

Board of Trustees University Affairs Committee Meeting
 September 14, 2017
 Agenda

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|------|---|-------------|
| I. | Approval of July 27, 2017 Minutes | Action |
| II. | Academic Affairs | |
| | A. Title IX Organizational Update (Hardy / Forbes) | Information |
| | B. Intercollegiate Athletics Report (Fletcher) | Information |
| | C. Chancellor’s Exceptions (Fletcher) | Information |
| | D. Enrollment Update (Zhou) | Information |
| III. | Student Affairs | |
| | A. Student Success Initiatives: Services & Leadership (Hardy) | Information |
| IV. | Research, Economic Development and Engagement | |
| | A. Research Clusters (Golden) | Information |
| | B. Millennial Campus (Golden) | Information |
| | C. Licensing and Tech Transfer Update (Golden) | Information |



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	I. Approval of July 27, 2017 Minutes
Responsible Person:	Mark Copeland, Chair
Action Requested:	Approval
Notes:	N/A

Minutes of the Meeting of the
University Affairs Committee
East Carolina University Board of Trustees
July 27, 2017 at 2:15pm
East Carolina Heart Institute

Board Members Attending: Max Joyner (acting chair), LaQuon Rogers, Deborah Davis and Vince Smith

Board Members Not Present: Mark Copeland, Fielding Miller, and Leigh Fanning

Other Board Member in Attendance: Kel Norman, Jason Poole, and Bob Plybon

Others ECU Leaders in Attendance: Ron Mitchelson, Virginia Hardy, Jay Golden,

Mr. Joyner opened the meeting at 2:15pm by reading the conflict of interest statement as well as the Jurisdiction Review for University Affairs.

The minutes from the previous meeting were approved.

Academic Affairs – Ron Mitchelson

- **Orientation –**
 - Provost Mitchelson explained the structure for Academic Affairs including the 14 Colleges, Graduate School, and units in the Administrative side of AA including Equity and Diversity, IPAR, Academic Success and Enrollment/Advising.
 - 25,000 majors in AA
 - 1,100 faculty members
 - He discussed some of the topics that will come to this committee including enrollment, policy items, funded research, partnerships and collaborations, faculty/student appeal reviews, and more.
- **Early College High School –**
 - **La’Quon Rogers made a motion, seconded by Deborah Davis and was approved without dissent:**
 - *To approve the proposed the Memorandum of Understanding and Cooperative Innovative High School Application between the Pitt County Board of Education, doing business as Pitt County Schools and East Carolina University for creation of the Innovation Early College High School.*
 - Ron shared that we will start with about 55 students and will have at the highest about 270 or more students in the program. By the time they finish, they will have about 60 hours of college credit, paid for by the Department of Public Instruction. These students will come out of Pitt County schools. The goal is to get some first generation and at-risk students in the pipeline for success. The funding for tuition is covered by DPI and ECU will also have an Education/Technology fee applied. There is a budget statement in the board

materials, but this is not an absolute as tuition and fees may change. There is no guaranteed admission to ECU, but the hours they earn will be transferrable.

- Sharon Kibbe shared some of the resources and offerings for how ECU will provide advice and support for the students. The students will fall under both Pitt County Schools and ECU codes of conduct. The readiness of the students will be assessed during the admissions process. If they aren't ready they won't be accepted.
- Board members requested getting some regular feedback about how successful this program is doing.
- **Lab School**
 - Ron introduced Grant Hayes, Dean of the College of Education, for the update. The students will arrive on August 28th at South Greenville Elementary School. The Chancellor and not the BOT will be the administrative head of the Lab School. The Chancellor has established an advisory board for the Lab School. May Joyner is the BOT representative.
 - There will be one class of 2nd, 3rd, and 4th graders in year one with a goal of 75 students. Next year, we plan to have 150 students, which will be the maximum.
 - Dean Hayes showed some of the classroom models and setups for each space. The teachers, administrative assistant and principal have been named. Tasha Rodriguez is the principal and has two degrees from ECU. The Lab School Policy Manual has been completed and vetted with ECU Legal Counsel.

Research, Economic Development and Engagment (REDE) – Jay Golden

- **Orientation**
 - Jay provided a brief overview of what research means to a university community and the impacts it can have on the campus and the students. Research is a place where we can have Pirate Pride just like with athletics. Above all research is education. Our students have a chance to take the theory they learned in a classroom and put it into practice.
 - Jay shared the organizational structured within REDE and how it serves Academic Affairs and Health Sciences. He shared the new organizational chart for REDE, which has three key areas, Research Policy and Integrity; Research Development and Partnerships; and Economic Development and New Ventures.
 - Jay shared an aspirational goal to become a top 150 National Research University in the next 5 years. The key factor for Jay is associated with ECU expenditures.

Student Affairs – Virginia Hardy

- **Orientation**
 - Dr. Hardy shared an overview of Student Affairs. We have 8 units, 22 departments, and 6 offices and programs. We pretty much address the student from orientation through commencement and everything outside the classroom in between.
 - ECU currently has 16 residence halls. White Hall was completed last year and Clement is going to be finished by this August 15th. Greene will be done in 2019. The external facing in West End now has a consistent look and are also aligning

with fire inspections and codes. We are also modernizing the rooms with study spaces to meet the expectations of today's students.

- We have about 5,800 students living in the hall. Most of them are first year students.
- We have 19 Living Learning Communities as we start this fall semester. Two new ones coming on line this fall are the League, for males and Global, which is a foreign language LLC.
- All of College Hill halls have been renovated except for Jones and Legacy Hall, but we are working on that. When done, Jones and Legacy will match the exterior look of Scott and Tyler.
- We have 28 eating locations on campus and when the new student center opens up we will have 4 Starbucks for students. We are adding two food trucks that will be adding options on both campuses starting in the fall.
- The Main Campus student center should open around October 2018.
- She shared how the BOT will interact and engage with SA. Related to conduct for students, when a student is expelled the appeal process comes to the board. SA will provide updates related to our student's success such as Greek Life and other key student orgs. We have the largest Greek community in the state of North Carolina (3,200 students).

Strategic Plan

- **MOTION** - LaQuon Rogers made a motion, seconded by Deborah Davis. It was approved without dissent.
 - *I move that the University Affairs Committee endorse the ECU Strategic Plan Extension 2017-2022 as presented in board materials and to the board on July 27, 2017.*

Motion to move to Closed Session at 3:23pm

Return from Closed Session and meeting adjourned at 3:31pm



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	II. A. - Title IX Organizational Update
Responsible Person:	Virginia Hardy Vice Chancellor of Student Affairs Lakesha Forbes Associate Provost, Equity & Diversity
Action Requested:	Information
Notes:	N/A



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	II. B. - Intercollegiate Athletics Report
Responsible Person:	John Fletcher Vice Chancellor of Student Affairs
Action Requested:	Information
Notes:	N/A

Thank you for your time and efforts on this survey.

This is a summary page of all your entered data and the information HAS NOT been formally submitted to UNC-GA.

After reviewing the data with institutional leaders, please return to Section 12 to indicate chancellor approval of the submission.

Once the data is complete and the chancellor has approved, return to this page and click the SUBMIT button at the bottom of the screen.

Below is a summary of your responses

[Download PDF](#)

Introduction

The annual UNC Intercollegiate Athletics Report to the Board of Governors fulfills the requirement to disclose the academic characteristics and performance of the UNC system's student-athletes and institutional athletics departments.

The deadline for completing this survey is October 27, 2017.

Survey Instructions

1. You are receiving this survey invitation because you have been designated as the institutional contact for this data collection.
 - You may forward the email invitation you received to anyone at your institution who is authorized to enter data.
 - This will allow for multiple users to access the survey and enter data.
2. **You may enter and exit the survey at any time, but in order for data to be saved on any screen, you MUST hit the arrow to go to the next screen--this records your answers.**
 - **Only ONE user can access and enter data at a time. If multiple survey windows are open simultaneously, the survey will not be able to combine responses and your institutional answers will not be automatically combined.**
3. There will be a number of questions requesting files to be uploaded. When uploading files in the survey
 - Please select "Click here to upload" and browse your computer for the file you wish to upload. You may also drag and drop the file in the space provided.
 - Once you select the file, you will see the name of the file--this means your file has been uploaded successfully.
 - If you wish to replace any file that you have uploaded, follow the uploading procedure described above and the new file will replace the previous one.

- **Please follow the naming conventions for the file uploads.** This facilitates the data processing.

4. There are some items that may or may not appear, based on your answers to different questions (survey skip logic). Please refer to the survey outline for all the questions. The questions that appear are based on the answers provided.
5. Please note that UNC-GA has added a new section to the survey, 11.Financial Information Related to Intercollegiate Athletics
 - Per [UNC Regulation 1100.1.1\[R\]](#), each institution is required to report certain financial data pertaining to their intercollegiate athletics program as part of "the University of North Carolina's commitment to ensuring integrity and transparency in its financial and other operations".
 - As the NCAA has changed the way it makes this information available, all institutions will instead provide financial data within this survey to comply with [UNC Regulation 1100.1.1\[R\]](#) in section 11.

You may download a blank copy of the survey to facilitate data entry without navigating through the online form here: [UNC Intercollegiate Athletics Survey Outline, 2016 17](#)

Completing the Survey

1. Upon completing your data entry, you will be able to receive a summary of your responses after clicking the "SUMMARY" button in section "13. Conclusion".
2. Upon clicking the "SUMMARY" button, you will receive a summary of your responses. This may be used to share with your chancellor and other institutional officials.
 - **At this point, the survey HAS NOT been submitted to UNC-GA.**
3. After your data is reviewed and approved by your chancellor, please go back to into the survey and indicate chancellor approval in Section 12 by selecting "yes".
4. To officially submit your institution's data entries, click the "SUBMIT" button at the bottom of the summary page.

If any questions arise during the survey process, please contact:

Eric Fotheringham
Senior Data & Analytics Associate
UNC General Administration
919.843.6967
emfotheringham@northcarolina.edu

1. Contact Information

1.1 Please enter the primary point of contact for the data provided. This contact information will be used to communicate regarding any questions from your submission.

Name	John T. Fletcher
Working Title	Associate Provost for Eni
Email Address	fletcherjo@ecu.edu
Telephone	(252) 328-5817

2. Undergraduate Student-Athlete Admission Policy

2.1. Per [UNC Policy 1100.1](#) (section 13.b), all UNC institutions annually report to the UNC Board of Governors regarding

their intercollegiate athletics programs and shall include information regarding their "admission policy for student-athletes, including the definitions utilized for exceptions to campus-based criteria."

- In the spaces below, please paste the URL that specifically points to your institutional policy (2.2) **OR** upload a file (2.3) with the policy language regarding this item.

2.2. Student-Athletes Admission Policy URL

- If providing a URL, please include the URL that points directly to your institution's admission policy below.

2.3. Student-Athletes Admission Policy Document(s)

- If uploading a file, please provide only the section that discusses your institution's admission policy for student-athletes.
 - Please name the uploaded file in the following manner: XXXX_Admission_Policy where XXXX=your institutional abbreviation.
 - If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

ECU_Admission_Policy_2017.docx

0.2 MB

application/vnd.openxmlformats-officedocument.wordprocessingml.document

-
- 2.4.** Please use the space below if you wish to include any explanations about the policy above and your submission.

3. Recruited Freshmen Student-Athletes & UNC Minimum Course Requirements (MCRs) / Minimum Admissions Requirements (MARs)

-
- 3.1.** Please enter Fall 2016 and Spring 2017 unduplicated enrollment totals for ***all recruited freshmen student-athletes (RFSAs)*** who did not meet Minimum Course Requirements (MCRs) and/or Minimum Admissions Requirements (MARs).

- This year, which is different than previous reporting cycles, UNC-GA will pull the enrollment numbers for all first-time freshmen and first-time freshmen who did not meet MCRs/MARs from Student Data Mart.
 - What we need the institutions to report are:
 1. The total number of recruited freshmen student-athletes
 2. The total number of recruited freshmen student-athletes who did not meet MCRs and/or MARs.
 - For those who did not meet MARs, please report the total number who were below the GPA standard only, the total number below the SAT/ACT standard only, and the total number below both standards.

Please note:

1. For SAT/ACT reporting, only include information on the standardized test score used in the admission decision.
 - Please refer to whatever SAT score was submitted for the admission decision (either the OLD or NEW SAT scores).
2. We are NOT asking for this information and number of recruited freshmen student-athletes by sport as in previous years.

For the UNC policy and regulation on MARs and MCRs, see [UNC Policy 700.1.1](#) and [Regulation 700.1.1.1\[R\]](#).

All FERPA guidelines regarding protection of student identity will be followed. UNC-GA follows the US Department of Justice standards for FERPA data protections: information is not disclosed when institutional data include four or fewer student-athletes and/or when the data combined with publicly-available information could result in the information being identifiable. Please submit all student information here and before making any student-level information public, UNC-GA will remove all details that could result in student information being identifiable.

	Institutional Total
1. Total number of recruited freshmen student-athletes	96
2. Total number of recruited freshmen student-athletes who did not meet <u>MCRs</u> .	4
3. Total number of recruited freshmen student-athletes who did not meet <u>MARs</u> .	10
<u>3.A.</u> Of those who did not meet MARs, how many were below the GPA standard only?	2
<u>3.B.</u> Of those who did not meet MARs, how many were below the SAT/ACT standard only?	8
<u>3.C.</u> Of those who did not meet MARs, how many were below both GPA and SAT/ACT standard?	0
4. Total number of recruited freshmen student-athletes who did not meet <u>MCRs</u> and <u>MARs</u> .	2

3.2. Please use the space below if you wish to include any explanations about institutional data entered above.

4. Undergraduate Student-Athlete Academic Profile - Top Three Revenue Sports

4.1. Please enter the following academic information for Fall 2016 and Spring 2017 **recruited freshmen student-athletes (RFSAs)** in these three revenue sports.

- In an effort to collect data that spans the introduction of a new SAT scoring system, UNC-GA has made slight changes to this section. This may result in your institution reporting numbers for recruited freshmen student-athletes and their SAT scores that fall below FERPA privacy thresholds. **Please report all data here** and as with all student data, information for any sport or average score with **four or fewer student-athletes** will be redacted in the final report.

This change in the SAT scoring creates a small hurdle in reporting this year and possibly in 2017-18. A note will be added to the final report noting this change in scoring and will include any explanations necessary.

Instructions

- Enter the number of RFSAs in these three sports along with the average HS NCAA Core Course GPA & average admission test scores.
 - Only report the standardized test score used in the admission decision.**
 - Enter the number of RFSAs whose admission decision was based on the **OLD** SAT scores AND the number of RFSAs whose admission decision was based on the **NEW** SAT scores.
 - Calculate the average separately for the OLD and NEW SAT scores.
 - Use the composite ACT score** (highest score possible is 36).
- Enter "NA" in a cell if there were no **RFSAs** in the sport or if there are no GPA or test scores to report.

All FERPA guidelines regarding protection of student identity will be followed. UNC-GA follows the US Department of Justice standards for FERPA data protections: information is not disclosed when institutional data include four or fewer student-athletes and/or when the data combined with publicly-available information could result in the information being identifiable. Please submit all student information here and before making any student-level information public, UNC-GA will remove all details that could result in student information being identifiable.

	Total Number of RFSAs	Average HS NCAA Core Course GPA	For RFSAs where the OLD SAT score was used in the admission decision:		For RFSAs where the NEW SAT score was used in the admission decision:		Average score
			Total number of RFSAs	Average OLD SAT score	Total number of RFSAs	Average NEW SAT score	
Football	25	2.99	16	895	2	965	
Men's Basketball	5	3.00	2	770			
Women's Basketball	4	3.30	2	655			

4.2. Please use the space below if you wish to include any explanations about institutional data entered above.

5. Enrollment of Graduate Student-Athletes & Related Policies

5.1. Did your institution have any graduate student-athletes participate in intercollegiate athletics during Fall 2016 or Spring 2017?

