contributions under ORP and approves the form and contents of the contracts and trust agreements.

Participants in ORP are immediately vested in the value of employee contributions. The value of employer contributions is vested after five years of participation in ORP. Participants become eligible to receive distributions when they terminate employment or retire.

WSNC-FM, WINSTON-SALEM UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
September 30, 2018 and 2017

Note 13 – Pension plans (continued)

Participant eligibility and contributory requirements are established by General Statute 135-5.1. Member and employer contribution rates are set each year by the North Carolina General Assembly. For the year ended June 30, 2018, these rates were set at 6% of covered payroll for members and 6.84% of covered payroll for employers. The University assumes no liability other than its contribution.

For the current fiscal year, the University had a total payroll of \$64,084,858.83, of which \$20,810,491.80 was covered under ORP. Total employee and employer contributions for pension benefits for the year were \$1,248,629.51 and \$1,423,437.64, respectively. The amount of expense recognized in the current year related to ORP is equal to the employer contributions. A total of \$22,006.24 in forfeitures was reflected in pension expense for the fiscal year 2018.

Note 14 – Other Postemployment benefits

A. Health Benefits

Plan Administration: The State of North Carolina administers the North Carolina State Health Plan for Teachers and State Employees, referred to as the State Health Plan (the Plan), a healthcare plan exclusively for the benefit of employees of the State, the University of North Carolina System, community colleges, and certain other component units. In addition, Local Education Agencies (LEAs), charter schools, and some select local governments that are not part of the State's financial reporting entity also participate. Health benefit programs and premium rates are determined by the State Treasurer upon approval of the Plan Board of Trustees.

The Retiree Health Benefit Fund (RHBF) has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. RHBF is established by General Statute 135-7, Article 1. RHBF is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of eligible former employees of the State, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments that are not part of the State's financial reporting entity also participate.

By statute, RHBF is administered by the Board of Trustees of the Teachers' and State Employees' Retirement System (TSERS). RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from RHBF to the Plan. The State Treasurer, with the approval of the Plan Board of Trustees, then sets the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the Plan.

Benefits Provided: Plan benefits received by retired employees and disabled employees from RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees as described in Note 15. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan options or the self-funded Traditional 70/30 Preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

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Those former employees who are eligible to receive medical benefits from RHBf are long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of TSERS, the Consolidated Judicial Retirement System, the Legislative Retirement System, the University Employees' Optional Retirement Program (ORP), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's total noncontributory premium.

The Plan's and RHBf's benefit and contribution provisions are established by Chapter 135-7, Article 1, and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. RHBf does not provide for automatic post-retirement benefit increases.

Contributions: Contribution rates to RHBf, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis, are determined by the General Assembly in the Appropriations Bill. The University's contractually-required contribution rate for the year ended June 30, 2018 was 6.05% of covered payroll. The University's contributions to the RHBf were \$3,470,533.12 for the year ended June 30, 2018.

B. Disability Income

Plan Administration: As discussed in Note 15, short-term and long-term disability benefits are provided through the Disability Income Plan of North Carolina (DIPNC), a cost-sharing, multiple-employer, defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, certain participating component units, LEAs which are not part of the reporting entity, and the University Employees' ORP. By statute, DIPNC is administered by the Department of State Treasurer and the Board of Trustees of TSERS.

Benefits Provided: Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee has five or more years of contributing membership service in TSERS or the University Employees' ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payments cease or after monthly payments for Workers' Compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS; and (6) the employee must terminate employment as a permanent, full-time employee. An employee is eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65

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and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of creditable service, at any age. For employees who had five or more years of membership service as of July 31, 2007, during the first 36 months of the long-term disability period, the monthly long-term disability benefit is equal to 65% of one-twelfth of an employee's annual base rate of compensation last payable to the participant or beneficiary prior to the beginning of the short-term disability period, plus the like percentage of one-twelfth of the annual longevity payment and local supplements to which the participant or beneficiary would be eligible. The monthly benefits are subject to a maximum of \$3,900 per month reduced by any primary Social Security disability benefits and by monthly payments for Workers' Compensation to which the participant or beneficiary may be entitled, but the benefits payable shall be no less than \$10 a month. After the first 36 months of the long-term disability, the long-term benefit is calculated in the same manner as described above except the monthly benefit is reduced by an amount equal to a monthly primary Social Security disability benefit to which the participant or beneficiary might be entitled had Social Security disability benefits been awarded. When an employee qualifies for an unreduced service retirement allowance from TSERS, the benefits payable from DIPNC will cease, and the employee will commence retirement under TSERS or the University Employees' ORP.

For employees who had less than five years of membership service as of July 31, 2007, and meet the requirements for long-term disability on or after August 1, 2007, during the first 36 months of the long-term disability period, the monthly long-term benefit shall be reduced by an amount equal to the monthly primary Social Security retirement benefit to which the employee might be entitled should the employee become age 62 during the first 36 months. This reduction becomes effective as of the first day of the month following the month of initial entitlement to Social Security benefits. After the first 36 months of the long-term disability, no further benefits are payable under the terms of this section unless the employee has been approved and is in receipt of primary Social Security disability benefits.

Contributions: Although DIPNC operates on a calendar year, disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State's fiscal year. The University's contractually-required contribution rate for the year ended June 30, 2018 was 0.14% of covered payroll. The University's contributions to DIPNC were \$80,309.86 for the year ended June 30, 2018.

Note 15 - Risk management

The University is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled via a combination of methods, including participation in state-administered insurance programs, purchase of commercial insurance, and self-retention of certain risks. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Note 15 - Risk management (continued)

A. Employee Benefit Plans

State Health Plan

University employees are provided comprehensive major medical care benefits. Coverage is funded by contributions to the State Health Plan (Plan), a discretely presented component unit of the State of North Carolina. The Plan is funded by employer contributions. Certain plans also require contributions from employees. The Plan has contracted with third parties to process claims. See Note 14, Other Postemployment Benefits, for additional information regarding retiree health benefits.

Death Benefit Plan of North Carolina

Term life insurance (death benefits) of \$25,000 to \$50,000 is provided to eligible workers. This Death Benefit Plan is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.16% for the current fiscal year.

Disability Income Plan

Short-term and long-term disability benefits are provided to University employees through the Disability Income Plan of North Carolina (DIPNC), part of the State's Pension and Other Employee Benefit Trust Funds. Short-term benefits are paid by the University up to the first six months of benefits and reimbursed by DIPNC for any additional short-term benefits. As discussed in Note 14, long-term disability benefits are payable as other postemployment benefits from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as an employee is disabled.

A. Other Risk Management and Insurance Activities

Automobile, Fire, and Other Property Losses

The University is required to maintain fire and lightning coverage on all state-owned buildings and contents through the State Property Fire Insurance Fund (Fund), an internal service fund of the State. Such coverage is provided at no cost to the University for operations supported by the State's General Fund. Other operations not supported by the State's General Fund are charged for the coverage. Losses covered by the Fund are subject to a \$5,000 per occurrence deductible. However, some agencies have chosen a higher deductible for a reduction in premium. The University also purchased through the Fund "all-risk" coverage against losses caused by fire, windstorm or hail, explosion, smoke, aircraft or vehicles, riot or civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, weight of snow, ice, or sleet, water damage, theft, and any other loss not specifically excluded on certain buildings and contents.

All state-owned vehicles are covered by liability insurance through a private insurance company and handled by the North Carolina Department of Insurance. The liability limits for losses are \$1,000,000 per claim and \$10,000,000 per occurrence. The University pays premiums to the North Carolina Department of Insurance for the coverage.

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Public Officers' and Employees' Liability Insurance

The risk of tort claims of up to \$1,000,000 per claimant is retained under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to \$10,000,000 via contract with a private insurance company. The University pays the premium, based on a composite rate, directly to the private insurer.

Employee Dishonesty and Computer Fraud

The University is protected for losses from employee dishonesty and computer fraud. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance. Universities are charged a premium by the private insurance company. Coverage limit is \$5,000,000 per occurrence. The private insurance company pays 90% of each loss less a \$100,000 deductible.

Statewide Workers' Compensation Program

The North Carolina Workers' Compensation Program provides benefits to workers injured on the job. All employees of the State and its component units are included in the program. When an employee is injured, the University's primary responsibility is to arrange for and provide the necessary treatment for work related injury. The University is responsible for paying medical benefits and compensation in accordance with the North Carolina Workers' Compensation Act. The University retains the risk for workers' compensation.

Additional details on the state-administered risk management programs are disclosed in the State's Comprehensive Annual Financial Report, issued by the Office of the State Controller.

Note 16 – Subsequent events

After the year ended September 30, 2018, the Station was awarded a Community Service Grant in the amount of \$103,613 from the Corporation for Public Broadcasting for FY2019.

The Station has evaluated subsequent events from the date of the statement of net position through February 21, 2019, the date the report is available to be issued which is the date of the auditors' report. During this period, there were no material subsequent events requiring disclosure.



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees
WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of WSNC-FM, Winston-Salem State University (the "Station"), a public telecommunications entity operated by Winston-Salem State University (the "University"), as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the Station's basic financial statements, and have issued our report thereon dated February 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Station's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Station's internal control. Accordingly, we do not express an opinion on the effectiveness of the Station's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Station's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

We consider the following deficiency in the Station's internal control to be a material weakness:

2018-01: Financial reporting

The financial statements presented to us contained misstatements that were corrected as a result of five (5) audit adjustments that were individually significant to the Station's financial statements.

These misstatements indicate the Station's internal control over financial reporting was not effective, and without these corrections, the financial statements could have been misleading to the reader.

Management's response: Management agrees with this finding.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Station's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Station's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Station's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thomas S. Gibbs CMA, PLLC

Durham, North Carolina
February 21, 2019



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To the Board of Trustees
WSNC-FM, Winston-Salem State University
Winston-Salem, North Carolina

This letter is intended to inform the Board of Trustees of WSNC-FM, Winston-Salem State University (the "Station") about significant matters related to the conduct of the annual audit so that it can appropriately discharge its oversight responsibility, and that we comply with our professional responsibilities to the Board of Trustees.

Professional standards require that we provide you with information about our responsibilities under general accepted auditing standards, as well as certain information related to the planned scope and timing of the audit. We have communicated such information in our letter to you dated August 21, 2018.

In addition to our report on your financial statements dated February 21, 2019, we have issued a communication required under Statement on Auditing Standards AU-C 265, *Communicating Internal Control Related Matters Identified in an Audit*. This Statement establishes standards and provides guidance on the auditor's responsibilities for identifying, evaluating, and communicating matters related to an entity's internal control over financial reporting identified in an audit of the financial statements.

The following summarizes various matters which must be communicated to you under auditing standards generally accepted in the United States of America.

Our responsibilities under U.S. Generally Accepted Government Auditing Standards (GAGAS)

As stated in our engagement letter dated August 21, 2018, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Station are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of the existing policies was not changed during the year ended September 30, 2018. We noted no transactions entered into by the Station during the year for which there was a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Management judgments and accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We did not identify any estimates significant to the financial statements. The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

Corrected misstatements - audit adjustments

Professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Station's financial reporting process (that is, cause future financial statements to be materially misstated).

There were five (5) corrected misstatements (audit adjustments) recorded to the original trial balance presented to us to begin our audit for the year ended September 30, 2018. See the enclosed journal entry report.

Uncorrected misstatements – passed audit adjustments

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

There were no uncorrected misstatements for the year ended September 30, 2018.

Accounting Policies and Alternative Treatments

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Station. Note 2 to the financial statements of the Station contain a summary of significant accounting policies.

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Other Information in Documents Containing Audited Financial Statements

We are not aware of any other documents that contain the audited financial statements. If such documents were to be published, we would have a responsibility to determine that such financial information was not materially inconsistent with the audited financial statements of the Station.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the consolidated financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Independence

We are familiar with Rule 101 of the AICPA's Code of Conduct and its interpretations and rulings. Our Firm has been, for the year covered by the financial statements under report and thereafter to date, independent as contemplated by such Rule.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 21, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Station's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to retention as the Station's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to be of service to the WSNC-FM, Winston-Salem State University.

This information is intended solely for the information and use of the management, the Board of Trustees and others within WSNC-FM, Winston-Salem State University and is not intended to be, and should not be, used by anyone other than these specified parties.