Yes

No

Please enter Fall 2016 and Spring 2017 unduplicated enrollment totals for ***all graduate student-athletes.***

	Institutional Total
Total number of enrolled graduate student-athletes	<input type="text" value="10"/>

5.2. Per [UNC Policy 1100.1](#) each institution shall include in their annual report an "admission policy for student-athletes, including the definitions utilized for exceptions to campus-based criteria".

Does your institution allow for exceptions to the regular admission policy for graduate students?

- If YES, please select this option and provide the URL below (5.3) **OR** upload a file (5.4) with the policy language, including definitions used to allow for exceptions.
- If NO, please select this option and move to the next section by selecting the forward arrow below.

Yes

No

5.3. Graduate Student-Athlete Exceptions Policy URL

- If providing a URL, please ensure that the link points directly to the section on admission exceptions for graduate student-athletes.

5.4. Graduate Student-Athlete Exceptions Policy URL Document(s)

- If uploading a PDF with your institution's policy on admission exceptions for graduate student-athletes, please only include the sections pertaining to graduate student-athletes.
 - Please name the uploaded file in the following manner: XXXX_Grad_Exceptions where XXXX=your institutional abbreviation.

- If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

Drop files or click here to upload

5.5. Please use the space below if you wish to include any explanations about information reported in this section.

- Of the 10 graduate student-athletes reported in 5.1, only nine were classed as graduate students fall 2016, and thus only nine were reported in the graduate major column under 6.1. The 10th student-athlete was classed as an undergraduate fall 2016, graduated at the end of fall 2016, and entered a graduate degree program spring 2017.

6. Undergraduate & Graduate Student-Athletes' Programs of Study

6.1. Please enter the following in the space below:

1. The number of majors for all recruited student-athletes who are enrolled and achieved at least junior academic standing as of Fall 2016.
2. If appropriate, the number of graduate students in their declared graduate programs of study as of Fall 2016.

If any recruited student-athletes are double majors or are enrolled in dual graduate programs of study, please report both majors or programs.

	Declared Majors (Undergraduates)	Declared Programs (Graduates)
01 - agriculture, agriculture operations, & related sciences	0	0
03 - natural resources & conservation	0	0
04 - architecture & related services	0	0
05 - area, ethnic, cultural, gender, & group studies	0	0
09 - communication, journalism, & related programs	42	0
11 - computer and information sciences & support services	2	0
13 - education	8	0
14 - engineering	4	0
15 - engineering technologies & engineering-related fields	3	0
16 - foreign languages, literatures, & linguistics	0	0

19 - family and consumer sciences / human sciences	4	0
23 - English language and literature / letters	0	2
24 - liberal arts and sciences, general studies, & humanities	6	0
26 - biological & biomedical sciences	10	0
27 - mathematics and statistics	2	0
30 - multi/interdisciplinary studies	0	0
31 - parks, recreation, leisure, & fitness studies	27	1
38 - philosophy & religious studies	0	0
40 - physical sciences	2	0
41 - science technologies / technicians	0	0
42 - psychology	7	0
43 - homeland security, law enforcement, firefighting, & related protective services	11	1
44 - public administration & social service professions	4	0
45 - social sciences	8	0
49 - transportation & materials moving	0	0
50 - visual & performing arts	2	0
51 - health professions & related programs	11	1
52 - business, management, marketing, & related support services	30	4
54 - history	1	0
XX - undecided	0	0
Total	184	9

6.2. Please use the space below if you wish to include any explanations about institutional data entered above (including any student-athlete listed in more than one major above).

• Two student-athletes had more than one major. The following shows the multiple majors for those students:

Student-Athlete 1 BS – Multidisciplinary Studies
 BA – Psychology
 BA – Physics

7. Graduation/Academic Success Rate Reports

7.1. Please upload your institution's most recent (2007-2010 cohorts) Graduation Success Rate or Academic Success Rate report.

Please note:

1. This will not be made public by UNC-GA until the NCAA publishes the information in the fall of 2017.
2. Please upload the **one page summary GSR or ASR Report only** with the rates by sport, **NOT** the four to six page full data report with information about all university students and student-athletes.

- Please name the uploaded file in the following manner: XXXX_GSR or XXXX_ASR where XXXX=your institutional abbreviation.

ECU_GSR_2017.pdf

13 KB

application/pdf

8. Academic Integrity Regulations

8.1. Per UNC Academic Integrity Regulation ([700.6.1\[R\]](#)) and Guidelines ([700.6.1.1\[G\]](#)), please provide information for the following questions related to academic integrity. The review consists of three steps:

1. Flagging and reviewing all course sections with possible clustering of student-athletes.
 - Flagged courses are defined as student-athletes making up more than 25% or more of the section enrollment at time of census.
 - The review consists of examining the grade distribution between student-athletes and non-student-athletes in flagged sections and the grade distribution between flagged sections and non-flagged sections of the same course.
2. Reviewing the transcripts of any student-athletes enrolled in three or more flagged courses.
3. If Steps #1 and #2 lead to identifying irregularities with regards to student-athletes and course clustering, then a document should be submitted (see 8.4) explaining these irregularities and steps taken to review and ameliorate the irregularities.

Please note:

- Student-athlete data for 8.2., 8.3., and 8.4. in this section should include Summers I and II 2016, Fall 2016, and Spring 2017.
- Question 8.5. asks for Spring 2017 data only.

Review of Course Clustering

8.2. Please provide a summary of findings for the analyses of student-athlete clustering in course sections.

- See [UNC Policy 700.6.1.1\[G\]](#) Sections V.A.1 and V.A.2
- Please note that [UNC Policy 700.6.1.1\[G\]](#) states that all course sections flagged for possible course clustering will be

reviewed using the following steps:

1. Grade distribution between student-athletes and non-student-athletes in flagged sections.
2. Grade distribution between flagged sections and non-flagged sections of the same course.
3. Review of transcript of any student-athlete who enrolls in more than three flagged sections per academic year (including summers).

	Total
Number of sections flagged and reviewed due to possible clustering	87
Number of flagged sections found to be irregular, requiring additional investigation by campus leadership	0

Review of Course Clustering - Transcript reviews

8.3. Please provide summary data on findings of student-athlete transcript reviews for any student-athlete who enrolls in three or more flagged sections per academic year (including summers).

If there are no flagged sections or transcripts to review, please enter "N/A".

- See [UNC Policy 700.6.1.1\[G\]](#) Section V.A.3

	Institutional Total
Number of student-athletes' transcripts flagged for review	25
Number of student-athletes' transcripts found irregular	0

Review of Irregularities

8.4. Please attach a summary document outlining **the entire process** of the institutional review of the Academic Integrity Guidelines and how your institution determined "irregularities" (or no irregularities) pertaining to UNC Policy 700.6.1.1[G], sections V.A.1., V.A.2., and V.A.3. Even if no irregularities were found, please submit a document stating as such.

- *Please name the uploaded file in the following manner: XXXX_Irregularities where XXXX=your institutional abbreviation.*

ECU_Irregularities_2017.docx

15.1 KB

application/vnd.openxmlformats-officedocument.wordprocessingml.document

Review of GPAs

8.5. Please provide the results of your institutional analysis of Average Cumulative Student-Athlete GPA and Average Cumulative Non-Student Athletes GPA (see [UNC Regulation 700.6.1\[R\]](#)).

This comparison is for **Spring 2017 only**.

- **Please exclude graduate student athletes in this comparison.**

Average Cumulative GPA for **Spring 2017 only**.

Student-Athlete GPA - Spring 2017

3.030

Non-Student-Athlete GPA - Spring 2017

2.956

9. Other Athletics-Related Reporting Requirements

9.1. Reporting Structure Document

- Please upload an explanation of your institution's reporting structure for athletics compliance and whether and to whom the athletics compliance director reports outside of the department of athletics (see UNC Policy 1100.1.1[R]).
 - *Please name the uploaded file in the following manner: XXXX_Reporting_Structure where XXXX=your institutional abbreviation.*
 - If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

ECU_Reporting_Structure_2017.pdf

0.2 MB

application/pdf

If there has been no change to the reporting structure from what was reported previously, please enter "no change to reporting structure" in the box below.

9.2. Especially Effective Practices Document

- Please upload a document containing any especially effective practices employed at your institution that reinforce the integral connection between academics and athletics (see [UNC Policy 1100.1.1\[R\]](#)).
 - *Please name the uploaded file in the following manner: XXXX_Effective Practices where XXXX=your institutional abbreviation.*
 - If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

ECU_Effective Practices_2017.docx

16.5 KB

application/vnd.openxmlformats-officedocument.wordprocessingml.document

10. "Booster" Club Related Reporting Requirements

The following items are related to "booster" club organizations and are required [UNC Regulation 1100.1.1\[R\]](#).

Booster Club Audit

10.1. Please upload a PDF copy of the most recent annual audit review of your "booster" club organization.

- Please name the uploaded file in the following manner: XXXX_Booster_Audit where XXXX=your institutional abbreviation.
- If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

ECU_Booster_Financials_2016.pdf

0.3 MB

application/pdf

Booster Club Operating Procedures

Please provide your "booster" club's operating procedures. These policies were required to be in place by January 1, 2015. You may report these operating procedures by pasting the URL or uploading a document.

10.2. Operating Procedures URL

- Please provide the URL for your "booster" club's operating procedures.

10.3. Operating Procedures Documents

- If uploading the booster club's operating procedures:
 - Please name the uploaded file in the following manner: XXXX_Booster_Procedures where XXXX=your institutional abbreviation.
 - If there are multiple documents you would like to submit, please combine them into one file before uploading (the survey software only allows for one document to be uploaded in this question).

ECU_Booster_Operating_Procedures_2017.pdf

0.4 MB

application/pdf

11. Financial Information Related to Intercollegiate Athletics

Per [UNC Regulation 1100.1.1\[R\]](#), each institution is required to report certain financial data pertaining to their intercollegiate athletics program as part of "the University of North Carolina's commitment to ensuring integrity and transparency in its financial and other operations".

As the NCAA has changed the way it makes this information available (no longer accessible from the NCAA Financial Dashboard), all institutions are asked to provide the following financial data from the Institutional Performance Program (IPP) Dashboard to comply with [UNC Regulation 1100.1.1\[R\]](#).

11.1. As with all data provided in this survey, these data will be securely handled and presented in the annual report to the UNC Board of Governors. Please provide the requested information in the spaces below.

Are you an NCAA Division I or Division II institution?

Division I

Division II

For Division I institutions:

Please provide the Single-Year APRs for your institution since 2011.

	APR
2011	<input type="text" value="976"/>
2012	<input type="text" value="968"/>
2013	<input type="text" value="980"/>
2014	<input type="text" value="985"/>
2015	<input type="text" value="973"/>

Please provide the following data from the Institutional Performance Program dashboard for the most recent year available.

	Data
Total Number of Student-Athletes (scholarship and non-scholarship) (#)	413
Total Athletics Revenue (\$)	\$44,613,084
Total Athletics Generated Revenue (\$)	\$25,716,054
Total Athletics Net Revenue (\$)	\$(1,201,883)
Student Fees as a % of Revenue (%)	31.9%
Total Athletics Expenses (\$)	\$45,814,967
Total Institutional Expenses (\$)	\$825,342,728
Athletics as a % of Institutional Expenditures (%)	6%
Athletics Expenses per Student-Athlete (\$)	\$101,585
Total Athletics Grant-in-Aid (\$)	\$8,392,981
Total Compensation - Head Coaches (\$)	\$3,991,549
Total Compensation - Assistant Coaches (\$)	\$4,700,763
Total Compensation - Administrative Staff (\$)	\$8,152,775
Total Athletics Student Aid (\$)	\$8,392,981
Team Travel as a % of Expenditures (%)	8.9%

12. Chancellor's Approval

12.1. Please signify that the chancellor or chancellor's designee approves the institutional submission of all data in this survey by selecting "yes" below.

- **This serves as the official notification of the chancellor's approval (replacing the chancellor's memo used in years past).**
- No data submission will be considered complete by UNC-GA until "yes" is selected below.
- This section should be completed only after the chancellor has reviewed all institutional data.
 - Please return to this page to indicate approval after downloading a summary of all your submitted data on the next screen.

Yes, our Chancellor approves of all data submitted for the 2016-17 Intercollegiate Athletics Survey

13. Conclusion

Completing the Survey

Thank you for taking the time to complete this survey. If all of your information is complete, please select SUMMARY below and you will be taken to a page with a summary of all your responses.

1. Upon clicking the "SUMMARY" button, you will receive a summary of your responses. This may be used to share with your chancellor and other institutional officials.
 - **At this point, the survey HAS NOT been submitted to UNC-GA.**
2. After reviewing the summary data submission, please be sure to indicate that your chancellor approves your data submission by returning to Section 12 of the survey (on the previous screen) and selecting "yes".
3. To officially submit your institution's data entries (after indicating your chancellor's approval), click the "SUMMARY" button below, where you will again see the summary page of your responses, and then click the "SUBMIT" button at the bottom of the summary page.

Any technical questions about the survey should be sent to:

Eric Fotheringham
Senior Data & Analytics Associate
UNC General Administration
emfotheringham@northcarolina.edu
919.843.6967

BACK




SUBMIT

Powered by Qualtrics






Process for Admitting Student-Athletes with Special Talent Waivers

1. The need for a Special Talent Admission request will be determined through the Preliminary Evaluation Process completed by the Office of Compliance in conjunction with the Office of Admissions. A prospective student-athlete who does not meet ECU's regular admission standards will need to be reviewed by the Academic Success Committee (ASC) for admission consideration under the Special Talent "umbrella". The University's regular admission standards change annually and are determined by the Office of Admissions.
2. Once a prospective student-athlete (PSA) has been identified as a Special Talent candidate, the candidate's coach will initiate the process by submitting the "Special Talent Admissions Request Form" to the Office of Compliance which requires Sport Administrator approval.
3. The Office of Compliance will confirm the PSA has a complete admissions file (e.g. high school transcripts, test scores, application, application fee, etc.). A Special Talent Request will not move forward until a PSA has a complete admissions file.
4. The Office of Compliance will create the "Special Talent Admissions Request Packet." This packet will include the following:

Documents included for a FRESHMAN:

-  Copies of transcripts from ALL institutions attended;
-  Copies of ALL test scores; and
-  Copy of the Preliminary Evaluation.

Documents included for a TRANSFER:

-  Copies of transcripts from all institutions attended;
-  Copies of all test scores (if applicable);
-  Completed TRACER from all institutions attended;
-  Completed Transfer Assessment Form; and
-  Copy of the Preliminary Evaluation, which will include the transfer GPA.

5. The Office of Compliance will provide the Head Coach with the "Special Talent Admissions Packet." The Head Coach will review the Special Talent Admissions Packet with the Director of Athletics for review and approval via signature.
6. If approved by the Director of Athletics, the "Special Talent Admissions Packet" will be submitted back to the Office of Compliance. The Office of Compliance will then submit the packet to the Academic Success Committee (ASC) for final approval for the PSA's admittance to the University.
7. The Faculty Athletics Representative (FAR) serves as chair of the ASC's "Special Talent Waiver Request Sub-Committee". The FAR will set a date for the Sub-Committee's review of the Special Talent Request.
8. If approved by the ASC, the Office of Compliance will provide the form to the Office of Admissions for processing; they will notify the Office of Compliance of the formal decision in writing once processing is completed.

Guidelines for Review by the Academic Success Special Talent Waiver Sub-Committee

1. The Academic Success Committee (ASC), appointed by the Chancellor, is chaired by the Faculty Athletics Representative and meets once a month. The committee is comprised of 4 faculty members, 2 athletic administrators, 3 academic administrators, The Associate Athletic Director of Compliance, The Assistant Athletic Director of Student Development and 1 head coach. The ASC has several tasks and one task is to serve as the committee to hear requests for admission waivers for student-athlete special talents. The ASC has appointed a special sub-committee to hear these requests. This sub-committee consists of all ASC members, except the two athletic administrators and the one head coach.
2. Upon receipt of the packet from the Office of Compliance, the FAR will schedule a meeting of the sub-committee. The FAR will also request that the requesting sport's Head Coach attend this meeting in order to present their case for the student's need for a waiver.
3. The approval of the waiver request by the ASC Sub-Committee is subjective and will be based on many different factors. Some of the factors will include:
 - a) A review of the submitting sport's APR. No sport with a current APR below the NCAA minimum will be granted a Special Talent Waiver
 - b) A review of the success of prior students admitted via the special talent process. This information will be used by the ASC to determine whether the prospect should receive a Special Talent Waiver. For example, if the requesting sport has not been able to graduate their student-athletes admitted through this process at a rate commensurate with their overall graduation rate, this information will be considered by the committee in making their final admission decision.
 - c) A determination of whether the student-athlete is receiving aid.
 - d) A determination of whether the student-athlete is actually a special talent (i.e., will they be receiving aid, were they recruited by other schools, athletic awards in high school, etc.).
 - e) A review of other factors specific to the particular student-athlete, the sport, and the head coach.
4. For prospective student-athletes whose academic record places them under one of the following categories, additional information will be required for their packet (however, this information can also be requested by the ASC for any special talent waiver on a case-by-case basis and a coach may include this information even though not required):
 - a) Prospective students with a cumulative GPA below a 2.10 (at the time of their Preliminary Evaluation);
 - b) Prospective Students who will need a NCAA/American Athletic Conference waiver to be eligible; or
 - c) Prospective students who are projected to be an Academic Redshirt as per NCAA Bylaw 14.3.1.2 (Freshmen) or 14.5.4.3 (2-Year College Transfers).

❖ The additional information required is:

 - 1) A written statement from the head coach to justify why ECU should take a risk on the applicant;
 - 2) A written statement from the applicant describing his or her academic goals, life plans and any special, mitigating or extenuating circumstances related to the applicant's poor academic record;

and

- 3) A letter from a high school teacher and/or guidance counselor describing the applicant's commitment to academics and his or her belief that the applicant can successfully complete college level work and earn a degree from ECU.
-
5. After reviewing the applicant's complete file and supporting documents, the committee will vote on whether to grant the applicant special admission status.
 - a) If the vote is made in a face-to-face meeting, a quorum is required (at least 5 members) for a vote and a majority of those in attendance is all that is required for admittance or denial. If a quorum is not present then those not in attendance will be required to respond by email and acceptance or denial will require a majority vote of 5.
 - b) There will be times when the committee will not be able to meet in person. If this occurs the packet will be provided through Sharepoint and the vote will require a majority of the membership (5 members) for admittance or denial.
 6. The committee's approval or denial is communicated to the Compliance Office and is considered the proper authority for making this admission decision. However, the Chancellor retains the right to overrule all admission decisions.

Graduation Success Rate Report

2007 - 2010 Cohorts: East Carolina University

Men's Sports

Sport	GSR	Fed Rate
Baseball	83	50
Basketball	62	46
CC/Track	80	59
Fencing	-	-
Football	68	63
Golf	100	73
Gymnastics	-	-
Ice Hockey	-	-
Lacrosse	-	-
Mixed Rifle	-	-
Skiing	-	-
Soccer	-	-
Swimming	76	52
Tennis	91	83
Volleyball	-	-
Water Polo	-	-
Wrestling	-	-
Men's Non-NCAA Sponsor. Sports	-	-

Women's Sports

Sport	GSR	Fed Rate
Basketball	79	47
Bowling	-	-
CC/Track	88	83
Crew/Rowing	-	-
Fencing	-	-
Field Hockey	-	-
Golf	100	78
Gymnastics	-	-
W. Ice Hockey	-	-
Lacrosse	-	-
Skiing	-	-
Soccer	95	91
Softball	100	79
Swimming	100	93
Tennis	88	50
Volleyball	83	80
Water Polo	-	-
Women's Non-NCAA Sponsor. Sports	-	-

Course Clustering Review Process

A review team designated by the chancellor conducts an audit of student-athlete course enrollment for each term (summer, fall and spring). The review team consists of the Executive Director for the Office of Internal Audit, the Associate Provost for Enrollment Services and the Director of Student Development.

For the 2016-2017 academic year the audit committee utilized a review process which provided more robust data visualization approach. The new approach involves using a business intelligence software tool to create a storyboard that has dashboards, charts and graphs. This allows the audit team to create multiple views of our data to answer the questions necessary to conduct the course clustering review as outlined by the UNC policy and guidelines. During the course of the audit, each reviewer audits the above reports independently. The reviewers then meet to discuss areas of concern and identify any irregularities.

Courses with a student-athlete enrollment of 20% or higher are identified as flagged and are examined in detail. Both the total number of students enrolled and the number of sections offered for the specific course are considered in the review.

All course sections, flagged and non-flagged, are reviewed for student-athlete grade distribution. Courses with a higher number of "A"s for student-athletes than for the general student enrollment are examined in more detail and the student-athlete individual grade report, when necessary, is used in the analysis. The grade distribution in these courses is compared to all other sections of the same course to determine if an irregularity exists.

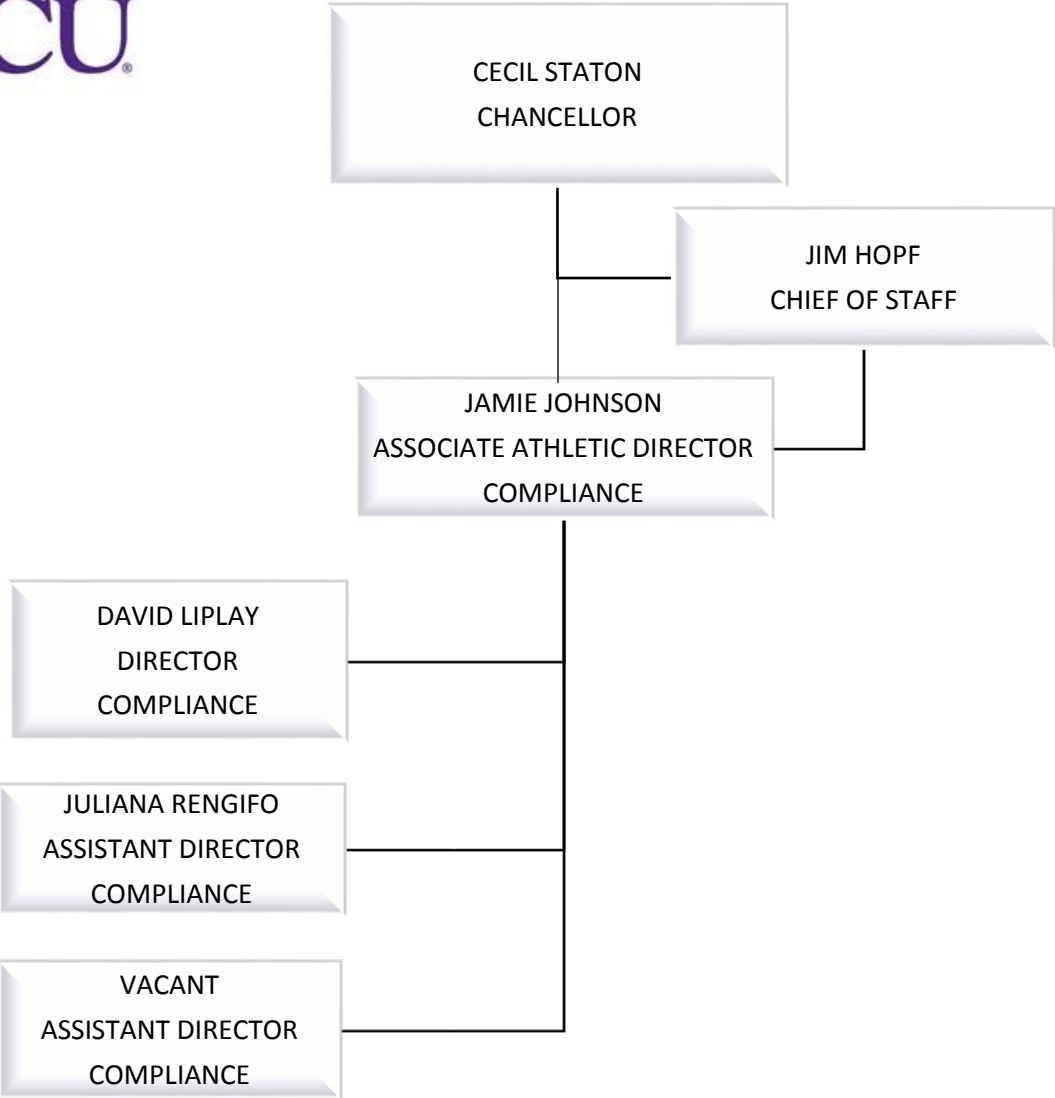
As part of the course clustering process, the review team also utilized the business intelligence software to perform a transcript audit of any student-athlete enrolled in three or more flagged courses.

Additionally, a review of independent study classes is also conducted. The Director of Student Development reviews each course labeled as directed readings or independent study and investigates the reasons for student-athlete enrollment. Each is discussed during the course audit with the review team.

Findings from the audit are included in the Student-Athlete Course Audit Report for the specific term(s) and shared with the Chancellor, Provost, Board of Trustees Athletics Committee, Faculty Athletics Representative, Director of Athletics, and the University Athletics and Academic Success Committees.



**Organizational Chart
Office of Compliance
Chancellor's Division
August 29, 2017**



East Carolina University under the leadership of Chancellor Cecil Staton and Director of Athletics Jeff Compher is committed to strengthening the connection between academics and athletics through innovative and collaborative approaches and ensuring the highest level of academic integrity. In addition to the effective practices submitted in previous reports several new opportunities and initiatives have been undertaken during the past year.

N4A Program Review and Academic Integrity Assessment

In an effort supported by the Office of the Provost and the Department of Athletics reviewers from the National Association of Academic Advisors for Athletics (N4A) participated in a voluntary review of ECU's Office of Athletics Student Development. The intent of the review was to identify national best practices in working with student-athletes. During the review, the reviewers interviewed approximately 60 individuals. In addition, selected academic-related documents and records were reviewed before and during the visit. Subsequent to the review an ad hoc committee was formed to review and implement recommendations from the report. In addition to the Program Review, ECU also participated in one of the first institutional Academic Integrity Assessments completed by the N4A. Significant to the value of the results was a "very good response rate" of over 200 returned surveys. The report included an institutional effectiveness profile that had four areas: strengths, opportunities for improvement, overview of methodology and analysis of results. Findings from the assessment are being reviewed by a committee including representatives from Department of Athletics, faculty, academic administrators and student development staff.

Course Clustering Annual Review

Last year's initial course clustering review process utilizing a business intelligence software tool has been refined for the 2016-17 review cycle. Under the leadership of the Executive Director for University Audit, ECU moved from a manual review process to an enhanced data visualization approach for the 2015-16 cycle. The new approach involves using a business intelligence software tool to create a storyboard that has dashboards, charts, and graphs. This new approach allows the Course Clustering Review committee to create multiple views of the data to effectively and efficiently conduct the course clustering review as outlined by UNC policy and guidelines. The data analysis process was further developed for this year's review following the previous year's implementation. Going forward, the review committee will be able to refresh the data for each academic year which will allow visualization in minutes and provide for richer insight that was not available utilizing the former manual approach.

Academic Integrity Education Program

All entering freshmen, transfers and continuing students new to a team roster are administered the Academic Integrity Quiz at the beginning of their first term of enrollment as an ECU student-athlete. This initial quiz is designed as a pre-test to determine the incoming student-athlete's knowledge of the academic integrity policies of ECU and the NCAA. Students who score less than 100% on their first attempt are required to attend an educational seminar. Those student-athletes are then retested. Students who score below 90% on the post-test are then required to meet one-on-one with their academic coordinator to review the principles of academic integrity. Those students then sign a form indicating their understanding of the principles.

Academic Accountability Partner (AAP) Program

For the spring 2017 semester, a pilot Academic Accountability Partner (AAP) program was created to improve student-athlete motivation toward and commitment to academic success. Student-athletes who were identified as at-risk and who struggle with academic motivation were targeted for the program. An AAP was assigned to these students to work with them during their study hall hours. During this time, the AAPs, who were juniors or higher, concentrated on motivation, focus, task completion, and if necessary, skill development. Their role was to provide student-athletes with the guidance and motivation to help them keep their commitments and improve their responsibility toward achieving academic goals. At the end of the pilot semester, the student-athletes were asked to complete a perception and satisfaction survey regarding the program. The results indicated that the majority of participants perceived a positive impact from having an Academic Accountability Partner. Based on student evaluations and academic performance, the program has been moved from a pilot study to an established program.

East Carolina University Educational Foundation, Inc.

Financial Statements

Years Ended June 30, 2016 and 2015

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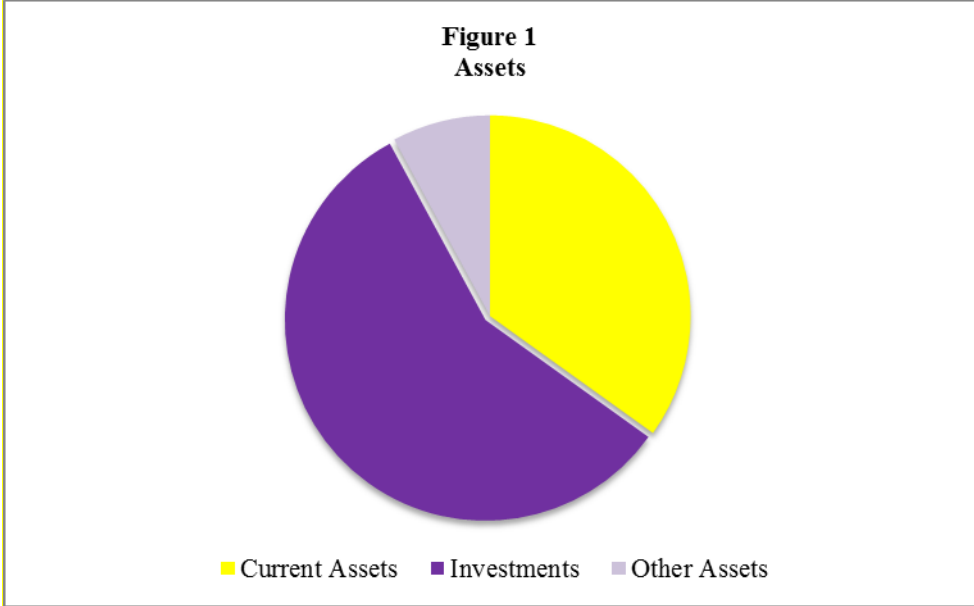
Management’s Discussion and Analysis

December 6, 2016

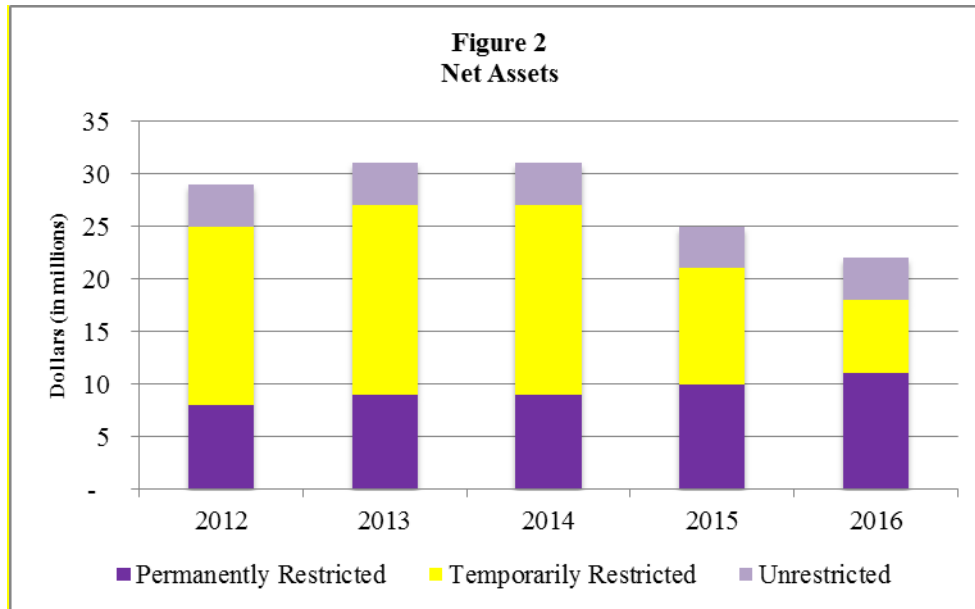
The East Carolina University Educational Foundation, Inc. (the “Foundation”), is a 501(c)(3) organization whose mission is to be the friend-raising and fund-raising arm of East Carolina University’s Division I athletics program. The attached financial statements, audited by the firm of Dixon Hughes Goodman, LLP, received an unmodified opinion. The unmodified opinion from our auditors reflects the commitment of our volunteers and staff to stewarding the Foundation’s resources in a responsible manner while fulfilling the Foundation’s mission with honesty and integrity and in compliance with the rules and regulations that govern its operations.