Thomas F. Gibbs CM, PLLC

Durham, North Carolina
February 21, 2019

Attachments: Five (5) September 30, 2018 audit adjustments

Client: **NC-014750.0 - WSNC-FM, Winston-Salem State University**
Engagement: **AUD 2018 - WSNC-FM**
Period Ending: **9/30/2018**
Trial Balance: **3000.01 - TB**
Workpaper: **3700.01 - Adjusting Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit	Change in NA
Adjusting Journal Entries JE # 1					
To adjust 2018 opening balances to the 2017 Audit Financial Statements					
15000.TG	Fixed Assets		1,016,608.00		
30020.TG	Net Assets		68.00		
40250.CPB	Grant Revenue		45,163.00		(45,163)
15001.TG	Accumulated Depreciation			1,016,608.00	
22100.CPB	Deferred Revenue			45,231.00	
Total			1,061,839.00	1,061,839.00	-
Adjusting Journal Entries JE # 2					
To adjust deferred revenue to the 2018 audited balance					
22100.CPB	Deferred Revenue		2,796.00		
10000.CPB	Claim on cash			2,796.00	
Total			2,796.00	2,796.00	
Adjusting Journal Entries JE # 3					
To record indirect university support					
999999.TG	University indirect Administrative Expe		82,557.00		
499999.TG	Indirect Inversity Support			82,557.00	
Total			82,557.00	82,557.00	
Adjusting Journal Entries JE # 4					
To capitalize radio transmitter purchased in FY2018					
15000.TG	Fixed Assets		38,248.00		
40250.CPB	Grant Revenue			38,248.00	38,248
Total			38,248.00	38,248.00	
Adjusting Journal Entries JE # 5					
To record 2018 depreciation expense					
953000.TG	Depreciaton		7,650.00		(7,650)
15001.TG	Accumulated Depreciation			7,650.00	
Total			7,650.00	7,650.00	
Total adjusting entries					(14,565)
Unadjusted Change in Net Position					38,846
Final Adjusted Change in Net Position					24,281
					24,281

Client: **NC-014750.0 - WSNC-FM, Winston-Salem State University**
Engagement: **AUD 2018 - WSNC-FM**
Period Ending: **9/30/2018**
Trial Balance: **3000.01 - TB**
Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 9/30/2017	UNADJ 9/30/2018	JE Ref #	AJE	FINAL 9/30/2018	% VAR	\$ VAR	ID-6
Group : [4100] Cash and Cash Equivalents									
Subgroup : [4100. Cash and Cash Equivalents-Unrestricted									
10000.F	General Checking (BB&T)	(24,375.00)	(40,522.00)		0.00	(40,522.00)	66.24%	(16,147.00)	
10050.F	Wachovia - Advantage	60,063.00	70,973.00		0.00	70,973.00	18.16%	10,910.00	
10070.F	Winston-Salem Federal Credit Union	(2,380.00)	(2,380.00)		0.00	(2,380.00)	0.00%	0.00	
10950.F	Cash intercompany transfers	(1,961.00)	(3,109.00)		0.00	(3,109.00)	58.54%	(1,148.00)	
Subtotal [4100.00] Cash and Cash Equivalents-Unrestricted		31,347.00	24,962.00		0.00	24,962.00	(20.37%)	(6,385.00)	
Total [4100] Cash and Cash Equivalents		31,347.00	24,962.00		0.00	24,962.00	(20.37%)	(6,385.00)	
Group : [4200] Receivables									
Subgroup : [4200. Other Current Assets									
12075.F	On Line Gifts Receivable	20.00	20.00		0.00	20.00	0.00%	0.00	
Subtotal [4200.00] Other Current Assets		20.00	20.00		0.00	20.00	0.00%	0.00	
Total [4200] Receivables		20.00	20.00		0.00	20.00	0.00%	0.00	
Group : [4300] Due from University									
Subgroup : [4300. Due from University									
10000.CPB	Claim on cash	45,231.00	45,231.00		(2,796.00)	42,435.00	(6.18%)	(2,796.00)	
Subtotal [4300.00] Due from University		45,231.00	45,231.00	AJE - 2	(2,796.00)	42,435.00	(6.18%)	(2,796.00)	
Total [4300] Due from University		45,231.00	45,231.00		(2,796.00)	42,435.00	(6.18%)	(2,796.00)	
Current Assets		76,598.00	70,213.00		(2,796.00)	67,417.00	(11.99%)	(9,181.00)	
Group : [4600] Property, Plant and Equipment									
Subgroup : [4600. Fixed Assets									
15000.TG	Fixed Assets	1,016,608.00	0.00		1,054,856.00	1,054,856.00	3.76%	38,248.00	
Subtotal [4600.05] Fixed Assets		1,016,608.00	0.00	AJE - 1 AJE - 4	1,054,856.00	1,054,856.00	3.76%	38,248.00	
Subgroup : [4600. Accumulated Depreciation									
15001.TG	Accumulated Depreciation	(1,016,608.00)	0.00		(1,024,258.00)	(1,024,258.00)	0.75%	(7,650.00)	
Subtotal [4600.60] Accumulated Depreciation		(1,016,608.00)	0.00	AJE - 1 AJE - 5	(1,024,258.00)	(1,024,258.00)	0.75%	(7,650.00)	
Total [4600] Property, Plant and Equipment		0.00	0.00		30,598.00	30,598.00	0.00%	30,598.00	
Non-Current Assets		0.00	0.00		30,598.00	30,598.00	0.00%	30,598.00	
TOTAL ASSET		76,598.00	70,213.00		27,802.00	98,015.00	27.96%	21,417.00	
Group : [5100] Accounts Payable									
Subgroup : [5100. Accounts Payable									
20000.F	Accounts Payable - Vendors	(68.00)	0.00		0.00	0.00	(100.00%)	68.00	
Subtotal [5100.00] Accounts Payable		(68.00)	0.00		0.00	0.00	(100.00%)	68.00	
Total [5100] Accounts Payable		(68.00)	0.00		0.00	0.00	(100.00%)	68.00	

Client: **NC-014750.0 - WSNC-FM, Winston-Salem State University**
Engagement: **AUD 2018 - WSNC-FM**
Period Ending: **9/30/2018**
Trial Balance: **3000.01 - TB**
Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 9/30/2017	UNADJ 9/30/2018	JE Ref #	AJE	FINAL 9/30/2018	% VAR	\$ VAR	ID-6
Group : [5300] Deferred Revenue									
Subgroup : [5300. Deferred Revenue									
22100.CPB	Deferred Revenue	(45,231.00)	0.00		(42,435.00)	(42,435.00)	(6.18%)	2,796.00	
				AJE - 1	(45,231.00)				
				AJE - 2	2,796.00				
Subtotal [5300.00] Deferred Revenue		(45,231.00)	0.00		(42,435.00)	(42,435.00)	(6.18%)	2,796.00	
Total [5300] Deferred Revenue		(45,231.00)	0.00		(42,435.00)	(42,435.00)	(6.18%)	2,796.00	
	Current Liabilities	(45,299.00)	0.00		(42,435.00)	(42,435.00)	(6.32%)	2,864.00	
	TOTAL LIABILITY	(45,299.00)	0.00		(42,435.00)	(42,435.00)	(6.32%)	2,864.00	
Group : [6100] Net Assets									
Subgroup : [6100. Net Assets - Unrestricted									
30020.F	Net Assets (Foundation)	(37,810.00)	(31,367.00)		0.00	(31,367.00)	(17.04%)	6,443.00	
30020.TG	Net Assets	(7,837.00)	0.00		68.00	68.00	(100.87%)	7,905.00	
				AJE - 1	68.00				
Subtotal [6100.00] Net Assets - Unrestricted		(45,647.00)	(31,367.00)		68.00	(31,299.00)	(31.43%)	14,348.00	
Total [6100] Net Assets		(45,647.00)	(31,367.00)		68.00	(31,299.00)	(31.43%)	14,348.00	
	Equity	(45,647.00)	(31,367.00)		68.00	(31,299.00)	(31.43%)	14,348.00	
	NET (INCOME) LOSS	14,348.00	(38,846.00)		14,565.00	(24,281.00)	(269.23%)	(38,629.00)	
	TOTAL EQUITY	(31,299.00)	(70,213.00)		14,633.00	(55,580.00)	77.58%	(24,281.00)	
	TOTAL LIABILITY AND EQUITY	(76,598.00)	(70,213.00)		(27,802.00)	(98,015.00)	27.96%	(21,417.00)	
Group : [4260] Grants and Contracts									
Subgroup : [4260. Grants and Contracts - Unrestricted									
402410.III	Title III Revenues	(136,068.00)	(197,260.00)		0.00	(197,260.00)	44.97%	(61,192.00)	
40250.CPB	Grant Revenue	(82,162.00)	(118,180.00)		6,915.00	(111,265.00)	35.42%	(29,103.00)	
				AJE - 1	45,163.00				
				AJE - 4	(38,248.00)				
Subtotal [4260.00] Grants and Contracts - Unrestricted		(218,230.00)	(315,440.00)		6,915.00	(308,525.00)	41.38%	(90,295.00)	
Total [4260] Grants and Contracts		(218,230.00)	(315,440.00)		6,915.00	(308,525.00)	41.38%	(90,295.00)	
Group : [7140] In-Kind Contributions									
Subgroup : [7140. Contributed Services-Unrestricted									
499999.TG	Indirect Inversity Support	(59,150.91)	0.00		(82,557.00)	(82,557.00)	39.57%	(23,406.09)	
				AJE - 3	(82,557.00)				
Subtotal [7140.00] Contributed Services-Unrestricted		(59,150.91)	0.00		(82,557.00)	(82,557.00)	39.57%	(23,406.09)	
Total [7140] In-Kind Contributions		(59,150.91)	0.00		(82,557.00)	(82,557.00)	39.57%	(23,406.09)	
Group : [7170] Unrestricted Revenue									
Subgroup : [7170. Foundation Donations									
10280.F	Foundation-Donations	(19,891.00)	(12,964.00)		0.00	(12,964.00)	(34.82%)	6,927.00	
Subtotal [7170.35] Foundation Donations		(19,891.00)	(12,964.00)		0.00	(12,964.00)	(34.82%)	6,927.00	

Client: **NC-014750.0 - WSNC-FM, Winston-Salem State University**
Engagement: **AUD 2018 - WSNC-FM**
Period Ending: **9/30/2018**
Trial Balance: **3000.01 - TB**
Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 9/30/2017	UNADJ 9/30/2018	JE Ref #	AJE	FINAL 9/30/2018	% VAR	\$ VAR	ID-6
Subgroup : [7170. Misc Revenue									
40460.F	Fees Income	(975.00)	(3,441.00)		0.00	(3,441.00)	252.92%	(2,466.00)	
40510.F	Sales Direct	(2,225.00)	0.00		0.00	0.00	(100.00%)	2,225.00	
Subtotal [7170.45] Misc Revenue		(3,200.00)	(3,441.00)		0.00	(3,441.00)	7.53%	(241.00)	
Total [7170] Unrestricted Revenue		(23,091.00)	(16,405.00)		0.00	(16,405.00)	(28.96%)	6,686.00	
Revenues									
		(300,471.91)	(331,845.00)		(75,642.00)	(407,487.00)	35.62%	(107,015.09)	
TOTAL REVENUE		(300,471.91)	(331,845.00)		(75,642.00)	(407,487.00)	35.62%	(107,015.09)	
Group : [7310] Expense									
Subgroup : [7310. Salaries									
911100.III	EPA Perm Nonteach Salaries	0.00	46,667.00		0.00	46,667.00	0.00%	46,667.00	
912100.III	SPA Regular Salaries	96,850.00	101,066.00		0.00	101,066.00	4.35%	4,216.00	
912200.III	SPA Overtime Payment	2,917.00	740.00		0.00	740.00	(74.63%)	(2,177.00)	
912210.III	SPA Overtime Straight	2,508.00	5,015.00		0.00	5,015.00	99.96%	2,507.00	
912700.III	SPA Longevity Pay	1,031.00	1,211.00		0.00	1,211.00	17.46%	180.00	
912900.III	Bonus Incentive Wages	1,628.00	0.00		0.00	0.00	(100.00%)	(1,628.00)	
Subtotal [7310.00] Salaries		104,934.00	154,699.00		0.00	154,699.00	47.43%	49,765.00	
Subgroup : [7310. Employee Benefits									
918200.III	State Retirement	13,485.00	14,374.00		0.00	14,374.00	6.59%	889.00	
918300.III	Medical Insurance	10,950.00	11,393.00		0.00	11,393.00	4.05%	443.00	
918700.III	TIAA Optional Retirement	0.00	6,119.00		0.00	6,119.00	0.00%	6,119.00	
Subtotal [7310.01] Employee Benefits		24,435.00	31,886.00		0.00	31,886.00	30.49%	7,451.00	
Subgroup : [7310. Payroll Taxes									
918100.III	Social Security	6,699.00	10,674.00		0.00	10,674.00	59.34%	3,975.00	
Subtotal [7310.05] Payroll Taxes		6,699.00	10,674.00		0.00	10,674.00	59.34%	3,975.00	
Subgroup : [7310. Miscellaneous									
63100.F	Marketing	2,175.00	0.00		0.00	0.00	(100.00%)	(2,175.00)	
63240.F	Website/Internet Service	1,654.00	900.00		0.00	900.00	(45.59%)	(754.00)	
63450.F	Refreshments	296.00	156.00		0.00	156.00	(47.30%)	(140.00)	
63500.F	Entertainment	0.00	632.00		0.00	632.00	0.00%	632.00	
63950.F	Gifts, Honorariums or Benevolence	0.00	422.00		0.00	422.00	0.00%	422.00	
69999.TG	Balance accounts	(1,888.00)	0.00		0.00	0.00	(100.00%)	1,888.00	
922000.CPB	Food Products	178.00	0.00		0.00	0.00	(100.00%)	(178.00)	
93910.F	Miscellaneous Foundation	19.00	236.00		0.00	236.00	1,142.11%	217.00	
Subtotal [7310.10] Miscellaneous		2,434.00	2,346.00		0.00	2,346.00	(3.62%)	(88.00)	
Subgroup : [7310. Admin Fees									
67000.F	Admin Fees Foundation	1,616.00	1,148.00		0.00	1,148.00	(28.96%)	(468.00)	
Subtotal [7310.15] Admin Fees		1,616.00	1,148.00		0.00	1,148.00	(28.96%)	(468.00)	
Subgroup : [7310. Telephone									
932210.CPB	Telephone Local	3,624.00	3,336.00		0.00	3,336.00	(7.95%)	(288.00)	
932220.CPB	Telephone Long Distance	72.00	36.00		0.00	36.00	(50.00%)	(36.00)	
932230.CPB	Telephone	41.00	45.00		0.00	45.00	9.76%	4.00	
Subtotal [7310.20] Telephone		3,737.00	3,417.00		0.00	3,417.00	(8.56%)	(320.00)	