As the financial statements illustrate for the fiscal year ended June 30, 2016, a decrease in both contributions revenue and investment returns resulted in a decrease in net assets. The following graphs summarize the financial results for the year ended June 30, 2016.

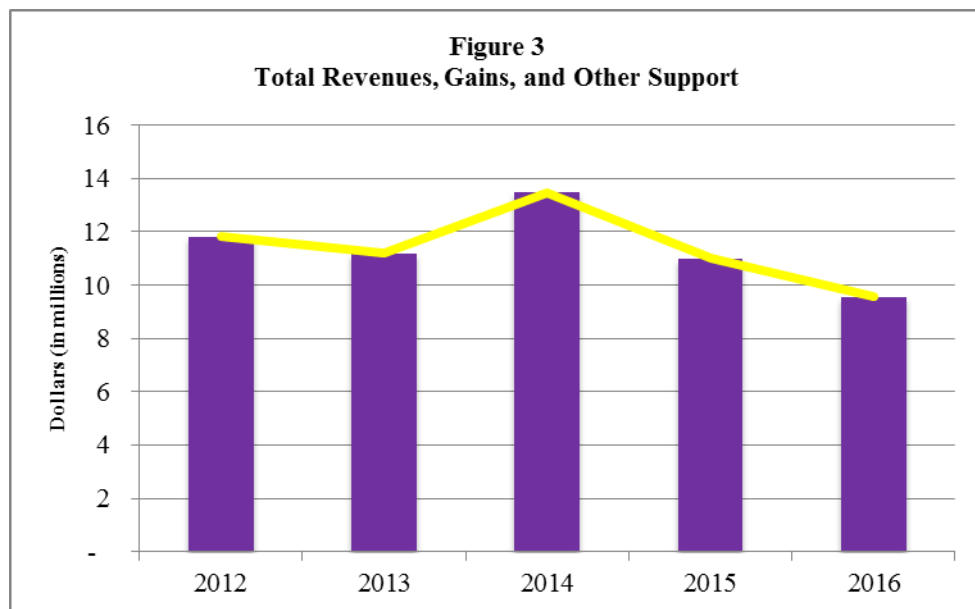
Total assets of the Foundation at June 30, 2016 were \$23.2 million. The Foundation’s investments represented the largest percentage of the Foundation’s assets at the end of the fiscal year (see Figure 1).



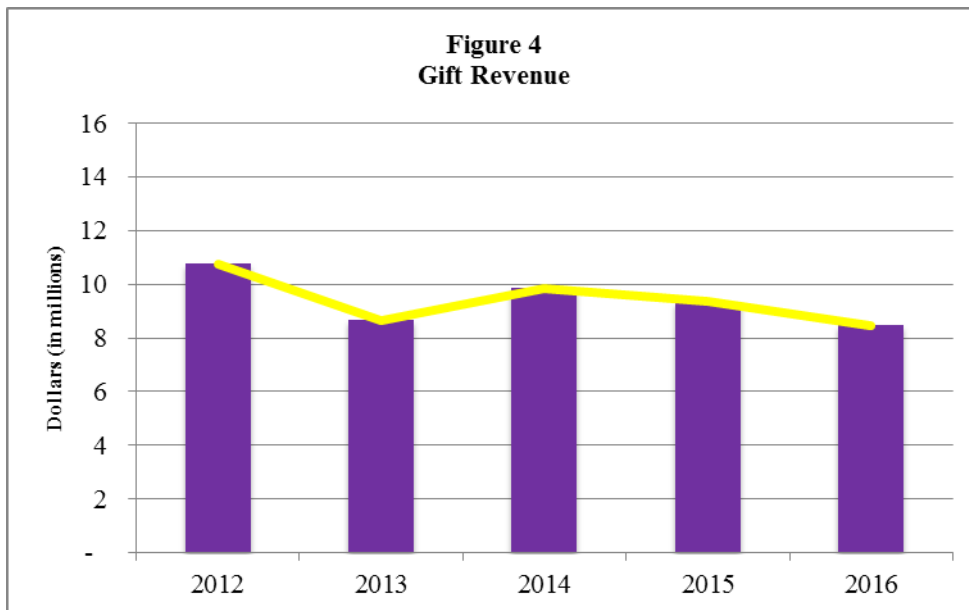
The Foundation's ending total net assets of \$22.4 million decreased 9% from the prior year's ending net assets (see Figure 2), a result of decreased contribution revenue and a decrease in investment returns due to market fluctuations.



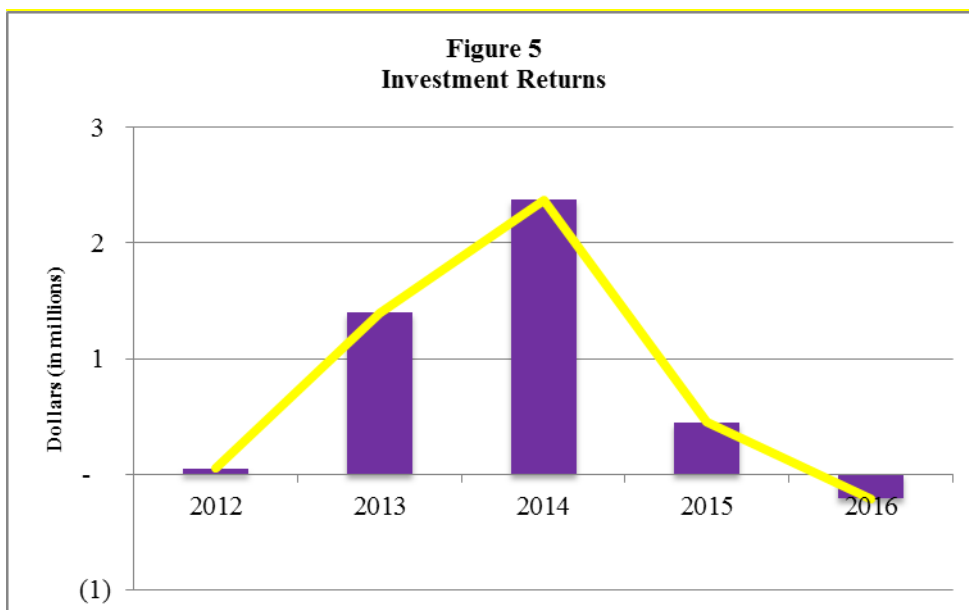
The total revenues, gains, and other support received by the Foundation during the year was nearly \$9.6 million. As illustrated by Figure 3, the change in total revenues represented a 13% decrease from the previous year's total revenue of \$11 million. This was primarily due to a decrease in contributions revenue and reduced investment returns for the current year compared to the prior year.



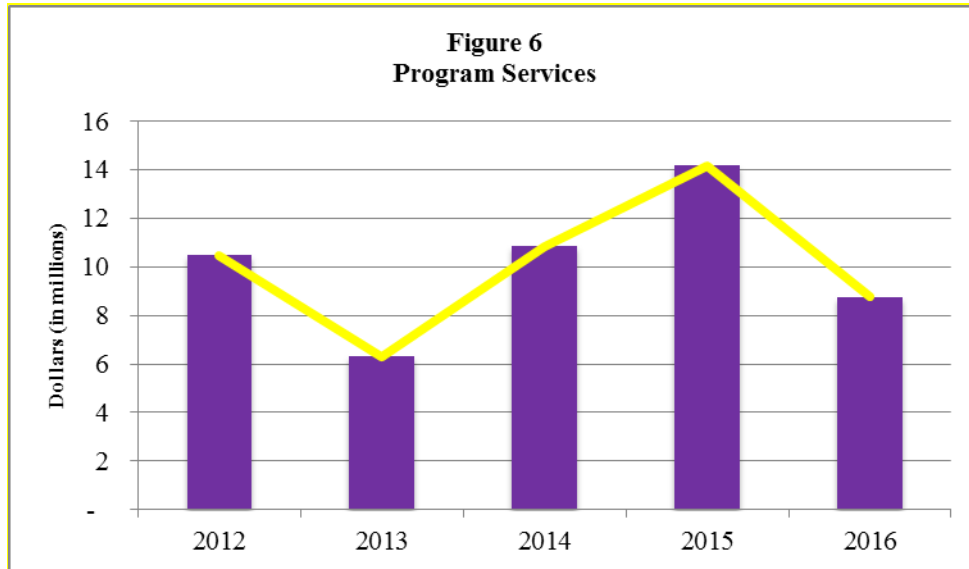
Gifts to the Foundation for fiscal year 2016 totaled \$8.5 million, a decrease of 9% from the prior year (see Figure 4).



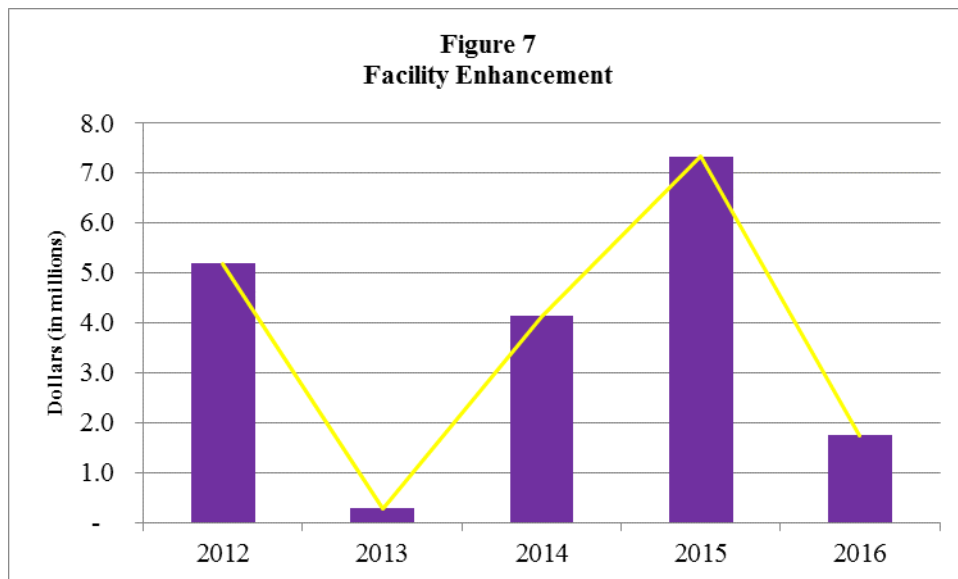
The Foundation sustained a net loss on investments for fiscal year 2016 of \$208,400, as shown in Figure 5. For the year ended June 30, 2016, the Foundation's investments produced a net loss of 1.6% compared to a 3.4% gain for the year ended June 30, 2015.



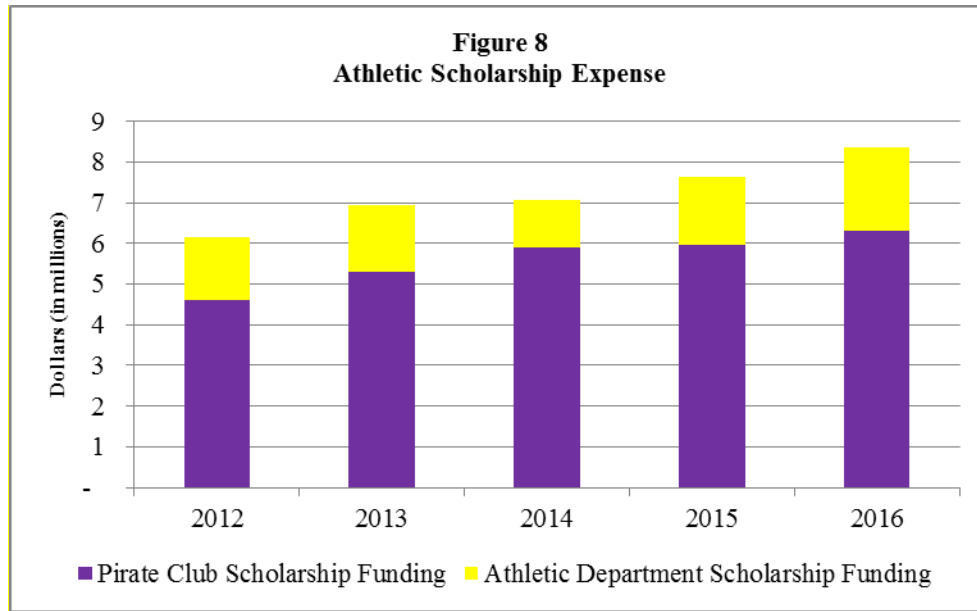
A major focus of the Foundation is to raise, manage, and provide private resources for program services for the student athletes of East Carolina University. The Foundation provided \$8.8 million in program services for the fiscal year ended June 30, 2016 (see Figure 6).



The decrease in total program services in fiscal year 2016 is a result of a decrease in facility enhancement expenses. Facility enhancement expenses totaled approximately \$1.7 million in fiscal year 2016 compared to approximately \$7.3 million in fiscal year 2015 (see Figure 7). During fiscal year 2015 payments were made for the construction and debt service of the auxiliary gym facility, including a \$3.1 million prepayment on a portion of the associated loan agreement to lower future interest expense over the life of the agreement. There were no similar prepayments made during fiscal year 2016.



Scholarship support is a key component of the program service support provided by the Foundation. The scholarship support for the fiscal year ended June 30, 2016 was \$6.3 million. Total athletic scholarship expense paid by the East Carolina University athletic department was \$8.4 million. The chart below indicates total scholarship cost and the portion funded by the Foundation (see Figure 8).



The Foundation is a vibrant, forward looking organization committed to playing a significant role in the future development of the University athletic program. The financial information that follows illustrates the Foundation is well positioned to fulfill its commitments both today and in the future.

If you have any questions, please contact us.

J. Batt
Executive Director

Frederick Niswander
Executive Treasurer
Vice Chancellor for Administration & Finance,
East Carolina University

Independent Auditors' Report

Board of Directors
East Carolina University Educational Foundation, Inc.
Greenville, North Carolina

We have audited the accompanying financial statements of East Carolina University Educational Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditors' 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. Those standards require that we plan and perform the audit 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 auditors' 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 entity'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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Effect of Adopting New Accounting Standard

As discussed in Note 1 to the financial statements, the Foundation elected to early adopt ASU 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. Our opinion is not modified with respect to this change.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The Management's Discussion and Analysis on pages 1 to 5, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Dixon Hughes Goodman LLP

**Raleigh, North Carolina
December 6, 2016**

East Carolina University Educational Foundation, Inc.
Statements of Financial Position
June 30, 2016 and 2015

<u>Assets</u>	<u>2016</u>	<u>2015</u>
Current assets:		
Cash	\$ 5,726,563	\$ 5,690,277
Current portion of unconditional promises to give, net (Note 2)	2,357,348	2,699,228
Other receivables	7,203	6,853
Total current assets	<u>8,091,114</u>	<u>8,396,358</u>
Investments:		
Investments (Notes 4 and 5)	13,043,824	13,398,084
Real estate held for investment (Notes 5 and 6)	211,252	221,252
Total investments	<u>13,255,076</u>	<u>13,619,336</u>
Property and equipment, net (Note 14)	<u>133,116</u>	109,000
Other assets:		
Life insurance policy - cash surrender value	433,503	408,520
Beneficial interest in charitable remainder trusts (Note 5)	583,132	636,212
Unconditional promises to give, net, less current portion (Note 2)	730,614	1,945,562
Total other assets	<u>1,747,249</u>	<u>2,990,294</u>
Total assets	<u>\$ 23,226,555</u>	<u>\$ 25,114,988</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 54,048	\$ 160,086
Accrued expenses	144,610	306,031
Current portion of notes payable (Note 14)	8,036	-
Current portion of charitable gift annuities payable (Notes 5 and 7)	975	-
Deferred revenue	35,445	3,474
Total current liabilities	<u>243,114</u>	<u>469,591</u>
Long-term liabilities:		
Notes payable, less current portion (Note 14)	36,114	-
Charitable gift annuities payable, less current portion (Notes 5 and 7)	7,320	-
Deferred revenue, less current portion	529,781	-
Total long-term liabilities	<u>573,215</u>	<u>-</u>
Net assets:		
Unrestricted	3,919,818	4,356,178
Temporarily restricted (Notes 8 and 9)	7,347,997	10,641,663
Permanently restricted (Notes 8, 9 and 10)	11,142,411	9,647,556
Total net assets	<u>22,410,226</u>	<u>24,645,397</u>
Total liabilities and net assets	<u>\$ 23,226,555</u>	<u>\$ 25,114,988</u>

See accompanying notes.