Client: **NC-014750.0 - WSNC-FM, Winston-Salem State University**
Engagement: **AUD 2018 - WSNC-FM**
Period Ending: **9/30/2018**
Trial Balance: **3000.01 - TB**
Workpaper: **3600.01 - Financial Statement Grouping Report**

Account	Description	1st PP-FINAL 9/30/2017	UNADJ 9/30/2018	JE Ref #	AJE	FINAL 9/30/2018	% VAR	\$ VAR	ID-6
Subgroup : [7310. Supplies									
63020.F	Supplies	917.00	1,796.00		0.00	1,796.00	95.86%	879.00	
923110.CPB	Educational Supplies	1,741.00	2,509.00		0.00	2,509.00	44.11%	768.00	
926000.CPB	Office Supplies	2,182.00	6,558.00		0.00	6,558.00	200.55%	4,376.00	
929000.CPB	Other Supplies	3,534.00	9,385.00		0.00	9,385.00	165.56%	5,851.00	
929150.CPB	Supplies	367.00	0.00		0.00	0.00	(100.00%)	(367.00)	
Subtotal [7310.25] Supplies		8,741.00	20,248.00		0.00	20,248.00	131.64%	11,507.00	
Subgroup : [7310. Rental and Maintenance of Equipment									
63400.F	Rental Expense/Room, Equipment, Cars	240.00	260.00		0.00	260.00	8.33%	20.00	
924000.CPB	Repair Supplies	2,938.00	0.00		0.00	0.00	(100.00%)	(2,938.00)	
934110.CPB	Copier	22.00	361.00		0.00	361.00	1,540.91%	339.00	
950000.CPB	Expensed Personal Comp Printers	1,214.00	0.00		0.00	0.00	(100.00%)	(1,214.00)	
952260.CPB	Expensed Personal Comp Printers	3,976.00	0.00		0.00	0.00	(100.00%)	(3,976.00)	
Subtotal [7310.30] Rental and Maintenance of Equipment		8,390.00	621.00		0.00	621.00	(92.60%)	(7,769.00)	
Subgroup : [7310. Printing and Publications									
62300.F	Printing and Binding	700.00	150.00		0.00	150.00	(78.57%)	(550.00)	
943100.CPB	943100 - Printing	0.00	3,000.00		0.00	3,000.00	0.00%	3,000.00	
Subtotal [7310.35] Printing and Publications		700.00	3,150.00		0.00	3,150.00	350.00%	2,450.00	
Subgroup : [7310. Postage and Shipping									
932110.CPB	Postage	49.00	252.00		0.00	252.00	414.29%	203.00	
Subtotal [7310.40] Postage and Shipping		49.00	252.00		0.00	252.00	414.29%	203.00	
Subgroup : [7310. Conferences and Meetings									
62700.F	Meetings/Training	199.00	0.00		0.00	0.00	(100.00%)	(199.00)	
62725.F	Meetings	458.00	260.00		0.00	260.00	(43.23%)	(198.00)	
Subtotal [7310.45] Conferences and Meetings		657.00	260.00		0.00	260.00	(60.43%)	(397.00)	
Subgroup : [7310. Travel									
931120.CPB	931120 - Travel	0.00	1,449.00		0.00	1,449.00	0.00%	1,449.00	
931121.CPB	Travel Instate Trns Ground	367.00	0.00		0.00	0.00	(100.00%)	(367.00)	
931122.CPB	Travel Out State Air	3,070.00	0.00		0.00	0.00	(100.00%)	(3,070.00)	
931123.CPB	Travel Out State Ground	269.00	0.00		0.00	0.00	(100.00%)	(269.00)	
931124.CPB	Travel Out State Trns Other	176.00	0.00		0.00	0.00	(100.00%)	(176.00)	
931125.CPB	Travel Out State Sub Lodgin	4,988.00	0.00		0.00	0.00	(100.00%)	(4,988.00)	
931126.CPB	Travel Out State Sub Meals	715.00	0.00		0.00	0.00	(100.00%)	(715.00)	
931127.CPB	Travel Out State Registr	699.00	0.00		0.00	0.00	(100.00%)	(699.00)	
Subtotal [7310.50] Travel		10,284.00	1,449.00		0.00	1,449.00	(85.91%)	(8,835.00)	
Subgroup : [7310. Contracted Services									
63724.F	Contract Services	1,835.00	2,650.00		0.00	2,650.00	44.41%	815.00	
919210.CPB	Contract Services	1,674.00	8,973.00		0.00	8,973.00	436.02%	7,299.00	
919900.CPB	Other Contract Services	11,544.00	14,256.00		0.00	14,256.00	23.49%	2,712.00	
Subtotal [7310.55] Contracted Services		15,053.00	25,879.00		0.00	25,879.00	71.92%	10,826.00	
Subgroup : [7310. Depreciation and Amortization									
953000.TG	Depreciaton	20,737.00	0.00		7,650.00	7,650.00	(63.11%)	(13,087.00)	

Client: NC-014750.0 - WSNC-FM, Winston-Salem State University
Engagement: AUD 2018 - WSNC-FM
Period Ending: 9/30/2018
Trial Balance: 3000.01 - TB
Workpaper: 3600.01 - Financial Statement Grouping Report

Account	Description	1st PP-FINAL 9/30/2017	UNADJ 9/30/2018	JE Ref #	AJE	FINAL 9/30/2018	% VAR	\$ VAR	ID-6
Subtotal [7310.70] Depreciation and Amortization		20,737.00	0.00	AJE - 5	7,650.00	7,650.00	(63.11%)	(13,087.00)	
Subgroup : [7310. Dues & Membership expense]									
62800.F Dues Member		748.00	11,792.00		0.00	11,792.00	1,476.47%	11,044.00	
949000.CPB 949000 - Subscriptions		0.00	18,202.00		0.00	18,202.00	0.00%	18,202.00	
949110.CPB Dues-Member (Restricted)		33,214.00	4,470.00		0.00	4,470.00	(86.54%)	(28,744.00)	
949120.CPB 949120 - Subscriptions		0.00	117.00		0.00	117.00	0.00%	117.00	
954900.F Fees		8,705.00	0.00		0.00	0.00	(100.00%)	(8,705.00)	
Subtotal [7310.75] Dues & Membership expense		42,667.00	34,581.00		0.00	34,581.00	(18.95%)	(8,086.00)	
Subgroup : [7310. Foundation In-Kind]									
999999.TG University indirect Administrative Expe		59,150.91	0.00	AJE - 3	82,557.00	82,557.00	39.57%	23,406.09	
Subtotal [7310.80] Foundation In-Kind		59,150.91	0.00		82,557.00	82,557.00	39.57%	23,406.09	
Subgroup : [7310. Advertising]									
63200.F Advertising		4,536.00	2,389.00		0.00	2,389.00	(47.33%)	(2,147.00)	
Subtotal [7310.85] Advertising		4,536.00	2,389.00		0.00	2,389.00	(47.33%)	(2,147.00)	
Total [7310] Expense		314,819.91	292,999.00		90,207.00	383,206.00	21.72%	68,386.09	
Operating Expenses		314,819.91	292,999.00		90,207.00	383,206.00	21.72%	68,386.09	
TOTAL EXPENSE		314,819.91	292,999.00		90,207.00	383,206.00	21.72%	68,386.09	
NET (INCOME) LOSS		14,348.00	(38,846.00)	0.00	14,565.00	(24,281.00)	(269.23%)	(38,629.00)	
Sum of Account Groups		0.00	0.00		0.00	0.00	0.00%	0.00	



AGENDA ITEM

Internal Audit Activity Update.....presented by Rod Isom, Internal Audit Manager & Shannon Henry, Chief Audit, Risk, and Compliance Officer

Summary:

1. Summary of New Reports:*
2. Summary of Observations and Recommendations for FY2019 - YTD:*
3. Status of In-Progress Internal Audit Reviews:*
4. Next Planned Reviews

**Internal Audit review results and reports released prior to the meeting will be provided at the meeting. Additional information related to in-progress work may be shared in closed session to protect the confidentiality of Internal Audit's work papers.*

Action: These items are for informational purposes only.



WINSTON-SALEM
STATE UNIVERSITY

Winston-Salem State University
Office of Audit, Risk, and Compliance
1600 Lowery Street, 2nd Floor
Winston-Salem, North Carolina 27110
(336) 750-2065 | www.wssu.edu

Memorandum

To: A. Jamar Banks, Associate Vice Chancellor for Student Affairs

From: Shannon B. Henry, Chief Audit, Risk, and Compliance Officer *SBH*

Date: March 13, 2019

Re: Notification of Risk Identification – Lack of Controls Regarding Access Security

The Internal Audit Unit (IA) of the Office of Audit, Risk, and Compliance previously completed an investigation related to Winston Salem State University's (WSSU) immunization standards and protocols for its students. During that review, IA noted other areas where controls should be strengthened that were outside the scope of the investigation. It is important to note that further examination of these areas is not included on the current audit focus list; however, the assessment of potential risk for loss or reputational damage is appreciable.

Specifically, we noted two former employees of WSSU's Student Health Services with unauthorized access rights to Med+Proctor, the university's information system where student immunization records and other private health information is stored. Upon inquiry, department management was not aware the access had not been removed post the employee's separation, indicating the lack of an appropriate system of checks and balances to ensure information assets are appropriately safeguarded. This increases the university's exposure to data loss and liability.

As a person responsible for oversight of the control environment within Student Health Services, we are writing to encourage you to exercise greater than routine vigilance, and design and implement controls that will help ensure only authorized employees have rights to access the university's private data and systems.

We also encourage you to bring to our attention any other potential deficiencies in controls and procedures you believe may pose any risks so that we may help you identify and implement solutions.

REVIEW CRITERIA:

The “Logical Access Control” section of WSSU’s Information Technology Access Control Standard states:

The organization responsible for an information system is responsible for the prompt deactivation or disabling of accounts when necessary including but not limited to accounts subject to the following circumstances:

- 1 - The accounts for terminated individuals shall be removed/disabled/revoked from any computing system at the end of the individual’s employment or when continued access is no longer required.

The “Guidelines” section of WSSU’s Confidentiality Policy (Policy #101.1) states, “All employees, student workers, and affiliates have a duty to use available physical, technological, and administrative safeguards, in accordance with University policies and procedures, to protect the security of all confidential information regardless of form or medium.”

The “Definitions” section of Policy #101.1 identifies health records as confidential information.

Engagements completed by Internal Audit at Winston-Salem State University are conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors.

cc: Elwood L. Robinson, Ph.D., Chancellor
Anthony Graham, Ph.D., Provost and Vice Chancellor for Academic Affairs
Dr. Melvin Norwood, Associate Provost and Vice Chancellor for Student Development and Engagement
Natasha Jeter, Ph.D., Assistant Dean of Health, Wellness, and Prevention
Audit, Risk, and Compliance Committee, WSSU Board of Trustees

MOTIONS TO GO INTO CLOSED SESSION

I move that we go into closed session to:

(Specify one or more of the following permitted reasons for closed sessions)

___ **Prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1):**

___ **State employee personnel records**, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes.

___ **Internal Auditor's work papers**, under Section 116-40.7 of the North Carolina General Statutes.

___ **A student's education records**, under The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568.

___ **Social Security account numbers**, under The Privacy Act of 1974, Public Law 93-579, as amended by Public Law 94-455.