East Carolina University Educational Foundation, Inc.
Statements of Activities
Years Ended June 30, 2016 and 2015

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$ 7,601,589	\$ 172,464	\$ 536,008	\$ 8,310,061
Gifts in kind	148,429	-	-	148,429
Contributed services and facilities (Note 11)	842,910	-	-	842,910
Return on investments:				
Interest and dividends	44,145	240,643	10	284,798
Net realized and unrealized losses on investments	(19,629)	(466,569)	(7,000)	(493,198)
Other income	462,823	-	-	462,823
Change in value of split interest agreements	-	-	(53,080)	(53,080)
Change in value of charitable gift annuity	-	-	20,986	20,986
Change in value of life insurance	(37)	-	35,307	35,270
Net assets released from restrictions (Note 8)	<u>2,309,085</u>	<u>(2,309,085)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>11,389,315</u>	<u>(2,362,547)</u>	<u>532,231</u>	<u>9,558,999</u>
Expenses (Note 12):				
Program services:				
Program development	714,905	-	-	714,905
Scholarships	6,305,900	-	-	6,305,900
Facility enhancement	<u>1,738,708</u>	<u>-</u>	<u>-</u>	<u>1,738,708</u>
Total program services	8,759,513	-	-	8,759,513
General and administrative	2,493,319	-	-	2,493,319
Fundraising	<u>398,499</u>	<u>-</u>	<u>-</u>	<u>398,499</u>
Total operating expenses	11,651,331	-	-	11,651,331
Bad debt losses	<u>-</u>	<u>95,176</u>	<u>47,663</u>	<u>142,839</u>
Total expenses	<u>11,651,331</u>	<u>95,176</u>	<u>47,663</u>	<u>11,794,170</u>
Changes in net assets	(262,016)	(2,457,723)	484,568	(2,235,171)
Net assets, beginning of year	4,356,178	10,641,663	9,647,556	24,645,397
Reclassification of net assets, donor stipulations (Note 15)	<u>(174,344)</u>	<u>(835,943)</u>	<u>1,010,287</u>	<u>-</u>
Net assets, end of year	<u>\$ 3,919,818</u>	<u>\$ 7,347,997</u>	<u>\$ 11,142,411</u>	<u>\$ 22,410,226</u>

See accompanying notes.

East Carolina University Educational Foundation, Inc.
Statements of Activities
Years Ended June 30, 2016 and 2015

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenues, gains, and other support:				
Contributions	\$ 8,022,803	\$ 592,853	\$ 595,187	\$ 9,210,843
Gifts in kind	132,918	-	-	132,918
Contributed services and facilities (Note 11)	676,753	4,401	-	681,154
Return on investments:				
Interest and dividends	32,064	249,230	-	281,294
Net realized and unrealized gains on investments	3,450	165,917	12	169,379
Other income	517,604	-	-	517,604
Change in value of split interest agreements	-	-	(47,998)	(47,998)
Change in value of life insurance	233	-	49,591	49,824
Net assets released from restrictions (Note 8)	<u>8,232,964</u>	<u>(8,232,964)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>17,618,789</u>	<u>(7,220,563)</u>	<u>596,792</u>	<u>10,995,018</u>
Expenses (Note 12):				
Program services:				
Program development	910,717	-	-	910,717
Scholarships	5,945,715	-	-	5,945,715
Facility enhancement	<u>7,322,756</u>	<u>-</u>	<u>-</u>	<u>7,322,756</u>
Total program services	14,179,188	-	-	14,179,188
General and administrative	2,281,846	-	-	2,281,846
Fundraising	<u>457,465</u>	<u>-</u>	<u>-</u>	<u>457,465</u>
Total operating expenses	16,918,499	-	-	16,918,499
Bad debt losses	<u>-</u>	<u>213,103</u>	<u>12,337</u>	<u>225,440</u>
Total expenses	<u>16,918,499</u>	<u>213,103</u>	<u>12,337</u>	<u>17,143,939</u>
Changes in net assets	700,290	(7,433,666)	584,455	(6,148,921)
Net assets, beginning of year	<u>3,655,888</u>	<u>18,075,329</u>	<u>9,063,101</u>	<u>30,794,318</u>
Net assets, end of year	<u>\$ 4,356,178</u>	<u>\$ 10,641,663</u>	<u>\$ 9,647,556</u>	<u>\$ 24,645,397</u>

See accompanying notes.

East Carolina University Educational Foundation, Inc.
Statements of Cash Flows
Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,235,171)	\$ (6,148,921)
Permanently restricted contributions	(536,008)	(595,187)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Amortization of leasehold improvements	21,443	21,442
Bad debt expense	142,839	225,440
Contributed equipment	(1,409)	-
Loss on sale of real estate held for investment	7,000	-
Change in cash value of life insurance	(35,270)	(49,824)
Change in value of split-interest agreement	53,080	47,998
Change in value of charitable gift annuity	(20,986)	-
Net realized and unrealized loss (gain) on investments	493,198	(169,379)
Effect of changes in operating assets and liabilities:		
Unconditional promises to give and other receivables	1,413,639	2,636,499
Charitable remainder trusts and annuities	30,000	-
Prepaid expenses	-	2,400
Accounts payable	(105,844)	116,860
Accrued expenses	(161,615)	(254,300)
Deferred revenue	<u>561,752</u>	<u>893</u>
Net cash used by operating activities	<u>(373,352)</u>	<u>(4,166,079)</u>
Cash flows from investing activities:		
Purchases of investments	(5,361,427)	(4,570,506)
Proceeds from sale of investments, net	5,222,489	4,531,355
Proceeds from sale of property	3,000	-
Proceeds from settlement of life insurance	<u>10,287</u>	<u>-</u>
Net cash used by investing activities	<u>(125,651)</u>	<u>(39,151)</u>
Cash flows from financing activities:		
Contributions for endowment	536,008	595,187
Payments on annuity obligations	<u>(719)</u>	<u>-</u>
Net cash provided by financing activities	<u>535,289</u>	<u>595,187</u>
Change in cash and cash equivalents	36,286	(3,610,043)
Cash, beginning of year	<u>5,690,277</u>	<u>9,300,320</u>
Cash, end of year	<u>\$ 5,726,563</u>	<u>\$ 5,690,277</u>
Supplemental disclosure of noncash activities:		
Financing for equipment purchase	<u>\$ 44,150</u>	<u>\$ -</u>

See accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Activities

East Carolina University Educational Foundation, Inc. ("Foundation") is a non-profit corporation organized under the laws of the State of North Carolina. The primary purpose of the Foundation is to be the friend-raising and fund-raising arm of East Carolina University's Division I athletics program, representing the highest principles of honesty and integrity. By conducting annual fund, endowment, and capital campaigns in support of student-athlete scholarships, athletic facility enhancements and other programmatic needs, the Foundation seeks to bring positive recognition to East Carolina University and the region it serves through a competitive athletics program.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for the non-profit industry. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- Unrestricted net assets – Net assets not subject to donor-imposed stipulations.
- Temporarily restricted net assets – Net assets subject to donor-imposed stipulations for specified purposes of the Foundation and/or the passage of time.
- Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all of, or part of, the income earned on related investments for general or specific purposes.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications on the Statements of Activities between the applicable classes of net assets as "Net assets released from restrictions."

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that directly affect the results of reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

Fair Value of Financial Instruments

The carrying amounts of cash, prepaid expenses, other receivables, accounts payable, and accrued expenses approximate fair value because of the short maturity of these instruments. The fair value of investments is described in Notes 4 and 5, and is in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Disclosures About Fair Value of*

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

Instruments, which defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

Cash and Cash Equivalents

Cash and cash equivalents include interest-bearing money market accounts and short-term investments with an original maturity of three months or less at the time of purchase. Amounts excluded from cash and cash equivalents include short-term investments that are held in the investment pool.

Unconditional Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged and are recognized as revenues in the period when pledged. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of donation. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible unconditional promises to give is provided based upon management's judgment including such factors as prior collection history, the type of contribution, and the nature of fundraising activity.

Investments

Investments are reported at fair value with gains and losses included in the Statements of Activities. All temporarily and permanently restricted funds are combined with unrestricted funds into one investment pool. Once a year, the interest, dividends, realized and unrealized gains/losses, and investment fees are allocated to the funds based on the fund's percentage of ownership interest in the pool of investments. Other investments, including real estate held for investment, are carried at fair value.

As explained in Note 4, the financial statements include alternative investments consisting of a hedge fund that is valued at \$600,392 (3% of net assets) and \$647,808 (3% of net assets) at June 30, 2016 and 2015, respectively. Management, using the methodology discussed in Note 5, has valued this investment using net asset value as the practical expedient to estimate fair value.

Allocation of Investment Income

Income and realized and unrealized net gains on investments of endowment and similar funds are reported as follows:

- As increases in permanently restricted net assets if the terms of the gift or the Foundation's interpretation of relevant state law require that they be added to the principal of a permanent endowment fund.
- As increases in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income.
- As increases in unrestricted net assets in all other cases.

In accordance with FASB ASC 958-205, any losses on the investments of a donor-restricted endowment fund reduce temporarily restricted net assets to the extent that donor-imposed temporary restrictions on net appreciation of the fund have not been met before a loss occurs. Any remaining loss reduces unrestricted net assets. If losses reduce the assets of a donor-restricted endowment fund below the level required by the donor stipulations or law, gains that restore the fair value of the assets of the endowment fund to the required level are classified as increases in temporarily restricted net assets.

Property and Equipment

Leasehold improvements to make properties suitable for the Foundation's intended use are amortized over the shorter of the estimated life of the asset or the remaining life of the lease, which ranges from 3 to 10 years.

Equipment is stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. The Foundation 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.

Cash Surrender Value of Life Insurance

Life insurance policies owned by the Foundation are reported at the cash surrender value of the policy. Changes in cash surrender value of life insurance are reported as changes in value of life insurance under the revenues, gains, and other support section in the Statements of Activities.

Split-Interest Agreements

The Foundation has a beneficial interest in four charitable remainder trusts. A receivable has been recognized for the Foundation's beneficial interest in the remainder trusts at the present value of the estimated future distributions expected to be received. The Foundation is not the named trustee for any of the trusts. Adjustments to reflect revaluations of the present value of the estimated future payments and changes in actuarial assumptions are recognized in the Statements of Activities as a change in value of the split-interest agreements.

Charitable Gift Annuities

Under charitable gift annuity contracts, the Foundation receives irrevocable title to contributed assets and agrees to make fixed period payments over various periods, generally the life of the donor. Contributed assets are recorded at fair value at the date of receipt and a liability is established for the present value of future annuity payments. The assets to fund these liabilities are maintained in a separate and distinct fund and are invested in accordance with applicable state laws and reserve requirements. The excess of contributed assets over the annuity liability is recorded as unrestricted contribution revenue. Any actuarial gain or loss resulting from the computation of the liability for the present value of future annuity payments is recorded as an unrestricted change in the value of split-interest agreements. Upon termination of the annuity contract, the remaining liability is recognized as change in value of split-interest revenue.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. At June 30, 2016 and 2015, the Foundation has not recorded any tax liabilities. The Foundation believes that it has appropriate support for any tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

The Foundation's Return of Organization Exempt From Income Tax (Form 990) and Federal Exempt Organization Business Income Tax Returns (Form 990T) for fiscal years 2015, 2014, and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Contributions

Unconditional contributions are considered available for unrestricted use unless specifically restricted by the donor. The gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

Contractual Services

The staff of the Foundation is paid by East Carolina University (ECU) and they are employees of ECU for payroll and benefit purposes. The Foundation reimburses ECU for all payroll and benefit costs related to the Foundation staff. The reimbursement is recorded as contractual services.

Recent Accounting Pronouncements

In May 2015, the FASB issued Accounting Standards Update (“ASU”) 2015-07, *Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*. The ASU removes certain disclosures and the requirement to categorize within the fair value hierarchy investments for which fair value is measured using the net asset value per share practical expedient provided by Topic 820, *Fair Value Measurement*. The ASU is effective for fiscal years beginning after December 15, 2016, with early adoption permitted. The ASU should be applied retrospectively to all periods presented. Management has elected to adopt this guidance for the year ended June 30, 2016, and is presented within Note 5.

2. Unconditional Promises to Give

Unconditional promises to give at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Receivables due in less than one year	\$ 3,357,910	\$ 4,170,674
Receivables due in one to five years	773,178	2,037,361
Receivables due in more than five years	<u>-</u>	<u>2,000</u>
	4,131,088	6,210,035
Less: Allowance for unamortized discount	(33,023)	(57,596)
Less: Allowance for uncollectible receivables	<u>(1,010,103)</u>	<u>(1,507,649)</u>
Net unconditional promises to give	<u>\$ 3,087,962</u>	<u>\$ 4,644,790</u>

Unconditional promises to give are discounted using a rate determined by management at the time the unconditional promises to give are initially recognized. Unconditional promises to give recognized during the years ended June 30, 2016 and 2015 are discounted at a rate of 4.5% and 2.0%, respectively, to estimate the present value of future payments.

3. Conditional Promises to Give

The Foundation has conditional agreements with several donors in which funding contributed to the Capital Campaign is contingent upon completion of the construction project for Fall 2018 opening. Conditional future funding given to the Foundation has not been recognized as revenue in the financial statements. Conditional promises to give are as follows:

	<u>2016</u>	<u>2015</u>
Conditional upon meeting program initiative	<u>\$ 13,328,550</u>	<u>\$ -</u>

The Foundation has received deposits relating to the conditional promises to give. Deposits received are included in deferred revenue on the Statement of Financial Position, but have not been recognized as revenue in the financial statements.

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

Deposits are as follows:

	<u>2016</u>	<u>2015</u>
Deposits received on conditional promises to give	<u>\$ 529,781</u>	<u>\$ -</u>

4. Investments

The aggregate fair values of investments at June 30, 2016 and 2015, by type of investment, are as follows:

	<u>2016</u>	<u>2015</u>
Common stock	\$ 9,279,926	\$ 9,296,301
Corporate bonds	1,857,646	1,838,913
Mutual funds	818,135	825,123
Money market funds	<u>487,725</u>	<u>789,939</u>
Total marketable securities	12,443,432	12,750,276
Alternative investments	<u>600,392</u>	<u>647,808</u>
Total investments	<u>\$ 13,043,824</u>	<u>\$ 13,398,084</u>

5. Fair Value Measurements

Fair value as defined under GAAP is an exit price, representing 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. In determining fair value, the Foundation uses various valuation approaches within the FASB ASC 820 fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability.

FASB ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

FASB ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

The following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. These valuation methodologies have not changed and are consistent with prior years.

Marketable securities, including common stock, corporate bonds, government bonds, mutual funds, and money market funds listed on a national market or exchange, are valued at the last sales price. If there is no sale, and the market is considered still active, they are valued at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

East Carolina University Educational Foundation, Inc.
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Investments in real estate are valued based on independent appraisals and county tax records and are classified within Level 2 of the valuation hierarchy.