___ **Prevent the premature disclosure of an honorary degree, scholarship, prize or similar award under N.C.G.S. 143-318.11(a)(2)**

___ **Consult with our attorney under N.C.G.S. 143-318.11(a)(3):**

___ to protect the attorney-client privilege.

___ to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action; if known, title of action is:

_____ v. _____

___ **Discuss matters relating to the location or expansion of business in the area served by this body under N.C.G.S. 143-318.11(a)(4).**

___ **Establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property under N.C.G.S. 143-318.11(a)(5).**

___ **Establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract under N.C.G.S. 143-318.11(a)(5).**

___ **Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).**

___ **Hear or investigate a complaint, charge, or grievance by or against a public officer or employee under N.C.G.S. 143-318.11(a)(6).**

___ **Plan, conduct, or hear reports concerning investigations of alleged criminal conduct N.C.G.S. 143-318.11(a)(7).**

Meeting Name: Endowment Committee

Meeting Start Time: 8:00 AM Eastern Daylight Time

Meeting Start Date: 3/14/2019

Meeting End Time: 10:00 AM Eastern Daylight Time

Meeting End Date: 3/14/2019

Meeting Location: Blair 200, Chancellor's Conference Room

Agenda:

- I. Call to Order – Chairman Dr. William Harris
- II. Roll Call – Leslie Gaynor
- III. *Adoption of the Agenda – Chairman Dr. Harris
- IV. Presentation from UNC Management Company, Inc.
- V. *Approval of December 13, 2018 minutes – Chairman Dr. Harris
- VI. Enhanced Revenue/Integrated Planning and Budgeting:
 - A. University Endowment Financial Statements – Frank Lord
 - B. Foundation Endowment Financial Statements – Gordon Slade
- VII. Other Discussion Items
- VIII. Adjournment – Chairman Dr. Harris



**Board of Trustees, Endowment Committee
Thursday, March 14, 2019
Chancellor's Conference Room
8:00 am**

AGENDA

***Action Item**

1. Call to Order – Chairman Dr. William Harris
2. Roll Call – Leslie Gaynor
3. *Adoption of the Agenda – Chairman Dr. Harris
4. Presentation from UNC Management Company, Inc.
5. *Approval of December 13, 2018 minutes – Chairman Dr. Harris
6. Enhanced Revenue/Integrated Planning and Budgeting:
 - University Endowment Financial Statements – Frank Lord
 - Foundation Endowment Financial Statements – Gordon Slade
7. Other Discussion Items
8. Adjournment – Chairman Dr. Harris

Winston-Salem State University Board of Trustees Endowment Committee
Chancellor's Conference Room, Thursday, December 13, 2018
Minutes

Committee Chairman Dr. William Harris called the Board of Trustees (BOT) Endowment Committee meeting to order at 8:03 a.m.

Roll Call: Ms. Leslie Gaynor

Members Present:	Chair Dr. William Harris	Chancellor Elwood Robinson
	Mr. David Smith	Ms. Constant Mallette, ex-officio
	Mr. Harvey McIntyre	
	Mr. Scott Wierman	

A quorum was established.

Staff Present:	Ms. Camille Klutz-Leach	Dr. LaToya Afolayan
	Mr. Frank Lord	Ms. Leslie Gaynor
	Mr. Gordon Slade	Mr. Wilbourne Rusere

Guest: Mr. Jonathan King, President – UNC Management Company, Inc. (via tele-conference)

Adoption of Agenda

The agenda was adopted (Trustee McIntyre moved and Trustee Wierman seconded).

UNC Management Company, Inc. Presentation (Endowment Fund Update)

The December 13, 2018 UNC Investment Fund was presented by Mr. Jonathon King via tele-conference.

Returns (see handout of UNC Management Company presentation)

Pg. 4 Fiscal 2018

- June 30, up 12%
- Top Ranking
- 1st four months of fiscal year, funds are down slightly
- November increase 1.4%
- Positive return for the quarter

Page 8:

- 2.6% return in September
- Down 2.8% in October

Page 9:

- Down 0.3% return

Page 14

- Equity market has increased
- Not expecting full bare-market

Page 18

- Dropped slightly below the median for 3yr period

Page 21

- Balancing act between traditional and private equities

Page 24

- Key is to play defense, have diverse portfolio, and focus assets

Approval of Minutes

The minutes from September were approved (Trustee McIntyre moved and Trustee Wierman seconded 0.

Enhanced Revenue/Integrated Planning and Budgeting

- **University Endowment**

- 1st Quarter return 2019: +2.6%, September 2018
- Fiscal Year to Date performance +2.6%
- WSSU Endowment Invested Funds combined as of September 30 2018 \$47,815,466
- WSSU Endowment Funds invested as of September 30, 2018 (fair market value) \$33,868,988
- Net Realized and Unrealized Gains \$466,696
- Cash Gifts received -0-
- Permanently Restricted Cash to be invested -0-
- Restricted Cash for Spending \$2,845,085
- WSSU Endowment principal invested with UNC Management Trust account \$18,449,312
- Total Amount Spent:

Scholarships	800
Chairs/Professorships	22,066
Program Dev/Inst Support	3,357
Library	0
Total Amount Spent	26,224
- No reinvestments were made during this period.
- There were no gifts during this period.
- **Foundation Endowment**
 - WSSU Endowment funds invested as of June 30 2018 (fair market value) \$13,946,478
 - Net Realized and Unrealized Gains \$362,125
 - Cash Gifts received \$343,903
 - Restricted Cash for Spending \$284,249
 - WSSU Endowment principal invested with UNC Management Trust account \$9,139,200
 - Amount spent on scholarships \$0
 - Permanently restricted cash to be invested \$409,366

Trustee Wierman commented about the great returns and wanted to know how was this information communicated. Mr. Wade said reports are sent out to the donors (Foundation) regarding student performance.

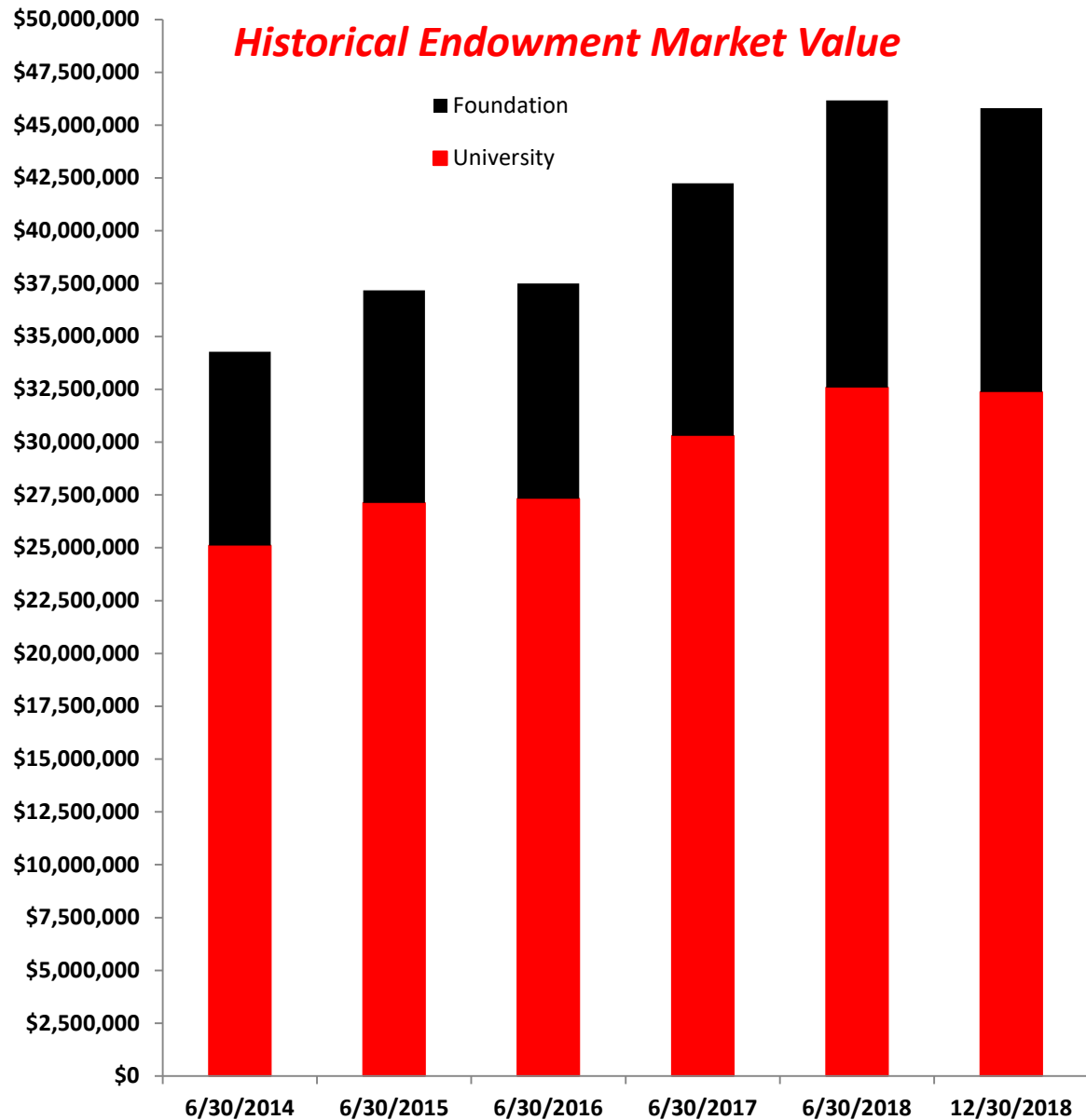
Discussion

On other discussion items.

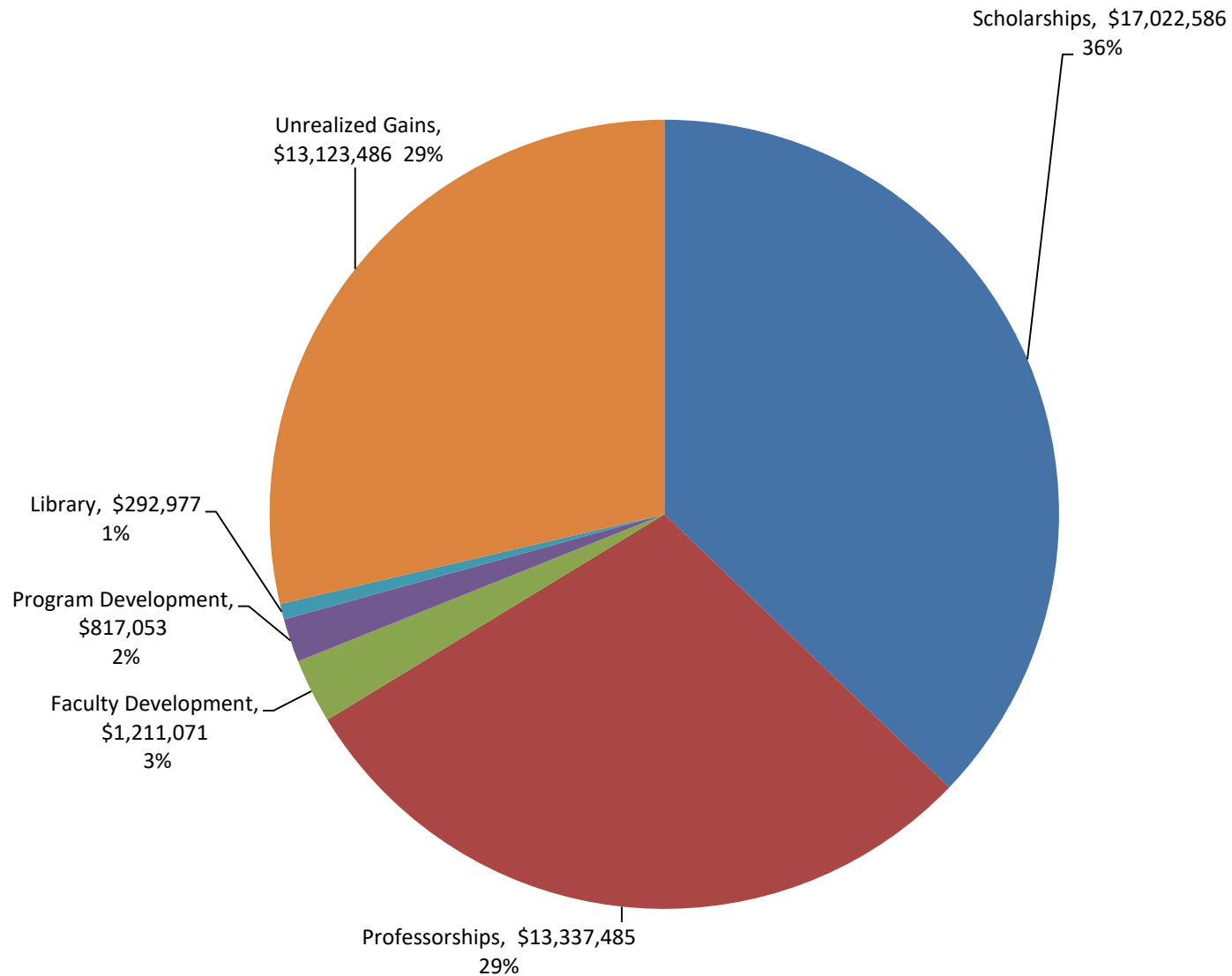
Meeting was adjourned at 8:49 am.