Beneficial interest in charitable remainder trusts are valued at the market price of the investments and are classified as Level 3 of the valuation hierarchy. While the Foundation has access to a detailed listing of the underlying assets held in these trusts, the majority of which are publically traded and readily available in active markets, the beneficial interests are determined through discounted cash flow analysis.

The fair value of the Foundation's charitable gift annuity obligations is based on the net present value of the anticipated benefit using the difference between the assets received and the original contribution. As beneficiary payments are made, the liability is adjusted based on an amortization schedule. The annuity obligations are included in Level 2 of the fair value hierarchy.

The following tables present assets measured at fair value by classification within the fair value hierarchy as of June 30, 2016 and 2015, respectively:

Financial Assets (Liabilities) at Fair Market Value as of June 30, 2016				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in marketable securities	\$ 12,443,432	\$ -	\$ -	\$ 12,443,432
Investments in real estate	<u>-</u>	<u>211,252</u>	<u>-</u>	<u>211,252</u>
Investment in hedge fund measured at net asset value ^(a)				<u>600,392</u>
Total	<u>\$ 12,443,432</u>	<u>\$ 211,252</u>	<u>\$ -</u>	<u>\$ 13,255,076</u>
Beneficial interest in charitable remainder trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583,132</u>	<u>\$ 583,132</u>
Liabilities under charitable gift annuities	<u>\$ -</u>	<u>\$ (8,295)</u>	<u>\$ -</u>	<u>\$ (8,295)</u>

Financial Assets at Fair Value as of June 30, 2015 (As Adjusted)				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in marketable securities	\$ 12,750,276	\$ -	\$ -	\$ 12,750,276
Investments in real estate	<u>-</u>	<u>221,252</u>	<u>-</u>	<u>221,252</u>
Investment in hedge fund measured at net asset value ^(a)				<u>647,808</u>
Total	<u>\$ 12,750,276</u>	<u>\$ 221,252</u>	<u>\$ -</u>	<u>\$ 13,619,336</u>
Beneficial interest in charitable remainder trusts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 636,212</u>	<u>\$ 636,212</u>

^(a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the Statements of Financial Position.

There were no transfers among Level 1, Level 2, or Level 3 assets during the years ended June 30, 2016 and 2015. When transfers occur, they are recognized at the end of the reporting period.

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

Management determines the fair value measurement valuation policies and procedures, including those for Level 3 recurring and nonrecurring measurements. The Foundation's Board of Directors assesses and approves these policies and procedures. At least annually, management: (1) determines if the current valuation techniques used in fair value measurements are still appropriate, and (2) evaluates and adjusts the unobservable inputs used in the fair value measurements based on current market conditions and third-party information.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (Level 3) inputs during the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u> <u>(As Adjusted)</u>
Balance, beginning of year	\$ 636,212	\$ 684,210
Change in value of split interest agreements	<u>(53,080)</u>	<u>(47,998)</u>
Balance, end of year	<u>\$ 583,132</u>	<u>\$ 636,212</u>

Realized and unrealized gains and losses applicable to instruments valued using significant unobservable inputs (Level 3) shown above are included in the change in net assets for 2016 and 2015 reported in the Statements of Activities.

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements

The following table represents the Foundation's Level 3 financial instruments, the valuation techniques used to measure the fair value of those financial instruments, and the significant unobservable inputs and ranges of values for those unobservable inputs.

	<u>Significant Unobservable Inputs at June 30, 2016</u>		
<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Beneficial interest in charitable remainder trusts	\$ 583,132	Discounted Cash Flows	Payout Rate 1-10% Discount Rate 1-5.8%

	<u>Significant Unobservable Inputs at June 30, 2015</u>		
<u>Fair Value</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>	<u>Range of Significant Input Values</u>
Beneficial interest in charitable remainder trusts	\$ 636,212	Discounted Cash Flows	Payout Rate 1-10% Discount Rate 1-13.1%

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

The following tables summarize the Foundation's alternative investments at June 30, 2016 and 2015, which consist solely of a hedge fund:

		<u>Alternative Investments at June 30, 2016</u>		
		<u>Fair Value</u>	<u>Redemption Frequency (if currently available)</u>	<u>Redemption Notice Period</u>
Hedge Fund:				
	AIP Global	\$ 600,392	Monthly	30 days

		<u>Alternative Investments at June 30, 2015</u>		
		<u>Fair Value</u>	<u>Redemption Frequency (if currently available)</u>	<u>Redemption Notice Period</u>
Hedge Fund:				
	AIP Global	\$ 647,808	Monthly	30 days

The Foundation invests in an alternative investment vehicle as a hedge against broader market risks by further diversifying the portfolio holdings. The hedge fund investment pursues a variety of hedging strategies.

The Foundation invests in various types of investment securities which are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statements of Financial Position.

6. Real Estate Held for Investment

The real estate, recorded at appraised value on the dates received and adjusted for changes in fair value, consists of 164 acres in Carteret County; two residential lots in the Brook Valley subdivision, and one lot in the River Hills subdivision in Pitt County; two lots in the Rolling Pines subdivision in Washington County; and a time share located in Horry County, South Carolina.

	<u>2016</u>	<u>2015</u>
Carteret County, North Carolina	\$ 159,402	\$ 159,402
Pitt County, North Carolina	40,750	50,750
Washington County, North Carolina	10,600	10,600
Horry County, South Carolina	<u>500</u>	<u>500</u>
Total	<u>\$ 211,252</u>	<u>\$ 221,252</u>

7. Annuities Payable

The Foundation accepted in 2016, contributions from one donor in exchange for the Foundation funded life annuity (charitable gift annuity). Total annuity payments for the year ended June 30, 2016 were \$719.

The annuity payable balance at June 30, 2016, of \$8,295, is the present value of the quarterly payments to the annuitant based on the actuarially determined life expectancy of the annuitant and a payout rate of

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

3.25%. The Foundation's obligation for the remainder of the annuitant's life is \$975 per year. The estimated remaining life expectancy of the annuitant is 13 years.

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets at June 30, 2016 and 2015 are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 3,111,642	\$ 4,853,093
Support of various programs	559,079	499,944
Facility enhancements	3,668,397	5,288,626
Endowment (ASC 320)	<u>8,879</u>	<u>-</u>
Total	<u>\$ 7,347,997</u>	<u>\$ 10,641,663</u>

Permanently restricted net assets at June 30, 2016 and 2015 are restricted to investment in perpetuity, the income from which is expendable to support:

	<u>2016</u>	<u>2015</u>
Scholarships	\$ 11,142,411	\$ 8,647,556
Student development	<u>-</u>	<u>1,000,000</u>
Total	<u>\$ 11,142,411</u>	<u>\$ 9,647,556</u>

Net assets totaling \$2,309,085 and \$8,232,964 were released from donor restrictions in 2016 and 2015, respectively, by incurring expenses satisfying the restricted purposes, or by the passage of time.

	<u>2016</u>	<u>2015</u>
Facility enhancement	\$ 1,747,653	\$ 7,317,756
General and administrative	119,473	117,220
Program development	<u>441,959</u>	<u>797,988</u>
Total	<u>\$ 2,309,085</u>	<u>\$ 8,232,964</u>

The fair value of certain donor-restricted endowment funds was less than the level required by donor stipulation as of June 30, 2016. These endowment funds recognized fair value deficits during the year ended June 30, 2016 in the amount of \$8,879, which is reported as a reclassification of net assets as a decrease in unrestricted net assets.

9. Endowments

The Foundation follows the guidance for endowments of Not-For-Profit Organizations, which includes a requirement to classify the portion of a donor-restricted endowment fund that is not classified as permanently restricted net assets as temporarily restricted net assets until appropriated for expenditure. This guidance also requires expanded disclosures for all endowment funds.

The Foundation's endowment consists of twenty-nine individual funds established for a variety of purposes. Endowments include donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation’s management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Board classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure, by the Foundation, in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the application of investments;
- (6) Other resources of the institution; and
- (7) The investment policies of the organization.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Foundation Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the rate of inflation as measured by the annual Consumer Price Index plus the annual spending distribution and fees as adopted by the Board. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year a five percent (5%) allocation based on its year-end endowment fund's twelve-month weighted average balance inclusive of the current year investment return. In establishing this policy, the Foundation considered the long-term expected return on its endowment.

Endowment net asset composition by fund type as of June 30:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted funds	<u>\$ (8,879)</u>	<u>\$ 3,120,521</u>	<u>\$ 10,538,292</u>	<u>\$ 13,649,934</u>

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-restricted funds	\$ -	\$ 4,853,092	\$ 9,011,344	\$ 13,864,436

Changes in endowment net assets for the fiscal years ended June 30:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 4,853,092	\$ 9,011,344	\$ 13,864,436
Reclassification due to repurpose	-	(1,000,000)	1,000,000	-
Net assets reclassification, due to realized and unrealized gains in endowment funds	<u>(8,879)</u>	<u>8,879</u>	<u>-</u>	<u>-</u>
Endowment net assets, after reclassification	(8,879)	3,861,971	10,011,344	13,864,436
Investments income (including realized and unrealized gains and losses)	-	(337,397)	-	(337,397)
Contributions	-	-	536,008	536,008
Change in value of life insurance	-	-	35,307	35,307
Scholarship expense	-	(404,053)	-	(404,053)
Other changes	-	-	(44,367)	(44,367)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 3,120,521</u>	<u>\$ 10,538,292</u>	<u>\$ 13,649,934</u>

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ 5,151,754	\$ 8,378,891	\$ 13,530,645
Investments income (including realized and unrealized gains and losses)	-	311,785	-	311,785
Contributions	-	-	595,187	595,187
Change in value of life insurance	-	-	49,591	49,591
Scholarship expense	-	(610,447)	-	(610,447)
Other changes	-	-	(12,325)	(12,325)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 4,853,092</u>	<u>\$ 9,011,344</u>	<u>\$ 13,864,436</u>

In addition, the Foundation, under the direction of the Board of Directors, established quasi-endowments for scholarships within the board designated unrestricted net assets. The activity in the quasi-endowments is as follows:

	2016	2015
Quasi-endowment net assets, beginning of year	\$ 533,795	\$ 519,590
Investment income (including realized and unrealized gains and losses)	<u>(16,609)</u>	<u>14,205</u>
Quasi-endowment net assets, end of year	<u>\$ 517,186</u>	<u>\$ 533,795</u>

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

10. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2016 and 2015 relate to the following:

	<u>2016</u>	<u>2015</u>
Endowments	\$ 10,538,292	\$ 9,011,344
Beneficial interest in split interest agreements	<u>604,119</u>	<u>636,212</u>
Total permanently restricted net assets	<u>\$ 11,142,411</u>	<u>\$ 9,647,556</u>

Included in the endowment amounts above are net unconditional promises to give of \$266,875 and \$392,937 at June 30, 2016 and 2015, respectively.

11. Related Party Transactions

East Carolina University

The University provides certain support such as accounting, fundraising, general administrative services, and the use of facilities and equipment for the benefit of the Foundation. These contributed services and facilities have been recognized in the accompanying Statements of Activities as contributions and expenses at their estimated value. The amount of these contributed services and facilities for the years ended June 30, 2016 and 2015 was \$270,980 of \$842,910 total contributed services, and \$244,738 of \$681,154 total contributed services, respectively.

The Foundation accrued expenses of \$140,720 and \$304,162 at June 30, 2016 and 2015, respectively, owed to the University.

East Carolina University Foundation, Inc.

At June 30, 2016 and 2015, the Foundation had accounts receivable from the East Carolina University Foundation, Inc. in the amount of \$0 and \$43, respectively. These receivables are included in other receivables on the Statements of Financial Position.

12. Functional Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the Statements of Activities. The following summarizes these expenses based on their natural classification:

	<u>2016</u>			
	<u>Contributions to ECU</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Personnel services	\$ -	\$ 38	\$ 5,024	\$ 5,062
Supplies and materials	170,829	92,645	60,891	324,365
Current services	124,210	2,152,743	304,758	2,581,711
Fixed charges	149,686	247,893	27,826	425,405
Aids and grants	248,738	-	-	248,738
Facility enhancement	1,738,708	-	-	1,738,708
Scholarships	6,305,900	-	-	6,305,900
Other expenses	<u>21,442</u>	<u>-</u>	<u>-</u>	<u>21,442</u>
Total expenses	<u>\$ 8,759,513</u>	<u>\$ 2,493,319</u>	<u>\$ 398,499</u>	<u>\$ 11,651,331</u>

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

	2015			Total
	Contributions to ECU	Management and General	Fund Raising	
Personnel services	\$ -	\$ 1,422	\$ 4,382	\$ 5,804
Supplies and materials	316,997	182,982	67,659	567,638
Current services	161,912	1,862,532	361,436	2,385,880
Fixed charges	153,886	234,910	23,988	412,784
Aids and grants	256,479	-	-	256,479
Facility enhancement	7,322,756	-	-	7,322,756
Scholarships	5,945,715	-	-	5,945,715
Other expenses	21,443	-	-	21,443
Total expenses	<u>\$ 14,179,188</u>	<u>\$ 2,281,846</u>	<u>\$ 457,465</u>	<u>\$ 16,918,499</u>

Expenses of the Foundation reported in the Statements of Activities are categorized as relating to program services, general and administrative, and fund-raising. Under program services, expenses further categorized as expenses of the Foundation relating to program development, scholarships, and facility enhancements, relate to expenditures made by the Foundation or on behalf of the University's athletics program. General and administrative expenses relate to those expenditures incurred by the Foundation in its day-to-day operation. Lastly, expenses reported as fund-raising relate to expenses incurred by the Foundation or by its twenty-nine community chapter organizations in providing various friend-raising and fund-raising events. For the fiscal year ended June 30, 2016, \$56,025 of the \$398,499 in fund-raising expenditures reported was incurred by the twenty-nine community chapters. For the fiscal year ended June 30, 2015, \$83,467 of the \$457,465 in fund-raising expenditures reported was incurred by the twenty-nine community chapters.

13. Leases

The Foundation leases vehicles from non-related entities under operating leases with maturities ranging from May 2017 through August 2022 with monthly payments ranging from \$225 to \$618 at June 30, 2016.

On July 31, 2010, the Foundation began leasing real property from a non-related entity under an operating lease with a maturity of July 2020 and monthly payments ranging from \$7,000 to \$7,700 over the life of the lease.

The following is a schedule of future minimum rental lease payments at June 30, 2016:

<u>Year</u>	<u>Future Minimum Lease Payments</u>
2017	\$ 101,824
2018	93,284
2019	85,802
2020	84,000
2021	7,000
Thereafter	-
Total	<u>\$ 371,910</u>

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

14. Property and Equipment

Leasehold improvements for property leased and the Foundation's equipment consist of the following at June 30:

	<u>Estimated Useful Life</u>	<u>2016</u>	<u>2015</u>
Improvements	3-10 years	\$ 281,408	\$ 281,408
Equipment	6 years	45,559	-
Less amortization		<u>193,851</u>	<u>172,408</u>
Total		<u>\$ 133,116</u>	<u>\$ 109,000</u>

In June 2016, the Foundation purchased equipment for \$45,559. This acquisition was financed for 100% of the purchase price, less a charitable contribution of \$1,409, based on a six-year amortization with a final payment of all remaining principal and accrued interest due on June 21, 2022. As of June 30, 2016, the outstanding balance on the principal was \$44,150. The note has a fixed interest rate of 2.9% and is collateralized by the purchased equipment.

Future maturities of the note payable as of June 30, 2016 were as follows:

2017	\$ 8,036
2018	8,571
2019	8,823
2020	9,082
2021	<u>9,638</u>
Total	44,150
Less: Current Portion	<u>8,036</u>
Noncurrent portion of long-term debt	<u>\$ 36,114</u>

No interest expense was recorded as of June 30, 2016.