Next meeting, Thursday, March 14, 2019

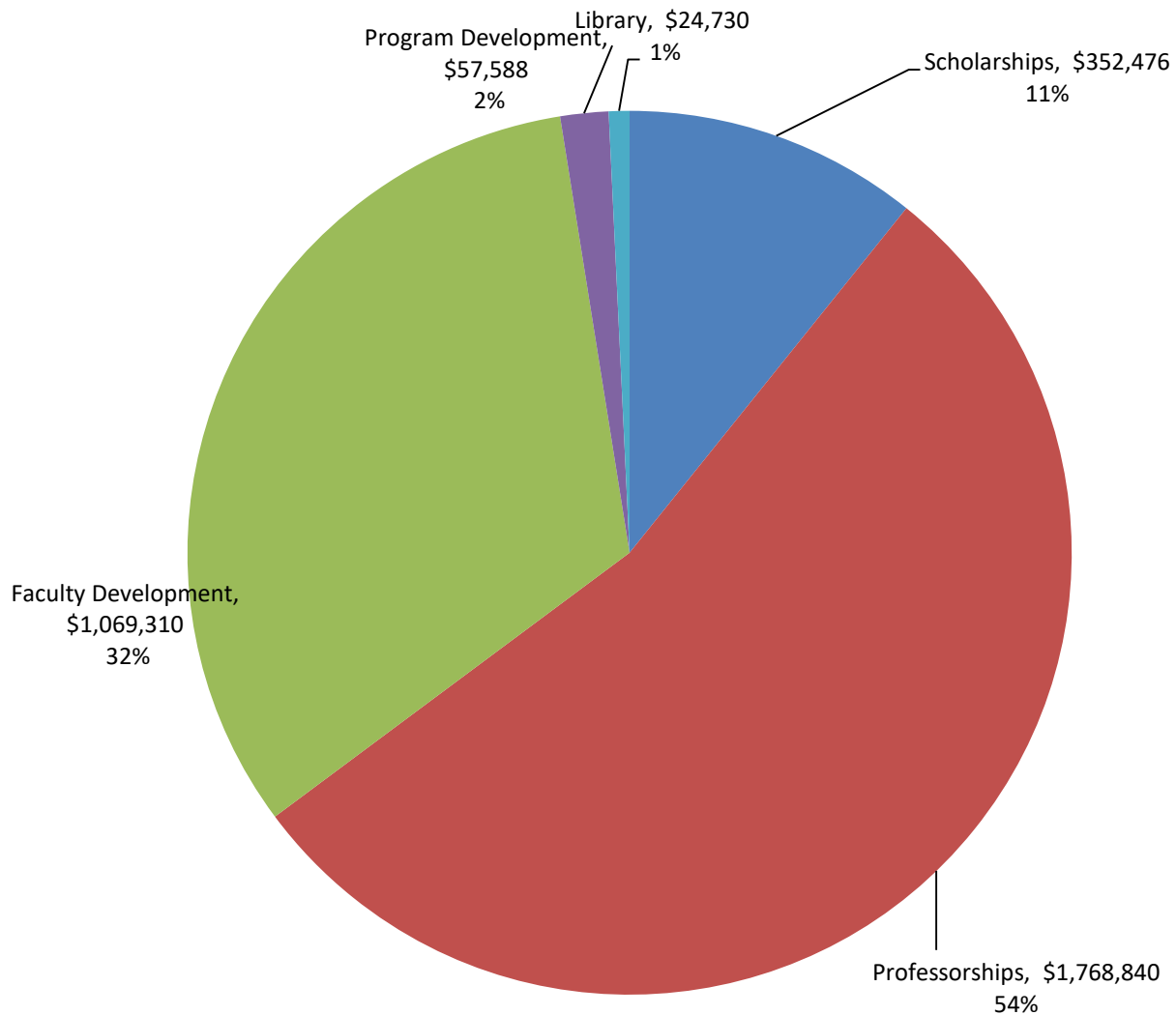
Respectively Submitted by: Leslie Gaynor, Finance and Administration, Office Director



**Endowed Invested Funds at
December 31, 2018
\$45,804,658**



**Endowed Restricted Funds Available for Spending at
December 31, 2018
\$3,272,944**



Winston-Salem State University
Board of Trustees Endowment Committee Report
Thursday March 14, 2019

Fiscal Year to Date as of December 31, 2018

• Endowment Principle Balance	
Invested with UNC Management trust account	\$18,449,312
• Fair Market Value	32,369,078
• Cash gifts received	0
• Net Realized and Unrealized Gains(losses)	(1,053,214)
• Permanently Restricted Cash to be invested	0
• Restricted Cash for spending	3,145,491
• Transfer to Foundation/Other	0
• Income Distributed	659,019
• Reinvested Endowment	845,614
• Amount spent:	
Scholarships	800
Chair/Professorships	47,967
Program Development/Inst Support	6,559
Library	0
Total amount spent	55,326

Winston-Salem State University Foundation
Board of Trustees Endowment Committee Report
Thursday March 14, 2019

Fiscal Year to Date as of December 31, 2018

•	Endowment Principle Balance	
	Invested with UNC Management trust account	\$9,555,711
•	Fair Market Value	13,435,580
•	Cash gifts received	514,007
•	Net Realized and Unrealized Gains(losses)	(105,173)
•	Permanently Restricted Cash to be invested	303,432
•	Restricted Cash for spending	127,453
•	Income Distributed	511,406
•	Amount spent on scholarships	88,330

Current Date: 02/01/2019

Current Time: 15.18.53

Winston-Salem State University

Banner Finance

Board of Trustees Endowment Fund Account Balances

As Of

Month: December Fiscal Year: 2019

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	RESTRICTED DISBURSEMENTS TO-DATE
Scholarships					
Alumni Scholarships	10,980.00	11,176.71	1,130.41	775.87	.00
Anne Hanes Willis Schol	85,000.00	-4,730.41	3,928.12	2,645.34	.00
Athletic Endowment Sch	85,431.52	-3,006.38	9,665.62	2,816.75	800.00
Bank of America Schol	250,000.00	-11,448.64	11,907.93	8,093.34	.00
Bernice James Davenport Sch	18,764.69	-660.34	5,353.92	618.69	.00
Bryan Family Schol	150,000.00	-8,298.11	7,073.44	4,807.53	.00
C C Ross BB&T Schol	122,500.00	-7,091.26	5,760.94	3,915.48	.00
C E Gaines Athletic Sch	410,202.56	-21,833.75	19,386.48	13,176.21	.00
Chancellor s Scholarship	63,455.88	-3,159.84	3,009.84	2,045.67	.00
Class of 1938 Schol	4,200.00	10,396.23	744.69	511.13	.00
Cleon Edwina Thompson Sch	54,940.32	-3,044.42	2,590.53	1,760.68	.00
Coca Cola Dist Schol	50,000.00	-2,778.79	2,357.18	1,602.08	.00
Corn Products Schol	.00	.00	.00	.00	.00
George Virginia Newell Sch	.00	.00	.00	.00	.00
Glenn Family Schol	110,000.00	-6,065.58	5,188.16	3,526.18	.00
HBCU Masters Scholarship	175,500.00	-6,175.92	10,549.29	5,786.38	.00
Hanes Scholarship	100,000.00	3,854.91	5,298.59	3,636.74	.00
Haywood L Wilson Jr Schol	170,950.00	-7,317.73	8,168.15	5,551.56	.00
James G Hanes Schol	400,000.00	-22,115.21	18,863.11	12,820.48	.00
John Lillian Lewis Schol	7,500.00	-40.25	7,596.24	261.22	.00
Kenneth R Williams Schol	20,130.07	-1,101.48	949.86	645.58	.00
Laura Sawyer Schol	27,394.43	-964.03	1,325.92	903.21	.00
Lillie Middleton Schol	10,000.00	-351.91	7,368.12	329.71	.00
Merit Scholarships	396,070.72	-22,991.27	18,623.27	12,657.48	.00
Nettie Frank Setzer Sch	11,372.42	-409.27	549.60	374.26	.00
North Car Assoc Insur Agt Sch	70,000.00	-3,898.91	3,299.62	2,242.62	.00
Omega Psi Phi Schol	21,451.17	-643.83	1,036.65	705.93	.00
Paul Fulton Sara Lee Emer Fund	150,000.00	13,435.84	32,413.93	5,723.12	.00
Peter Kim Schol	20,000.00	-703.81	1,514.38	659.52	.00
R H Barringer Schol	.00	.00	.00	.00	.00
Robert Emken Schol	180,000.00	-6,334.27	8,712.21	5,934.75	.00
Sam Walton Memo Schol	102,000.00	-6,002.24	4,791.99	3,256.92	.00
So Area Links Inc Scholarship	10,513.43	-369.98	758.88	346.24	.00
Student Gen Scholarships	58,418.97	-3,238.28	2,754.49	1,872.11	.00
Wells Fargo Scholarship	65,000.00	-3,300.22	3,079.91	2,093.29	.00
Winston Salem Beauticians Sch	5,000.00	-68.32	1,229.04	172.72	.00
Z Smith Reynolds Schol	300,000.00	-10,488.93	8,042.79	9,891.25	.00
Total Scholarships	3,716,776.18	-129,769.69	225,023.30	122,160.04	800.00

FUND NAME	PRINCIPAL	QUASI-ENDOWMENT	RESTRICTED	RESTRICTED EARNINGS TO-DATE	RESTRICTED DISBURSEMENTS TO-DATE
Chairs/Professorships					
ARF Dist Prof in Biopharm	500,000.00	36,504.30	126,781.06	18,202.00	.00
Anne Reynolds Forsyth Chr SOE	500,000.00	18,358.27	125,875.25	17,586.36	.00
BB&T End Prof Fin Ethics	250,000.00	-8,679.45	17,161.75	8,045.51	.00
CD Spangler Dist Prof Phy Ther	500,000.00	-17,587.10	30,582.92	16,472.82	.00
Dist Prof African Amer History	500,000.00	-17,595.21	42,718.94	16,485.42	.00
Dist Prof African Amer Lit	500,000.00	-17,595.21	39,272.02	16,485.42	.00
Dist Prof Nur/Allied Health L4	500,000.00	-21,922.11	23,864.54	16,219.76	.00
Dist Prof Political Science	500,000.00	-17,595.21	45,043.41	16,485.42	.00
Gray Chair of Religion	458,681.27	20,028.78	124,343.03	16,507.47	.00
Hanes Dist Prof Coll Arts Sci	1,000,000.00	-35,190.41	72,759.26	32,970.84	4,014.16
Novant Health FMC Chair Recrui	500,000.00	-17,595.21	51,025.18	16,485.42	9,750.86
Paul Fulton 2nd Chair CS	800,000.00	-28,152.33	53,303.86	26,376.67	.00
Paul Fulton Chair CS	500,000.00	-17,595.21	50,631.01	16,485.42	.00
RJR Computer Science Prof	1,000,000.00	312,990.67	185,751.71	45,977.69	1,140.58
Sara Lee Chr Accounting	1,000,000.00	270,853.71	182,689.14	44,502.16	19,139.95
Sara Lee Foreign Language Chr	500,000.00	18,358.27	125,875.25	17,586.36	.00
Shelton Foundation Chr Nurs	583,500.00	-6,352.74	107,173.80	20,210.27	13,921.93
Vivian Chambers Prof-Math/Elem	500,000.00	-17,595.21	33,314.84	16,485.42	.00
Wells Fargo Chair-Education	500,000.00	-17,595.21	33,314.84	16,485.42	.00
Willie Bradsher Prof Educ	150,000.00	581,961.97	136,537.85	24,833.30	.00
Wilveria B Atkinson Chr Lif Sc	500,000.00	94,890.99	129,695.58	20,182.88	.00
Z Smith Reynolds-Justice	500,000.00	-17,592.67	31,124.93	16,481.48	.00
Total Chairs/Professorships	12,242,181.27	1,095,303.68	1,768,840.17	457,553.51	47,967.48
Faculty Development					
Faculty Enrichment	16,011.15	-563.44	9,557.17	527.90	.00
Wells Fargo Teach Excellence	1,231,618.16	-35,994.61	1,059,753.09	40,733.27	.00
Total Faculty Development	1,247,629.31	-36,558.05	1,069,310.26	41,261.17	.00
Program Development					
Academic Development	.00	.00	.00	.00	.00
Athletics Program Development	10,335.13	-363.70	8,161.13	340.75	.00
James G Hanes Curr Dev	.00	.00	.00	.00	.00
Nursing Program	900,000.00	-119,534.04	27,891.98	26,762.64	6,559.31
Program Development	27,587.00	-970.85	21,534.62	909.56	.00
Total Program Development	937,922.13	-120,868.59	57,587.73	28,012.95	6,559.31
Library					
Friends of the Library	244,803.50	-8,614.74	21,861.63	8,071.38	.00
JG Hanes Diggs Gallery	60,000.00	-3,212.61	2,868.00	1,959.60	.00
Total Library	304,803.50	-11,827.35	24,729.63	10,030.98	.00
Other					
Realized Gains Losses	.00	.00	.00	.00	.00
Unrealized Gains Losses	.00	13,123,486.07	.00	.00	.00
Total Other	.00	13,123,486.07	.00	.00	.00
TOTAL ALL	\$18,449,312.39	\$13,919,766.07	3,145,491.09	659,018.65	55,326.79

WINSTON SALEM STATE UNIVERSITY
BOARD OF TRUSTEES ENDOWMENT FUND
STATEMENT OF CHANGES IN FUND EQUITY
FOR JULY 1, 2018 THROUGH DECEMBER 31, 2018
WITH COMPARISON TO PRIOR QUARTER