15. Reclassification of Net Assets

The "Reclassification of net assets, donor stipulations" is the result of donor stipulations that require the transfer of funds. Reclassifications of net assets during the year ended June 30, 2016 consisted of the following:

	<u>2016</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>
Donor stipulations	\$ (174,344)	\$ (835,943)	\$ 1,010,287

16. Concentration of Credit Risk

Financial Institutions

The Foundation has deposits with two financial institutions that, at times, may exceed federal depository insurance limits. Deposits at the financial institutions were \$176,777 and \$40,373 at June 30, 2016 and

East Carolina University Educational Foundation, Inc.
Notes to Financial Statements

2015, respectively. The Foundation has deposits with eleven different financial institutions that total \$42,058 and \$53,796 at June 30, 2016 and 2015, respectively.

State of North Carolina Short-Term Investment Fund (STIF Account)

The Foundation deposits substantially all of its funds not otherwise invested, into the State of North Carolina Short-Term Investment Fund ("STIF account") that is managed by the North Carolina State Treasurer. This portfolio fund is the primary cash management account for the State and is managed to allow funds to be readily convertible in cash. The North Carolina Administrative Code requires depositories to collateralize all balances that are not insured and must maintain specified security types in a third party escrow account designated by the State Treasurer. The securities collateral must be governmental in origin or the highest grade commercial paper and bankers' acceptances. The market value of the collateral must not be less than the value of the uninsured deposits; therefore, as of June 30, 2016 and 2015, the Foundation's STIF account deposits would not be exposed to custodial credit risk.

Investment Brokerage Accounts

The Securities Investor Protection Corporation (SIPC) insures investments with registered brokers up to \$500,000, of which \$250,000 may be cash. Insurance protects assets held in the case of broker-dealer insolvency and not against decline in market values. As of June 30, 2016 and 2015, the Foundation has investments in excess of the SIPC insurance amount.

17. Subsequent Events

Management evaluated subsequent events through December 6, 2016, the date the financial statements were available to be issued. On November 28, 2016 the Foundation entered into a \$3,000,000 revolving line of credit bearing interest at the one month LIBOR plus 1.25%. The line of credit will mature on October 15, 2018 unless extended or renewed. There were no other events or transactions occurring after June 30, 2016, but prior to the date these financial statements were issued that provided additional evidence about conditions that existed at June 30, 2016.

**Operating Agreement
of
East Carolina University
and East Carolina University Educational Foundation, Inc.**

This Operating Agreement (Agreement) is made between East Carolina University (University) and the East Carolina University Educational Foundation, Inc. (Foundation).

RECITALS

University is an institution of higher education; and

Foundation is a North Carolina nonprofit corporation qualified under Section 501(c)(3) of the Internal Revenue Code and exists for the purposes of aiding and promoting educational and charitable purposes and lawful activities of University; and

University has officially recognized Foundation as satisfying the standards and eligibility requirements as a supporting associated entity set forth in University of North Carolina and University rules and regulations; and,

The parties previously executed an operating agreement on April 25, 2007 formalizing the relationship between University and Foundation by setting forth the manner in which University and Foundation were to provide support to each other, which relationship the parties desire to amend and extend under the terms provided in this Agreement.

TERMS

In consideration of the mutual covenants, promises and conditions herein contained, and for good and valuable consideration the adequacy of which is hereby acknowledged, University and Foundation agree as follows:

1.0 Foundation Support of University.

- 1.1 The Foundation's sole purpose is to provide support to University's Division I Varsity Athletics Program. In accordance with Foundation's governing documents, that support includes, but is not limited to:
 - 1.1.1 Raising, receiving, investing, and administering funds for University in support of its intercollegiate athletics program;
 - 1.1.2 Assisting the Office of University Advancement in its fundraising, marketing, public relations and alumni outreach activities and development programs with individuals, corporations, foundations, and other organizations;
 - 1.1.3 Soliciting funds for student-athlete scholarships, athletics facilities improvements, and other programmatic needs of University's Athletics program;
 - 1.1.4 Promoting the welfare and future development of University's Athletics Program;

- 1.1.5 Performing other acts as may be deemed appropriate in carrying out the purposes of University's Athletics Program, and
- 1.1.6 or other designated activities that are in furtherance of the mission of University's Athletics Program.

2.0 Use of University Name.

- 2.1 Foundation may, in connection with its lawful business and activities, use the name of University as well as University's logo, informal seal, and other symbols and marks of University, provided that Foundation clearly communicates that it is conducting business in its own name for the benefit of University. All correspondence, advertisements, and other communications by Foundation must clearly indicate that the communication is by Foundation and not from University. Foundation shall use the name of University as well as University's logo, informal seal, and other symbols and marks of University only in connection with the services rendered for the benefit of University and in accordance with the guidance and directions furnished to Foundation by University, or its representatives or agents, from time to time, and only if the nature and quality of the services in connection with which the aforesaid logo, seal, and other symbols and marks are used shall be satisfactory to University or as specified by it. University shall exercise control over and be the sole judge of whether or not Foundation has met or is meeting the standards of quality so established. The parties intend to execute a licensing agreement to establish more detailed parameters for Foundation's use of University's logo, seal, and other symbols and marks.
- 2.2 Foundation shall not delegate the authority to use University's name or symbols to any person or entity without the written approval of the Chancellor of East Carolina University (Chancellor).
- 2.3 Foundation agrees to cease using University's name and symbols in the event:
 - 2.3.1 Foundation dissolves;
 - 2.3.2 This Agreement is terminated as provided below (unless the parties agree otherwise); or,
 - 2.3.3 Foundation ceases to be a nonprofit corporation or ceases to be recognized by the Internal Revenue Service as described in section 501(c)(3) of the Internal Revenue Code.
 - 2.3.4 The Chancellor revokes such authority for failure to conform with the requirements of section 2.1, above. Such revocation shall not occur until after Foundation is provided notice of its failure to conform and a reasonable opportunity to cure such non-conformance.
- 2.4 Notwithstanding the provisions of section 2.1, Foundation agrees that it will not offer any course or seminar using University's name without first obtaining written permission from the Chancellor.

3.0 Relationship between Foundation and University.

- 3.1 University agrees to encourage and maintain the independence of Foundation and, at the same time, foster the cooperative relationship between University and Foundation.
- 3.2 The Chancellor shall be an ex officio voting member of Foundation's Executive Committee.
- 3.3 The Vice Chancellor for Administration and Finance, or the Vice Chancellor's designee, shall be an ex officio voting member of Foundation's Executive Committee, and shall serve as Executive Treasurer of the Foundation.
- 3.4 The University Director of Athletics shall be an ex officio voting member of Foundation's Executive Committee.
- 3.5 The Faculty Athletics Representative shall be an ex-officio voting member of Foundation's Executive Committee.
- 3.6 Other university employees may serve as ex-officio members of Foundation's governing board, with or without vote, as specified by Foundation's bylaws.
- 3.7 Foundation agrees to cooperate with the Chancellor and/or the Chancellor's designee to allow University to monitor the relationship between University and Foundation.
- 3.8 The Executive Committee of the Foundation shall be responsible for control and management of all assets of Foundation, including prudent management of all gifts to Foundation consistent with donor intent.
- 3.9 Foundation will maintain an audit committee which does not have any employees of University or of Foundation as a member. This committee will receive and review the annual audit of the Foundation and relevant annual tax forms to be submitted by the Foundation. If practical, the Foundation will ensure a financial expert is a member of the audit committee.

4.0 Foundation's Obligation to University.

- 4.1 Foundation agrees, before accepting gifts of real estate, or gifts with any restrictive terms and/or conditions that impose an obligation on the University or the State of North Carolina to expend resources in addition to the gift, to obtain written approval from the Vice Chancellor for Administration and Finance and the Director of Athletics unless such gift otherwise complies with University's gift acceptance policy which may then be in force and effect. In addition, Foundation agrees that it will not accept a gift that has any

restriction that is unlawful. In soliciting and accepting gifts in the name of the University, Foundation agrees to coordinate with University's Division of University Advancement.

- 4.2 Foundation agrees to advise prospective donors of restricted gifts that acceptance of such gifts is conditioned upon University's approval if the gift requires University approval under section 4.1.
- 4.3 Foundation agrees to coordinate with the University's Division of University Advancement comprehensive fund raising campaign efforts undertaken by University and its other approved associated entities.
- 4.4 Foundation shall make its donor records and other data reasonably available to University in accordance with existing University guidelines and UNC regulations and as otherwise required by applicable law. Notwithstanding the foregoing, Foundation shall maintain ownership of and control access to any prospect and donor information it collects and these records shall constitute a trade secret under N.C. Gen. Stat. § 132-1.2. Foundation shall appoint an officer or member of its governing board who is not employed by the University of North Carolina to be custodian of these records and employees of University will have access to them only for the purpose of providing services to the Foundation. Foundation agrees that it will establish and maintain a policy governing the retention and destruction of documents, including electronic files, and which prohibits destruction of documents if an investigation into wrongdoing or litigation is anticipated or underway.
- 4.5 Foundation shall administer its funds and make distributions to University's Athletics Program in accordance with policies and procedures established by the Foundation from time to time, with advice and counsel from University. Foundation agrees that all transfers of funds from Foundation to University's Athletics Program must be documented in writing or electronically in a form that has a retrievable transaction trail.

5.0 Limitations on the Foundation.

- 5.1 Foundation agrees to operate using sound fiscal and business principles, to ensure that sound internal control structures are in place, and to follow generally accepted accounting procedures.
- 5.2 Foundation will submit an annual operations and capital budget to the Executive Committee for its approval.
- 5.3 Foundation agrees not to make any payments to a University employee and not to accept or distribute a gift to be used for the personal benefit of any University employee, except for approved expense reimbursements, without prior approval from the Chancellor of the University or the Chancellor's designee. All salary

and non-salary compensation of employees of the Foundation will be approved in advance by the Executive Committee of the Foundation.

- 5.4 Foundation officers and employees who have check signing authority or who handle cash or negotiable instruments must be bonded in an amount determined to be reasonable by the Foundation board.
- 5.5 Foundation must obtain general liability and directors/officers insurance in an amount determined to be reasonable by the Foundation board.
- 5.6 Foundation must not engage in substantial lobbying activities and may not engage in any political activities.
- 5.7 Foundation may not acquire debt in excess of five hundred thousand dollars (\$500,000.00) before consulting with the University's Director of Athletics and the Chancellor and Vice Chancellor for Administration and Finance, who will consult the Vice President of Finance of the University of North Carolina.

6.0 University Support of and Obligations to Foundation.

- 6.1 University shall provide Foundation with office space under such terms and at such locations as are mutually acceptable, including utilities, janitorial service, facilities maintenance, furniture and fixtures, and use of campus mail service.
- 6.2 University shall provide an Employees Dishonesty bond in an amount determined from time to time by the parties for any University employee providing substantial services to Foundation.
- 6.3 University shall provide business systems to Foundation in a manner and form mutually acceptable to both parties. Business systems include all systems for: a) finance and accounting; b) the alumni database; c) gift records; and d) other business systems as deemed necessary between the parties to support Foundation. In providing business systems, University will provide all underlying supplies and services for provided systems, including but not limited to computer equipment (computer hardware/software/servers), IT services (programming/technical support/networking/internet access), and communication services (e-mail and telephone system). Foundation acknowledges that University may access any and all such systems and information thereon or generated thereby for repair, maintenance, upgrades, and other technological changes and for investigatory purposes when and to the extent consistent with University policy.
- 6.4 East Carolina University employees holding positions designated to serve the Foundation pursuant to N.C. Gen. Stats. Sec. 116-30.20 shall be subject to all applicable law and policies of East Carolina University, the University of North Carolina, and the State of North Carolina (collectively referred to as "Applicable

Law and Policies”). The University shall ensure that the scope of the duties for each employee in a position so designated to serve the Foundation and the manner in which those duties are performed meet or exceed the stated needs and performance standards established by the Executive Committee of the Foundation in consultation with the Chancellor. Whenever there is a conflict between the Foundation and the University, said employees shall be responsible for performing his or her duties in compliance with the Applicable Law and Policies.

- 6.5 All services provided to Foundation by University will be classified as either Reimbursed Services or Contributed Services. Reimbursed services are those to be reimbursed to University by Foundation and contributed services are those being contributed to Foundation by University. In consultation with University, Foundation will prepare an annual operating budget that identifies all services to be provided to Foundation by University, the respective value of those services, and, as mutually agreed upon between the parties, the classification of each service as either reimbursed or contributed.
- 6.6 University shall provide reasonable support to Foundation including personnel services consistent with the support outlined above and based upon an annual budget plan agreed to by the parties.
- 6.7 When University’s Athletics Program receives funds from Foundation for a specified or restricted purpose, University’s Athletics Program agrees to use such funds received for the specific or restricted purpose to the extent allowed by applicable law.
- 6.8 Foundation agrees that when University personnel provide services for the Foundation and there arises a conflict between University and the Foundation, the University employee must comply with the policies, regulations, and directives of the University; provided that said employee shall notify the Foundation in ample time to remedy the conflict or approve the intended action when feasible. If prior notification is not feasible, the Foundation shall be promptly notified in writing of the conflict and action taken.

7.0 Foundation Audits, Legal Representation, and Reporting.

- 7.1 Foundation agrees to select a certified public accounting (“CPA”) firm, to serve as Foundation’s independent auditor and to complete a full and complete annual audit of its finances and operations. Foundation agrees to notify University within thirty (30) days if it selects a different auditor. Foundation agrees that any CPA firm providing an annual audit of the Foundation will be used only for audit purposes and will not provide any non-auditing service to the Foundation except for tax preparation services that are approved in advance by the Foundation’s audit committee.

- 7.2 Foundation agrees to provide to the Chancellor:
- 7.2.1 Upon completion, the annual audit report, management letters and responses to management letters, and the Foundation's IRS Form 990;
 - 7.2.2 The list of Foundation governing board, officers, and employees immediately upon a change in membership, officers, or employment status;
 - 7.2.3 The names of the officers and governing board members of all Foundation associated or affiliated entities immediately upon a change in officers or in board membership;
 - 7.2.4 An annual report of operations that shows actual versus budgeted revenues and expenditures annually concurrent with the provision of the annual audit report referenced in subsection 7.2.1 of this section.
- 7.3 Foundation agrees to allow the Chancellor, the chair of the East Carolina University Board of Trustees, or the chair's or the Chancellor's designee, to inspect and audit all foundation books and records [that are relevant to an articulated legitimate reason] at reasonable times, and to provide timely such other reports of and information on its financial status and operations as required by the Chancellor.
- 7.4 North Carolina's State Auditor and ECU's internal auditor shall be provided access to persons and records that are generated as a result of, or are related to, the Agreement for the purposes of verifying accounts and data affecting fees or performance in accordance with N.C. General Statutes § 147-64.7 and N.C. Session Laws 2010-194, Section 21.

8.0 Conflicts of Interest.

Foundation will establish and maintain conflicts of interest policies pertaining to its relationship with University, members of the governing board and persons doing business with Foundation. Such policies shall provide that (a) all transactions (other than expense reimbursements set forth in 5.3), between Foundation and an officer, director, or employee of Foundation, must be approved by the Foundation Board; (b) no Foundation officer, director, or employee having a private business interest in a Foundation business transaction may be involved in the decision with respect to whether the Foundation should enter into such transaction; (c) no Foundation scholarship or fellowship award may be made to an officer, director, or employee of the Foundation or to a family member of such person unless the recipient of the award is approved by an independent awards committee established by Foundation according to Foundation by-laws.

9.0 Compliance with UNC and University policies and regulations and Foundation Bylaws.

Both University and Foundation agree to comply with the policies and regulations of the University of North Carolina Board of Governors, the East Carolina University Board of Trustees, the President of the University of North Carolina and the Chancellor pertaining to the relationship between University and associated entities, including amendments thereto. University shall provide Foundation with proposed amendments to such policies and regulations as soon as possible but, where practicable, not less than ninety (90) days prior to their effective date. Foundation agrees to provide University with a copy of its Bylaws and shall provide any proposed amendments as soon as possible but in no event less than ninety (90) days prior to the meeting of the Foundation at which they are considered for adoption.

Foundation agrees to abide by applicable bylaws, regulations, rules, and policies of the National Collegiate Athletic Association and any athletic conference in which University may be a member.