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	Dec 30 2018	Sep 30 2018	VARIANCE	Dec 30 2018	Sep 30 2018	VARIANCE	Dec 30 2018	Sep 30 2018	VARIANCE
REVENUES:									
Private Gifts, Grants and Contracts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest and Investment Income	\$659,018.98	\$329,509.49	\$329,509.49	\$0.00	\$0.00	\$0.00	\$659,018.98	\$329,509.49	\$329,509.49
Realized Gain(Loss) From Sale on Securities	\$0.00	\$0.00	\$0.00	(\$499,645.09)	(\$284,128.92)	(\$215,516.17)	(\$499,645.09)	(\$284,128.92)	(\$215,516.17)
Unrealized Gain(Loss) on Securities Held by Fiscal Agent	\$0.00	\$0.00	\$0.00	(\$553,568.86)	\$730,824.70	(\$1,284,393.56)	(\$553,568.86)	\$730,824.70	(\$1,284,393.56)
Transfers to/from Restricted	\$0.00	\$0.00	\$0.00	\$845,614.37	\$845,614.37	\$0.00	\$845,614.37	\$845,614.37	\$0.00
TOTAL REVENUE	\$659,018.98	\$329,509.49	\$329,509.49	(\$207,599.58)	\$1,292,310.15	(\$1,499,909.73)	\$451,419.40	\$1,621,819.64	(\$1,170,400.24)
EXPENDITURES:									
Student Financial Aid	\$800.00	\$800.00	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00	\$800.00	\$0.00
Academic Support	\$47,967.48	\$22,066.21	\$25,901.27	\$0.00	\$0.00	\$0.00	\$47,967.48	\$22,066.21	\$25,901.27
Institutional Support	\$6,559.31	\$3,357.42	\$3,201.89	\$0.00	\$0.00	\$0.00	\$6,559.31	\$3,357.42	\$3,201.89
Transfers to Endowment/Other	\$845,614.37	\$845,614.37	\$0.00	\$0.00	\$0.00	\$0.00	\$845,614.37	\$845,614.37	\$0.00
TOTAL EXPENDITURES	\$900,941.16	\$871,838.00	\$29,103.16	\$0.00	\$0.00	\$0.00	\$900,941.16	\$871,838.00	\$29,103.16
NET INCREASE (DECREASE)	(\$241,922.18)	(\$542,328.51)	\$300,406.33	(\$207,599.58)	\$1,292,310.15	(\$1,499,909.73)	(\$449,521.76)	\$749,981.64	(\$1,199,503.40)
FUND EQUITY JULY 1, 2018	\$3,387,413.27	\$3,387,413.27	\$0.00	\$32,576,678.04	\$32,576,678.04	\$0.00	\$35,964,091.31	\$35,964,091.31	\$0.00
FUND EQUITY DECEMBER 31, 2018	\$3,145,491.09	\$2,845,084.76	\$300,406.33	\$32,369,078.46	\$33,868,988.19	(\$1,499,909.73)	\$35,514,569.55	\$36,714,072.95	(\$1,199,503.40)

EXPLANATION OF VARIANCES:

Restricted Funds:

Variance is due to difference in quarters' income and expenditures

Endowed Funds:

Variance is due to realized and unrealized gains and losses for the quarter

WINSTON SALEM STATE UNIVERSITY
BOARD OF TRUSTEES ENDOWMENT FUND
BALANCE SHEET
DECEMBER 31, 2018
WITH COMPARISON TO PRIOR QUARTER

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	Dec 30 2018	Sep 30 2018	VARIANCE	Dec 30 2018	Sep 30 2018	VARIANCE	Dec 30 2018	Sep 30 2018	VARIANCE
ASSETS									
Cash in Institutional Trust	\$ 3,145,491.09	\$ 2,845,084.76	\$ 300,406.33	\$ -	\$ -	\$ -	\$ 3,145,491.09	\$ 2,845,084.76	\$ 300,406.33
Cash with Fiscal Agent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investments	0.00	0.00	0.00	32,369,078.46	33,868,988.19	(1,499,909.73)	32,369,078.46	33,868,988.19	(1,499,909.73)
Due from WSSU Foundation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	<u>\$ 3,145,491.09</u>	<u>\$ 2,845,084.76</u>	<u>\$ 300,406.33</u>	<u>\$ 32,369,078.46</u>	<u>\$ 33,868,988.19</u>	<u>\$ (1,499,909.73)</u>	<u>\$ 35,514,569.55</u>	<u>\$ 36,714,072.95</u>	<u>\$ (1,199,503.40)</u>
LIABILITIES AND FUND EQUITY									
LIABILITIES									
Due to Institutional Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL LIABILITIES	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FUND EQUITY									
Fund Balances:									
Endowment	0.00	0.00	0.00	18,449,312.39	18,449,312.39	0.00	18,449,312.39	18,449,312.39	0.00
Quasi-Endowment - Restricted	0.00	0.00	0.00	13,919,766.07	15,419,675.80	(1,499,909.73)	13,919,766.07	15,419,675.80	(1,499,909.73)
Other Restricted Funds	3,145,491.09	2,845,084.76	300,406.33	0.00	0.00	0.00	3,145,491.09	2,845,084.76	300,406.33
TOTAL FUND EQUITY	<u>\$ 3,145,491.09</u>	<u>\$ 2,845,084.76</u>	<u>\$ 300,406.33</u>	<u>\$ 32,369,078.46</u>	<u>\$ 33,868,988.19</u>	<u>\$ (1,499,909.73)</u>	<u>\$ 35,514,569.55</u>	<u>\$ 36,714,072.95</u>	<u>\$ (1,199,503.40)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 3,145,491.09</u>	<u>\$ 2,845,084.76</u>	<u>\$ 300,406.33</u>	<u>\$ 32,369,078.46</u>	<u>\$ 33,868,988.19</u>	<u>\$ (1,499,909.73)</u>	<u>\$ 35,514,569.55</u>	<u>\$ 36,714,072.95</u>	<u>\$ (1,199,503.40)</u>

Restricted Funds - Funds which are available for current operating purposes subject to limitations placed by a donor or grantor.

Endowment Funds - Funds for which the donor has stipulated, as a condition of the gift, that the principal is to be maintained inviolate and in perpetuity.

The principal is to be invested for the purpose of producing income for expenditures as provided by the terms of the gift.

Term Endowment - Same definition as above except for that the conditions provide that the gift can be released from inviolability upon the happening of a particular event or the passage of a stated period of time.

Quasi-Endowment - Income generated by realized gains on the endowment principal that is reinvested in the endowment pool. These amounts can be spent at the discretion of the Board of Trustees.

Principal - Original gift awarded by the donor for an established endowment account.

EXPLANATION OF VARIANCES:

Restricted Funds: Variance is due to difference in quarters' income and expenditures

Endowed Funds: Variance is due to realized and unrealized gains and losses for the quarter

**Schedule of Endowments
12/31/2018**

Account Number	Account Name	Principle	Balance Invested 12/31/2018	Cash not met min. requirement	Unrealized Gains/(Losses)	Restricted Cash for Spending 12/31/2018	Restricted Cash Not invested 12/31/2018	Total Value Cash & Mkt	Revenues	Scholarship	Endowment	Unrealize gains (losses)	Fair Maket Value
	Peyton Thomas & Jannie Marie Hairston Endowed												
4001	Scholarship Fu	57,090.94	56,790.94	-	19,274.08	(3,178.33)	300.00	73,186.69	(350.00)	1,200.00	157.14	(520.09)	76,065.02
4002	College Endowment Christopher Endowed	350,000.00	350,000.00	-	177,195.40	16,458.73	-	543,654.13	-	6,000.00	1,463.70	(3,709.99)	527,195.40
4003	Scholarship	44,000.00	44,000.00	-	20,391.94	(671.99)	-	63,719.95	-	1,150.00	169.30	(466.01)	64,391.94
4004	Mary Williams Endow Leslie M & Suzanne Baker	15,736.56	15,736.56	-	7,464.25	3,735.03	-	26,935.84	-	-	61.88	(166.51)	23,200.81
4005	Endow Sch Doris Lee Hairston Dye	246,488.47	246,488.47	-	121,278.82	11,988.86	-	379,756.15	-	-	1,003.43	(2,612.83)	367,767.29
4006	endow Mary & Rufus Hairston	11,825.00	11,825.00	-	5,778.67	728.91	-	18,332.58	-	-	47.81	(125.24)	17,603.67
4007	Endow. Sch Chelyn Cheryl Conner	1,040,000.00	1,040,000.00	-	559,115.82	101,896.56	-	1,701,012.38	-	20,000.00	4,605.35	(11,027.50)	1,599,115.82
4008	Endowed Scholarship	11,304.00	11,304.00	-	5,216.12	5,896.85	-	22,416.97	-	-	43.31	(119.71)	16,520.12
4009	East Area Council Sch.	30,000.00	30,000.00	-	15,110.74	6,434.98	-	51,545.72	-	-	124.85	(317.97)	45,110.74
4010	EL Davis	1,680.00	-	1,680.00	-	227.12	-	1,907.12	-	-	-	-	-
4011	Goler AME Zion Endow. Class of 81 Manderline	8,000.00	8,000.00	-	(86.12)	-	-	7,913.88	-	-	1.21	(84.91)	7,913.88
4012	Scales Endowed Scholar	9,065.70	8,925.70	-	(145.01)	(50.10)	(175.00)	8,555.59	1,175.00	-	1.16	(143.85)	8,780.69
4013	BIG FOUR W & P Blackwell Endow.	20,000.00	20,000.00	-	11,535.92	2,817.47	-	34,353.39	-	-	94.61	(211.79)	31,535.92
4014	Sch.	75,250.00	75,250.00	-	37,571.64	6,067.75	-	118,889.39	-	-	310.58	(797.09)	112,821.64
4015	Class of 1958	112,405.27	103,305.27	-	55,135.93	(1,138.05)	9,100.00	166,403.15	9,100.00	2,000.00	454.11	(1,095.10)	158,441.20
4016	Class of 1946 Endowed Schexnider/Pleasants	23,123.61	23,123.61	-	12,602.81	3,755.88	-	39,482.30	-	-	103.67	(244.96)	35,726.42
4017	Endowed Scholarship Kennedy & Diggs Family	25,000.00	25,000.00	-	11,820.54	4,453.04	-	41,273.58	-	-	98.02	(265.11)	36,820.54
4018	Endow	-	-	-	-	-	-	-	-	-	-	-	-
4019	Graduating Class Endow Logan T. & Vivian H. Burke Endow	9,909.59	9,909.59	-	2,555.80	229.97	-	12,695.36	-	-	22.25	(105.02)	12,465.39
4020	Scholarships Ellen & Andrew Schindler	150,021.52	150,021.52	-	71,417.85	10,370.90	-	231,810.27	-	-	592.04	(1,590.58)	221,439.37
4021	Endow Sch. WSSU Alumni Queens	200,000.00	200,000.00	-	95,152.62	(6,698.67)	-	288,453.95	-	-	788.84	(2,120.35)	295,152.62
4022	Endowed Harold & Davida Martin	9,100.00	9,100.00	-	2,348.31	(222.16)	-	11,226.15	-	-	20.44	(96.60)	11,448.31
4023	Endowed Sch Elva Jones Endow.	16,700.49	16,700.49	-	8,774.01	1,826.55	-	27,301.05	-	-	72.32	(177.09)	25,474.50
4024	Scholarship	72,597.73	68,209.73	-	29,254.80	7,532.86	3,343.00	108,340.39	5,407.00	-	244.35	(787.47)	97,464.53
4025	Class of 1953 End. Sch.	25,275.79	25,275.79	-	12,803.87	571.56	-	38,651.22	-	-	105.74	(267.80)	38,079.66
4026	Class of 1954 End. Sch. 1000 Rams 1000 Donors	50,105.00	50,105.00	-	24,156.70	(2,877.59)	-	71,384.11	-	950.00	200.09	(531.13)	74,261.70
4027	Endowed Atkins Gleason Carew	14,250.33	14,250.33	-	3,525.87	6,841.93	-	24,618.13	-	-	30.81	(150.78)	17,776.20
4028	Endowment Anne Reynolds Forsyth	464,797.40	464,797.40	-	235,766.61	(35,998.66)	-	664,565.35	-	-	1,947.32	(4,927.12)	700,564.01
4029	Endow. Sch BB&T Merit	200,000.00	200,000.00	-	94,217.59	(9,883.82)	-	284,333.77	-	3,851.00	781.55	(2,120.35)	294,217.59
4030	Barney and Catherine Pettie Hart WSSU Choir	180,000.00	180,000.00	-	83,927.26	11,100.62	-	275,027.88	-	-	696.62	(1,907.98)	263,927.26
4031	Endowed Scholars	16,655.00	16,655.00	-	6,745.77	1,249.15	-	24,649.92	-	250.00	56.48	(176.57)	23,4
4032	Class of 1955 End. Sch.	56,990.00	56,990.00	-	28,707.01	(4,401.43)	5,000.00	86,295.58	5,000.00	-	237.95	(801.86)	85,6
4033	Henry Jones, Jr. Endow	24,931.80	24,931.80	-	11,618.09	4,444.67	1,000.00	41,994.56	1,030.00	-	96.59	(304.83)	36,5

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4034	John & Peggy Taylor Endow. Student Tech. Fund	220,000.00	220,000.00	-	90,546.78	28,441.79	-	338,988.57	-	4,200.00	757.66	(2,331.87)	310,546.78
4035	John G. Medlin Endow. Scholarship Class of 1973 Endowed	247,226.44	247,226.44	-	124,298.29	(34,954.12)	-	336,570.61	-	4,650.00	1,027.15	(2,620.78)	371,524.73
4036	Scholarship Fund	44,430.58	38,343.58	-	9,889.77	(309.50)	7,250.00	55,173.85	11,537.00	550.00	86.97	(622.35)	48,233.35
4037	Larry and Carrie Poole	10,000.00	10,000.00	-	4,005.76	2,645.83	-	16,651.59	-	-	33.55	(105.61)	14,005.76
4038	Lucille Mauge Endowed Rebecca O. Bailey	20,214.86	20,214.86	-	11,055.04	(11,507.77)	-	19,762.13	-	-	90.92	(213.84)	31,269.90
4039	Endowed Scholarship Reynolds American	50,250.00	50,250.00	-	25,870.78	(5,418.42)	-	70,702.36	-	950.00	213.48	(532.34)	76,120.78
4040	Endow. Sch.	750,000.00	750,000.00	-	409,709.12	(5,616.45)	-	1,154,092.67	-	13,957.50	3,370.43	(7,950.52)	1,159,709.12
4041	Ruth W. Payne Endow Sara Lee Int'l Endowed	27,996.32	27,996.32	-	13,689.89	(163.55)	-	41,522.66	-	-	113.29	(296.80)	41,686.21
4042	Fund	100,000.00	100,000.00	-	48,998.48	435.43	-	149,433.91	-	-	405.50	(1,059.94)	148,998.48
4043	Sophia Pierce Joseph H. Daniels	110,050.00	110,050.00	-	41,132.10	(12,260.72)	-	138,921.38	-	1,850.00	346.56	(1,166.64)	151,182.10
4044	Endowment J.M. & B.H. DAVENPORT	33,387.00	32,166.00	-	10,010.07	771.60	1,721.00	44,668.67	1,621.00	1,100.00	85.67	(360.94)	42,176.07
4046	MUSIC ENDOW John Henry Martin	1,245.00	-	1,245.00	-	-	-	1,245.00	-	-	-	-	-
4047	Endowment The Cedric S. and Mae L. Rodney Endowed	26,815.34	26,815.34	-	16,444.30	(1,296.51)	-	41,963.13	-	500.00	134.48	(284.17)	43,259.64
4048	Undergraduate Resear	21,065.00	21,065.00	-	10,317.29	2,206.91	-	33,589.20	-	-	85.38	(223.16)	31,382.29
4051	John and Peggy Taylor J Alston Atkins Lecture	-	-	-	-	-	-	-	-	-	-	-	-
4065	Endowment WSSU Class of 1962	86,496.21	86,496.21	-	45,083.80	3,643.32	-	135,223.33	-	-	371.80	(916.64)	131,580.01
4066	Endowed Scholarship John and Clarice Scarritt Scholarship for Education	44,045.00	43,545.00	-	15,734.92	(8,760.59)	500.00	51,019.33	500.00	-	132.91	(461.69)	59,279.92
4068	Abroad Aurelia and Samuel McFadden Endowed	14,290.00	14,290.00	-	4,532.97	(922.10)	-	17,900.87	-	-	38.68	(151.66)	18,822.97
4069	Scholarship Donald J. & Deborah R. Reaves Endowed	10,000.00	10,000.00	-	5,596.09	(1,373.11)	-	14,222.98	-	-	45.95	(105.61)	15,596.09
4070	Scholarship Fannie M. Williams	337,896.27	337,896.27	-	138,501.44	906.21	25,000.00	502,303.92	-	5,200.00	1,163.14	(4,572.26)	476,397.71
4071	Endowed Scholarship Herrell-Bell Endowed	11,281.73	11,281.73	-	6,802.22	1,764.24	-	19,848.19	-	-	55.66	(119.40)	18,083.95
4072	Scholarship Fund	6,845.00	-	6,445.00	-	(18.96)	-	6,426.04	300.00	-	-	-	-
4073	Rachel E. Diggs Wilkinson Endowed Scholarship Diggs Art Gallery	110,000.00	110,000.00	-	65,577.16	(788.83)	-	174,788.33	-	3,489.00	537.06	(1,165.65)	175,577.16
4074	Endowment Warren C. & Gladys D.	110,050.00	110,050.00	-	71,362.76	3,840.19	-	185,252.95	-	-	582.19	(1,166.64)	181,412.76
4075	Oldham Endowed	28,375.00	28,375.00	-	17,126.74	3,599.82	250.00	49,351.56	-	-	140.19	(310.42)	45,501.74
4076	Lelia, John & Ruth Vickers Endowed Scholarship	100.00	-	100.00	-	-	-	100.00	-	-	-	-	-
4077	R. H. Barringer Endowed	20,000.00	20,000.00	-	10,937.28	3,615.38	-	34,552.66	-	350.00	89.96	(211.79)	30,930.83

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4078	William U. & C. Estell Harris Endowed Scholarship	101,218.04	101,060.77	-	26,149.43	(10,851.14)	(8,870.57)	107,488.49	282.27	1,200.00	228.87	(1,387.34)	127,210.20
4079	Harden '74 & Janet Wheeler Endowed Scholarship Fund	-	-	-	(0.02)	-	-	(0.02)	-	-	-	-	(0.02)
4080	William, Patricia and Valeria Price Endowed Scholarship	55,000.00	55,000.00	-	16,715.09	(1,140.75)	-	70,574.34	-	-	143.24	(583.19)	71,715.09
4081	Class of 1965 Endowed Scholarship	59,169.50	59,169.50	-	12,432.28	(2,179.08)	(4,700.00)	64,722.70	125.00	-	110.91	(644.07)	71,601.78
4082	Class of 1964 Endowed Terry and Yvette Griffin	108,266.66	103,571.66	-	22,713.31	(5,665.88)	12,645.00	133,264.09	13,070.00	1,250.00	203.25	(1,558.41)	126,284.97
4083	Endowed Scholarship Henry & Viola Gwyn, Dorothy Gwyn Womble	58,440.00	58,440.00	-	11,038.95	(2,556.42)	40.00	66,962.53	40.00	650.00	100.42	(779.16)	69,478.95
4084	& Owen Luchion Wombl Carl J. Miller Endowed	25,512.60	25,512.60	-	6,824.83	(1,171.33)	200.00	31,366.10	200.00	-	59.24	(278.50)	32,337.43
4085	Scholarship Carl J. Miller Non-	23,020.90	23,020.90	-	7,156.30	834.82	(25.00)	30,987.02	-	-	61.19	(243.80)	30,177.20
4086	Scholarship Endowed Carolyn Anderson Torch	6,030.00	6,030.00	-	1,895.68	231.06	-	8,156.74	30.00	-	16.18	(65.15)	7,925.68
4087	of Wisdom Endowment Class of 1966 Endowed	20,560.00	20,055.00	-	(163.08)	(7.68)	1,475.00	21,359.24	1,035.00	-	3.60	(253.34)	19,891.92
4088	Scholarship Class of 1974 Endowed	32,416.69	32,216.69	-	6,178.43	342.59	50.00	38,787.71	300.00	-	55.76	(345.18)	38,395.12
4091	Scholarship Class of 1968 Conley Rice	49,954.57	45,414.81	-	8,183.42	(1,840.57)	5,789.76	57,547.42	7,959.76	-	75.69	(789.18)	53,598.23
4092	Endowment	52,641.24	52,641.24	-	13,600.56	(1,782.63)	-	64,459.17	-	-	118.41	(557.92)	66,241.80
4093	Louise Smith Endowment Eleanor Dalton and Michael Williams Endowed Scholarship	13,957.00	13,957.00	-	3,400.69	(273.70)	-	17,083.99	-	-	29.77	(147.88)	17,357.69
4094	Fund Kennedy & Diggs Family	10,125.00	-	5,000.00	-	(295.20)	125.00	4,829.80	5,000.00	-	-	-	-
4100	Endow The Class of 1985	46,260.00	44,010.00	-	18,707.64	(3,421.43)	2,250.00	61,546.21	2,250.00	750.00	156.18	(466.58)	62,717.64
4102	Endowed Scholarship	2,322.00	-	-	-	(57.51)	400.00	342.49	2,072.00	-	-	-	-
4112	Emma Duren Endowed Graduate School	3,140.00	-	3,140.00	-	-	-	3,140.00	-	-	-	-	-
4113	Endowed	1,000.00	-	1,000.00	-	-	-	1,000.00	-	-	-	-	-
4114	Class of 1975 Evelyn E. Botley-Ervin	8,475.00	-	7,775.00	-	(55.59)	300.00	8,019.41	50.00	-	-	-	-
4115	Endowed Class of 1996 Endowed	120.00	-	120.00	-	-	-	120.00	-	-	-	-	-
4144	Scholarship James G. Hanes Memorial Trust Endowed	976.54	-	972.54	-	(0.12)	17.42	989.84	-	-	-	-	-
4145	Scholarship Wayland Cato, Jr.	250,000.00	250,000.00	-	124,137.25	(218.78)	-	373,918.47	-	4,800.00	1,026.56	(2,649.94)	374,137.25
4146	Endowed Scholarship WSSU Class of 1957	10,000.00	10,000.00	-	4,521.13	2,001.33	-	16,522.46	-	-	37.59	(105.61)	14,521.13
4147	Endowed Sch	36,819.43	36,819.43	-	17,290.21	(2,760.42)	(1,000.00)	50,349.22	-	-	143.44	(390.35)	54,119.44

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	Cunningham & Winston Family Endowed												
4148	Scholarship	11,025.00	11,025.00	-	6,090.10	1,279.91	-	18,395.01	-	-	50.05	(116.92)	17,115.10
	Class of 1949 Endowed												
4149	Sch.	14,300.00	14,300.00	-	8,383.92	2,537.07	-	25,220.99	-	-	68.71	(151.77)	22,683.92
	GSK Women In Science												
4150	Endowed Sch.	50,000.00	50,000.00	-	27,528.37	(8,554.71)	-	68,973.66	-	750.00	226.35	(529.86)	77,528.37
	Nigel & Sarah Alston												
4158	Endowed Scholarship	26,000.00	26,000.00	-	12,048.11	727.82	-	38,775.93	-	-	100.01	(275.64)	38,048.11
	St. Peter's World												
4159	Outreach Ctr.Endowment	10,000.00	10,000.00	-	4,689.13	1,976.25	-	16,665.38	-	-	38.89	(105.61)	14,689.13
	Steve & Allison Williams												
4167	Endowed Scholarship	25,000.00	25,000.00	-	14,392.69	(998.81)	-	38,393.88	-	-	118.08	(265.11)	39,392.69
	The Tommy L. and Patricia B Hickman												
4168	Endowed Scholarship	17,000.00	-	9,000.00	-	-	8,000.00	17,000.00	-	-	-	-	-
	The Michelle M. Cook												
4170	Endowed Scholarship	11,005.00	-	-	-	(29.75)	10,000.00	9,970.25	-	-	-	-	-
	Class of 1978 Endowed												
4171	Scholarship	49,173.50	46,673.50	-	11,513.82	4,302.72	17,017.00	79,507.04	14,103.00	-	103.56	(1,211.86)	58,187.32
	Helen Powers Stevens												
4172	Endowed Scholarship	41,649.22	41,649.22	-	28,091.53	6,422.12	-	76,162.87	-	1,600.00	228.77	(441.32)	69,740.75
	Eryca Burch Endowed												
4173	Scholarship	16,780.11	-	12,206.11	-	(47.61)	905.00	13,063.50	1,465.00	-	-	-	-
	Class of 1960 Endowed												
4174	Scholarship	83,840.00	83,140.00	-	41,354.84	(3,474.98)	1,200.00	122,219.86	900.00	1,500.00	342.01	(901.23)	124,494.84
	CLASS OF 1956												
4175	Endowment	17,611.28	17,611.28	-	10,349.26	3,573.99	-	31,534.53	-	-	84.80	(186.21)	27,960.54
	Ethical Values of												
4176	Capitalism -endowed	-	-	-	(0.02)	-	-	(0.02)	-	-	-	-	(0.02)
	George and Virginia												
	Newell Endowed												
4177	Scholarship	27,495.42	26,970.42	-	8,745.86	2,585.36	(1,400.00)	36,901.64	525.00	-	74.52	(285.85)	35,716.28
	Class of 1959 Endowed												
4178	Scholarship	57,060.57	57,010.57	1,712.20	13,375.34	1,031.99	(1,762.20)	71,367.90	50.00	-	117.69	(608.43)	70,385.91
	Black Men For Change												
	Walter Harley Endowed												
4179	Scholarship	10,138.73	10,138.73	-	4,692.39	1,154.42	-	15,985.54	-	-	38.96	(107.19)	14,831.12
	Bettie Harvey Little												
4180	Endowed Scholarship	6,760.00	-	6,594.00	-	(4.53)	166.00	6,755.47	-	-	-	-	-
	Cleveland and Marlene												
	Ellison Endowed												
4181	Scholarship	50,195.03	50,195.03	-	18,734.73	950.75	(25.00)	69,855.51	30.00	-	157.84	(533.16)	68,929.76
	Kelvin and Tammy												
	Farmer Endowed												
4182	Scholarship	60,000.00	60,000.00	-	26,861.09	532.99	-	87,394.08	-	-	223.50	(636.05)	86,861.09
4183	Shirley Faison Endowed	15,945.00	15,945.00	-	7,360.98	2,535.37	-	25,841.35	-	-	61.12	(168.83)	23,305.98
	Isabell Samuel Tate												
4184	Endowed	14,000.00	14,000.00	-	7,480.29	2,890.99	-	24,371.28	-	-	61.59	(147.94)	21,400.00
	Eva W. Bovender												
4185	Endowed	11,805.00	11,805.00	-	6,701.42	2,242.54	-	20,748.96	-	-	54.99	(124.93)	18,500.00