10. Effect of Agreement; Modification.

This Agreement (and its attachments, if any) contains all the terms between the parties and may be amended only in writing signed by an authorized representative of both parties.

11. Confidentiality.

Neither Foundation nor University shall disclose or use any private, confidential, proprietary, or trade secret information provided from one to the other except as required in and by the terms of this Agreement or as required by law. Foundation recognizes the obligation of University to comply with North Carolina Public Records laws.

12. Indemnification.

Foundation shall indemnify and hold harmless University, its governing board, officers, employees, agents, and students in their official and personal capacities, from and against any and all claim, damage, liability, injury, expense, demands, and judgments, including court costs and attorney's fees, arising out of Foundation's performance of this Agreement to the extent any such claim, damage, liability, injury, expense, demand or judgment is caused by the Foundation or any University employee acting at the direction of the Foundation Board or the Chair of the Foundation Board. This provision shall continue beyond termination or expiration of this Agreement.

University will be responsible for the conduct of its officers and employees arising out of the performance of this Agreement to the extent permitted and limited by the laws of North Carolina, including the North Carolina Tort Claims Act, the Defense of State Employees Act, and the Excess Liability Policy administered through the North Carolina Department of Insurance, subject to the availability of appropriations and in proportion to and to the extent that such liability for damages is caused by or results

from the acts of University, its officers or employees. This provision shall continue beyond termination or expiration of this Agreement.

13. Term and Termination.

13.1 The initial term of this Agreement shall be 5 years from the date of execution and shall be automatically renewed for successive 5 year terms, unless and until either party gives notice in writing to the other party of its intent not to renew the Agreement at least one hundred eighty (180) days prior to the beginning of a new term.

13.2 Either party shall have the continuing right to terminate this Agreement at any time without cause upon one hundred eighty (180) days written notice to the other party. Such termination of this agreement by the University must be approved by the Chancellor. Such termination of this agreement by the Foundation must be approved by the Executive Committee of the Foundation.

13.3 University may terminate this agreement at any time if the Foundation fails to abide by the policies or regulations of University or of the University of North Carolina which govern the relationship between University and the Foundation. Alternatively, Foundation may terminate this agreement at any time if University fails to abide by its own policies or regulations which govern the relationship or the terms of the Agreement. Notwithstanding the foregoing, the parties agree that the provisions of Section 12 and 14 of this Agreement shall survive the termination of this Agreement in any event and for any reason.

14. Dissolution.

It is the intent of the Foundation that it have perpetual existence. In the event of dissolution of the Foundation, either voluntary or involuntary, all assets and property which remain after the discharge of the Foundation's liabilities and unless otherwise designated by the donor of an asset shall be paid over or distributed by the Foundation's Executive Committee to University's Athletics Program or to any other nonprofit corporation or corporations organized to support University's Athletics Program as determined by the Executive Committee in its sole discretion, and shall be used or distributed for no other object or purpose whatsoever; provided, however, that any such organization must be exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, as amended and be an associated entity approved by the University pursuant to regulations of the University of North Carolina. This provision shall continue beyond termination or expiration of this Agreement.

15. Compliance with Applicable Law and Non-Discrimination.

15.1 Foundation agrees to comply with all executive orders, federal, state and local rules, regulations, and laws, applicable to Foundation as currently in effect and as may be amended from time to time. Foundation further agrees not to discriminate

in any manner on the basis of sex, race, creed, age, color, national origin, religious belief, disability, veteran status, genetic information or sexual orientation, and to comply with all non-discriminatory laws and policies that University promulgates and to which Foundation is subject.

15.2 Foundation will maintain a confidential and anonymous mechanism to encourage employees to report any inappropriateness within the entity's financial or other management and will not punish or retaliate against any employee for reporting problems.

16. Notice.

Any notice to either party hereunder must be in writing signed by the party giving it, and shall be deemed given when mailed postage prepaid by U.S. Postal Service first class, certified mail, or other overnight mail service, or hand delivered, when addressed as follows:

To University:

East Carolina University
Attn: Vice Chancellor for University Advancement
2200 South Charles Boulevard
Greenville, NC 27858

East Carolina University
Attn: Chancellor
105 Spilman Building
East Fifth Street
Greenville, NC 27858

East Carolina University
Attn: Director of Athletics
365 Ward Sports Medicine Building
Greenville, NC 27858

East Carolina University
Attn: University Attorney
210 Spilman Building
East Fifth Street
Greenville, NC 27858

To Foundation:

The Executive President of Foundation as that person may be elected from time to time and as noticed to University pursuant to paragraph 7.2.2 of this Agreement

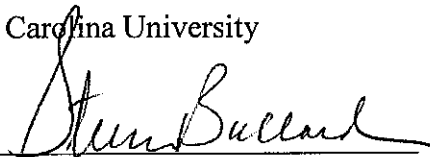
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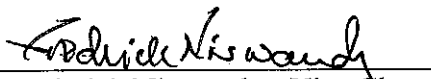
Walter L. Hinson
Counsel to the Foundation
Hinson & Rhyne, P.A.
Wilson, NC 27895

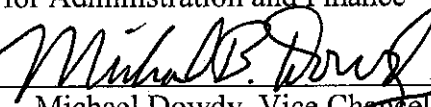
Or to such other addressee as may be hereafter designated by written notice.

IN WITNESS WHEREOF, East Carolina University and the authorized representative(s) of East Carolina University Educational Foundation, Inc., have executed this Agreement on this 30th day of March, 2012.

East Carolina University

By 
Steve Ballard, Chancellor

By 
Frederick Niswander, Vice Chancellor
for Administration and Finance


By 
Michael Dowdy, Vice Chancellor
For University Advancement

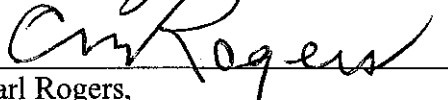
ATTEST:

BY: _____

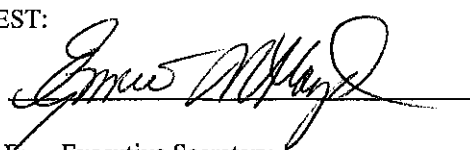
TITLE: _____

East Carolina University Educational
Foundation, Inc.

By 
Jimmy Creech, Executive President

By 
Carl Rogers,
Executive Vice President

ATTEST:

BY: 

TITLE: Executive Secretary



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	II. C. - Chancellor Exceptions
Responsible Person:	John Fletcher Vice Chancellor of Student Affairs
Action Requested:	Information
Notes:	N/A



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	II. D. - Enrollment Update
Responsible Person:	Dr. Ying Zhou Associate Provost - IPAR
Action Requested:	Information
Notes:	N/A



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	III. A. - Student Success Initiatives Service & Leadership
Responsible Person:	Dr. Virginia Hardy Vice Chancellor for Student Affairs
Action Requested:	Information
Notes:	N/A



CENTER FOR LEADERSHIP AND CIVIC ENGAGEMENT

Impact on Student Success

**EAST CAROLINA UNIVERSITY
DIVISION OF STUDENT AFFAIRS
STUDENT INVOLVEMENT & LEADERSHIP**

**Center for Leadership
and Civic Engagement
Department Report
16-17**

Developing active, global
citizens through leadership and
service.

CLCE encourages, supports, and shapes a culture of civic responsibility through the use of leadership education and experiential learning, empowering leaders to make positive impacts on campus and in their communities. In partnership with local, regional, and international communities, the office seeks to foster an environment where individuals learn about themselves and their community, take action through service, and advocate for lasting social change.

The CLCE team focuses on putting ECU's joint mission of service and leadership into action. Our work falls into three key learning outcomes: developing leadership identity, learning through experience, and shaping active citizens.



Overview & Mission

The Center for Leadership and Civic Engagement (CLCE) is comprised of eight full-time professional team members (including two federally-funded AmeriCorps VISTA positions), two graduate assistants, and eight undergraduate student leadership assistants. These team members support both co-curricular and curricular learning, leadership education, academic service-learning, community partnership development, and democratic engagement. All of these activities impact student success (retention, persistence, and graduation).

CLCE encourages, supports, and shapes a culture of civic responsibility through the use of leadership education and experiential learning, empowering leaders to make positive impacts on campus and in their communities. In partnership with local, regional, and international communities, the center seeks to foster an environment where individuals learn about themselves and their community, take action through service, and advocate for lasting social change.

The CLCE has been successful in obtaining public service-related awards and recognition for the university, including: President's Community Service Honor Roll, NASPA Lead Initiative, Voter Friendly Campus Designation, and the All In For Democracy Challenge.

Below are descriptions of programs from CLCE that serve to positively impact student development and student success.

Developing Leadership Identity

CLCE will develop a culture where students gain a greater understanding of their own personal values and how those values shape their leadership abilities, goals, and vision.

ECU Leads

ECU Leads provides an integrative learning experience through academic coursework, civic engagement, and campus involvement that enriches students' understanding of inclusion, leadership, and service within a global community. The program is designed for first and second year students interested in leadership development.

Students are grouped into cohorts led by a trained mentor. During stage one, student participants work with experienced student mentors. During stage two, students with more advanced leadership skills serve as the mentors. Finally, during stage three, Student Affairs administrators and faculty colleagues make up the mentor team. Participants focus on group development, getting involved in the local and campus community, individual leadership identity, and being an actively engaged citizen.

Chancellor's Student Leadership Academy

The Chancellor's Student Leadership Academy (CSLA) is a personal and professional leadership development program for undergraduate students designed to help them

develop valuable skills that will inspire, empower and allow them to influence positive change on campus and in the community.

Through weekly workshops, service, common leadership book, reflection and application, the CSLA cohort works on developing the following leadership competencies:

- self-understanding and confidence in leadership abilities.
- appreciation for diversity and different leadership perspectives.
- articulating a leadership vision.
- devising a professional plan to enact leadership vision and advance leadership skills.
- creating lasting positive social change by leading through service.

Alternative Break Experiences

ECU's Alternative Break Experiences (ABE) strive to create active citizens, leaders, and advocates for lasting social change. A variety of reflection strategies are used through the planning and implementation of these ABE programs. We embed reflection as a part of ABE student/staff leadership trainings through both individual and group discussions focused on specific social causes. Student leaders are then asked to conduct pre/post trip meetings with participants which introduces reflection as a tool both before and after the ABE experience. Individual journals are one important reflection tool; these pre-scripted journals included service and leadership prompts for each day of the experience. Student leaders make use of planned reflection time each evening during the immersion experience, and they pull from the individual journal prompts to intentionally plan reflection discussions. As a whole, each ABE team is asked to collaboratively write an essay which collects thoughts, ideas, questions, and a call to action around each social cause. These photo essays are then shared publicly at a closing reflection ceremony each year.

Williams Leadership Award Scholars Program

Founded in 2001, the Williams scholars program awards scholarships to 20 students from eastern North Carolina annually. These students also participate in a cohort-based leadership education program. Program discussion topics and experiential education focus on leadership and service in their hometowns and Greenville. The program strives to educate participants about ECU's leadership definition – a relational process of influencing, inspiring, and empowering creative change – and helping them to apply that to their own personal and professional lives. During the spring semester, scholars identify a local community's needs and strengths and select a community organization to support through service.



Career Leadership Series

A joint effort by CLCE and Career Services begun in 2014, the Career Leadership Series facilitates leadership development and career readiness among students. Four

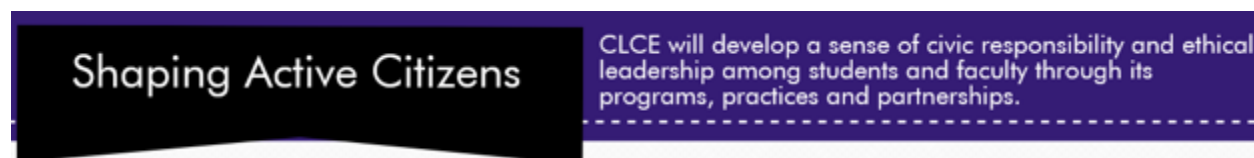
workshops are provided throughout the academic year offering networking skills development, resume discussions, and experiential learning opportunities through engagement with leadership across the university and community.

Academic Service-Learning

Service-learning is a pedagogy—i.e., a way of teaching and learning—in which faculty members complement students' in-class learning either with relevant volunteer experience at a local community-based organization or with a community-based project completed on behalf of a non-profit or community group. In all service-learning classes, critical reflection (whether in-class conversations, written assignments, or final projects) helps students to make connections between community-based experiences and course content, enhancing their learning while providing meaningful assistance to the community.

Service-learning has a well-established history at ECU. A course designation process led by faculty was instituted 15 years ago, and this process has helped to improve the overall quality of student experiences in the community. The process has also helped to ensure that community voice is valued and respected as service-learning partnerships between faculty and nonprofit leaders are formed. Now, ECU offers more than 55 designated service-learning courses from a variety of disciplines.

There are multiple ways in which CLCE provides service-learning support, including consultations, community partner contacts, OrgSync, service-learning orientation presentations in class, reflection ideas, and syllabi samples. CLCE connects service-learning faculty to a number of professional development opportunities such as conferences through Campus Compact, scholarly publications, grant opportunities, and workshops offered through the Office for Faculty Excellence. In 2016-2017, CLCE coordinated four faculty development workshops covering topics such as an introduction to service-learning, basics of community partnerships, service-learning assessment and community engagement research, and global service-learning.



Days of Service / Student-Led Service Programs

East Carolina University plans and implements three annual national days of service: 9/11 Day of Service, Make a Difference Day, and Martin Luther King, Jr. Day of Service. National Days of Service are days in which students, staff and faculty partner with community agencies and organizations around Greenville and Pitt County to serve and learn more about community strengths and challenges and how to be an active citizen in the local Greenville/Pitt County community.

Democratic Engagement

ECU has been recognized by NASPA as a Voter Friendly Campus as well as a Lead Institution committed to civic learning. Civic learning and democratic engagement

means promoting the education of students for engaged citizenship through democratic participation in their communities, respect and appreciation of diversity, applied learning and social responsibility. Throughout the 2016-2017 school year, CLCE educated students about the importance of voting and how to vote, organizing the university's first voter engagement coalition for students, faculty, and staff. The ECU Voter Engagement Coalition's (VEC) mission is to *promote voter engagement through nonpartisan focuses on access, registration, education, and turnout*. CLCE hosted student interns from Campus Vote Project and the Andrew Goodman Foundation Democracy Fellows to help promote voter education and registration. CLCE partnered with the Pitt County Board of Elections to create resources for students.

LeaderShape Catalyst & Institute

LeaderShape is a national organization whose mission is to transform the world by increasing the number of people who *lead with integrity* and a healthy disregard for the impossible. LeaderShape's mission, vision, and programs fit within the ECU definition of leadership being a relational process of inspiring, empowering, and influencing positive change. ECU has hosted LeaderShape programs for more than 10 years. Two programs are offered each year – the weeklong LeaderShape Institute and day long LeaderShape Catalyst.

Conclusion

The CLCE team focuses on putting ECU's joint mission of service and leadership into action. Our work supports three key learning outcomes: developing leadership identity, learning through experience, and shaping active citizens.

Acknowledgments

This departmental report was generated by the CLCE staff and Student Affairs Assessment, Research and Retention staff, including Melissa Allay, Nicole Blyskal, Lauren Howard, Tomeka Jernigan, Tara Kermiet, Suzannah Lott, Dennis McCunney, Lizzie Shepard, and Nichelle Shuck.

Visit the Center for Leadership and Civic Engagement website at www.ecu.edu/clce to learn more.



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	IV. A. Research Clusters
Responsible Person:	Dr. Jay Golden Vice Chancellor for Research, Economic Development and Engagement
Action Requested:	Information
Notes:	N/A



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	IV. B. Millennial Campus
Responsible Person:	Dr. Jay Golden Vice Chancellor for Research, Economic Development and Engagement
Action Requested:	Information
Notes:	N/A



**Board of Trustees
University Affairs Committee
September 14, 2017**

Agenda Item:	IV. C. Licensing & Tech Transfer
Responsible Person:	Dr. Jay Golden Vice Chancellor for Research, Economic Development and Engagement
Action Requested:	Information
Notes:	N/A