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4186	Doretha Mcknight Stone Endowment	10,000.00	10,000.00	-	5,667.38	2,425.00	-	18,092.38	-	-	46.52	(105.61)	15,667.38
4187	Reynolda Rotary/Clarence Bighouse Gaines Memorial Endowed	72,949.75	72,949.75	-	36,764.45	889.49	-	110,603.69	-	2,500.00	303.74	(773.76)	109,714.20
4188	L'Tanya Bailey Endowed Scholarship	20,750.00	20,750.00	-	(223.10)	-	-	20,526.90	-	-	3.15	(219.95)	20,526.90
4189	Lorraine H. Morton Endowed Scholarship	25,035.00	25,000.00	-	12,494.14	1,745.05	-	39,239.19	35.00	-	103.27	(265.11)	37,494.14
4190	WSSU Natl Alumni Assn Endowed Scholarship	254,913.99	187,936.11	-	32,767.95	(8,885.17)	68,750.01	280,568.90	69,817.88	-	300.26	(2,133.85)	220,704.06
4191	Dr. Sylvia A. Flack Health Disparity Endowed Scholarship	29,888.77	29,708.77	-	7,428.54	(636.80)	-	36,500.51	360.00	-	64.94	(329.19)	37,137.31
4192	Belinda S. Womack Memorial Music Appreciation Endowed Schol	10,877.90	9,779.25	-	(134.60)	(6.10)	1,647.65	11,286.20	1,448.65	-	1.36	(133.24)	9,644.65
4193	Class of 1961 Endowed Scholarship	57,398.00	57,098.00	-	18,803.34	(5,657.82)	(300.00)	69,943.52	300.00	882.00	160.00	(605.04)	75,901.34
4194	Paul and Marcia Meis Endowed Scholarship	279,987.93	279,987.93	-	56,956.28	(5,414.05)	-	331,530.16	-	-	509.97	(2,967.91)	336,944.21
4196	Elwood L. & Denise Robinson Endowed Scholarship	59,450.00	59,450.00	-	15,002.86	(1,136.56)	(400.00)	72,916.30	60.00	-	130.96	(636.00)	74,452.86
4198	The Maggle Knight Knox Endowed Scholarship	6,630.00	-	1,630.00	(0.06)	(14.85)	-	1,615.09	5,000.00	-	-	-	(0.06)
4199	The United Christian Campus Ministry Endowed Scholarship	40,000.00	40,000.00	-	10,740.83	(945.13)	-	49,795.70	-	250.00	93.13	(424.15)	50,740.83
4200	The Cynthia A. Williams Endowed Scholarship	100,000.00	100,000.00	-	(1,241.28)	(341.76)	50,000.00	148,416.96	50,000.00	-	21.67	(3,041.12)	98,758.72
4201	The Sue and Doug Hederson Endowed Scholarship in Honor of Dr	27,263.47	19,763.47	-	(212.52)	(10.14)	7,500.00	27,040.81	7,500.00	-	3.00	(209.52)	19,550.95
4203	The Ingredion Undergraduate Research Fellowship Endowed	41,101.43	41,101.43	-	(441.73)	(6,808.26)	-	33,851.44	-	-	6.23	(435.48)	40,659.70
4204	Rose Marie Matthews Endowed Scholarship	10,544.00	10,544.00	-	(113.41)	(1.58)	-	10,429.01	-	-	1.60	(111.81)	10,430.59
4205	Class of 2012 Scholarship Endowment	1,053.58	-	1,001.88	-	(16.65)	(265.84)	719.39	16.68	-	-	-	-
4206	John & Peggy Taylor Endowed Scholarship	200,000.00	200,000.00	-	12,170.02	(1,233.60)	-	210,936.42	-	-	142.01	(2,120.35)	212,170.02
4207	The Dennis-Stroud Endowed Scholarship	15,000.00	15,000.00	-	(555.86)	-	10,000.00	24,444.14	-	-	0.76	(555.10)	14,444.14
4208	Roland and Barbara Hayes Education Endowed Scholarship	30,001.00	30,001.00	-	(301.69)	(226.13)	(35.00)	29,438.18	-	-	4.70	(317.97)	29,655.21

**Schedule of Endowments
12/31/2018**

Account Number	Account Name	Principle	Balance Invested 12/31/2018	Cash not met min. requirement	Unrealized Gains/(Losses)	Restricted Cash for Spending 12/31/2018	Restricted Cash Not invested 12/31/2018	Total Value Cash & Mkt	Revenues	Scholarship	Endowment	Unrealize gains (losses)	Fair Maket Value
4209	The Family Fare Endowed Entreprenurship Program Fund	26,000.00	10,000.00	-	(301.09)	-	21,000.00	30,698.91	16,000.00	-	0.76	(303.69)	9,698.91
4210	Mu Epsilon Chapter (OPPF) Endowed Price David & Nancy Patterson Jernigan	1,765.00	-	-	-	(42.04)	-	(42.04)	1,640.00	-	-	-	-
4211	Endowed Sch. Josephine Robinson	1,522.00	-	-	-	-	1,422.00	1,422.00	1,522.00	-	-	-	-
4213	Endowed Scholarship Gamma Phi of Delta Sigma Theta Sorrority	25,000.00	-	-	-	-	25,000.00	25,000.00	25,000.00	-	-	-	-
4474	Endowed Scholarship Allston And Jean Olive Stubbs Endow	4,602.00	-	3,222.00	-	(126.27)	(901.00)	2,194.73	500.00	-	-	-	-
4475	Scholarship in Nursing BlueCross NC Endowed Fund for Nursing	10,000.00	10,000.00	-	(286.76)	-	4,638.43	14,351.67	-	-	0.83	(289.57)	9,713.24
4476	Education	250,000.00	250,000.00	-	-	-	-	250,000.00	250,000.00	-	-	-	250,000.00
4998	Holding Temp. account Board designated	10,000.00	10,500.00	3,244.31	(23,830.52)	(3,969.58)	(46,799.10)	(60,854.89)	-	-	1,667.63	(130.84)	(13,330.52)
4999	endowment	575,000.00	575,000.00	-	172,083.60	55,111.52	-	802,195.12	-	-	1,476.90	(6,095.29)	747,083.60
Total	Total	9,813,306.80	9,555,711.01	66,088.04	3,879,869.48	127,452.72	237,343.56	13,866,464.81	514,007.24	88,329.50	34,307.23	(105,172.97)	13,435,580.49

WINSTON-SALEM STATE UNIVERSITY FOUNDATION
BOARD OF TRUSTEES ENDOWMENT FUND
BALANCE SHEET as of
December 31, 2018
WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>
ASSETS									
Cash	127,453	284,249	(156,796)	303,432	414,166	(110,734)	430,884	698,415	(267,531)
Cash with Fiscal Agent	-	-	-	-	-	-	-	-	-
Investments	-	-	-	13,435,580	12,316,716	1,118,864	13,435,580	12,316,716	1,118,864
Other	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	127,453	284,249	(156,796)	13,739,012	12,730,882	1,008,130	13,866,464	13,015,131	851,333
LIABILITIES AND FUND EQUITY									
LIABILITIES									
Due to Restricted Funds	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND EQUITY									
Fund Balances:									
Endowment Invested	-	-	-	13,435,580	12,316,716	1,118,864	13,435,580	12,316,716	(1,118,864)
Quasi-Endowment - Restricted	-	-	-	-	-	-	-	-	-
Other Restricted Funds	127,453	284,249	(156,796)	303,432	414,166	(110,734)	430,884	698,415	267,530
TOTAL FUND EQUITY	127,453	284,249	(156,796)	13,739,012	12,730,882	1,008,130	13,866,465	13,015,131	851,334
TOTAL LIABILITIES AND FUND EQUITY	127,453	284,249	(156,796)	13,739,012	12,730,882	1,008,130	13,866,465	13,015,131	851,334

WINSTON-SALEM STATE UNIVERSITY FOUNDATION
BOARD OF TRUSTEES ENDOWMENT FUND
STATEMENT OF CHANGES IN FUND EQUITY
For Period July 1, 2018 through December 31, 2018
WITH COMPARISON TO PRIOR QUARTERS

	RESTRICTED FUNDS			ENDOWED FUNDS			TOTAL ALL FUNDS		
	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>VARIANCE</u>
REVENUES:									
Private Gifts, Grants and Contracts	-	-	-	514,007	427,944	86,063	514,007	427,944	86,063
Interest and Investment Income	-	-	-	-	-	-	-	-	-
Unrealized Gain(Loss) on Securities Held by Fiscal Ag	-	-	-	(105,173)	362,125	(467,298)	(105,173)	362,125	(467,298)
Realized Gain(Loss) From Sale on Securities	-	-	-	-	-	-	-	-	-
Transfers from Restricted	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	-	-	-	408,834	790,069	(381,235)	408,834	790,069	(381,235)
EXPENDITURES:									
Academic Support	-	-	-	-	-	-	-	-	-
Scholarships	88,330	-	88,330	-	-	-	88,330	-	88,330
Admin. Fees/Trust Fees	99,000	15,422	83,578	-	-	-	99,000	15,422	83,578
Transfers to Endowment	-	-	-	416,511	-	416,511	416,511	-	416,511
TOTAL EXPENDITURES	187,329	15,422	171,908	416,511	-	416,511	603,840	15,422	588,418
NET INCREASE (DECREASE)	(187,329)	(15,422)	(171,908)	(7,676)	790,069	(797,745)	(195,006)	774,647	(969,653)
FUND EQUITY BEGINNING	314,782	299,671	15,111	13,746,689	11,940,813	1,805,876	14,061,471	12,240,484	1,820,986
FUND EQUITY December 31, 2018	127,453	284,249	(156,797)	13,739,012	12,730,882	1,008,130	13,866,465	13,015,131	851,333

Winston-Salem State University Endowment Summary
As of December 31, 2018

Statement of Changes of Fund Equity

This report reflects the changes to fund equity between quarters from income and expense transactions. The quarterly income was distributed. The change in the Endowed Funds (investments) was due to an increase in the net realized loss and unrealized gains.

Balance Sheet

This report reflects our cash and investment position between quarters for our Restricted and Endowed Funds.

Endowment Fund Account Balances

This report provides detailed information on our individual endowment funds. The report covers the following categories:

Scholarships
Chairs/Professorships
Faculty Development
Program Development
Library
Undistributed Gains

For Endowed Funds, the Principal (gifts) and Quasi-endowment (realized gains) investment balances are provided. For Restricted Funds, the cash balance along with income distributed and expenditures are provided.

MOTIONS TO GO INTO CLOSED SESSION

March 5, 2019

I move that we go into closed session to:

(Specify one or more of the following permitted reasons for closed sessions)

XX Prevent the disclosure of privileged information under N.C.G.S. 143-318.11(a)(1):

___ **State employee personnel records**, under The Privacy of State Employee Personnel Records Act, Article 7 of chapter 126 of the North Carolina General Statutes.

___ **Internal Auditor's work papers**, under Section 116-40.7 of the North Carolina General Statutes.

___ **A student's education records**, under The Family Educational Rights and Privacy Act of 1974, Public Law 93-380, as amended by Public Law 93-568.

___ **Social Security account numbers**, under The Privacy Act of 1974, Public Law 93-579, as amended by Public Law 94-455.

___ **Prevent the premature disclosure of an honorary degree, scholarship, prize or similar award under N.C.G.S. 143-318.11(a)(2)**

XX Consult with our attorney under N.C.G.S. 143-318.11(a)(3):

___ to protect the attorney-client privilege.

___ to consider and give instructions concerning a potential or actual claim, administrative procedure, or judicial action; if known, title of action is:
_____ v. _____

___ **Discuss matters relating to the location or expansion of business in the area served by this body under N.C.G.S. 143-318.11(a)(4).**

___ **Establish or instruct the staff or agent concerning the negotiation of the price and terms of a contract concerning the acquisition of real property under N.C.G.S. 143-318.11(a)(5).**

___ **Establish or instruct the staff or agents concerning the negotiations of the amount of compensation or other terms of an employment contract under N.C.G.S. 143-318.11(a)(5).**

___ **Consider the qualifications, competence, performance, or condition of appointment of a public officer or employee or prospective public officer or employee under N.C.G.S. 143-318.11(a)(6).**

XX Hear or investigate a complaint, charge, or grievance by or against a public officer or employee under N.C.G.S. 143-318.11(a)(6).

___ **Plan, conduct, or hear reports concerning investigations of alleged criminal conduct N.C.G.S. 143-318.11(a)(7).**