

Kentucky State University

Board of Regents Meeting

Finance Administration Committee

January 24, 2014

Regent Lavaughn Henry, Chairperson

Regent David Guarnieri

Regent Syamala Reddy

Regent Chuck Whitehead

Ms. Anita Lockridge, Staff

KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance and Business Committee
January 24, 2014
10:00 am to 10:45 am
Board Room - Academic Services Building
Frankfort, Kentucky

MEETING INDEX

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KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance and Business Committee
January 24, 2014
10:00 am to 10:45 am
Board Room – Academic Services Building
Frankfort, Kentucky

AGENDA

- | | | |
|--------------|---|---|
| I. | Call to Order | Regent Lavaughn Henry, Chairperson |
| II. | Roll Call | Ms. Anita Lockridge, Vice President for Finance Administration |
| III. | Opening Remarks | Regent Lavaughn Henry, Chairperson |
| IV. | Approval of Minutes | Regent Lavaughn Henry, Chairperson |
| V. | Executive Summary Report | Ms. Anita Lockridge, Vice President for Finance Administration |
| VI. | Action Items
1. None | Ms. Anita Lockridge, Vice President for Finance Administration |
| VII. | Informational Items:
1. FY2013 Unaudited Comparative Financial Statements
2. Budget vs. Actual
3. Human Resource Services Report | Ms. Anita Lockridge, Vice President for Finance Administration |
| VIII. | Discussion | Ms. Anita Lockridge, Vice President for Finance Administration |
| IX. | Adjournment | |

Agenda Item Background

To:	Board of Regents Finance Administration	Date: January 24, 2014
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	July 26, 2013 and October 25, 2013 Committee Minutes	
Reason for Consideration:	Approval	Enclosures: Yes

Background:

The minutes of the Finance and Business Committee meeting for July 26, 2013 and October 25, 2013 require approval in order to become an official part of the committee records.

Recommendation:

It is recommended that the Finance and Business Committee approve the minutes of the July 26, 2013 and October 25, 2013 meetings.

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	January 24, 2014
Effective Date:	January 24, 2014

**Kentucky State University
Board of Regents
Finance and Business Committee
10:00a.m., July 26, 2013
Frankfort, Kentucky**

MINUTES

I. Call to Order

Regent Henry called the meeting to order at 10:07a.m. on July 26, 2013.

II. Roll Call

Regent Henry asked for the roll call, which was recorded as follows:

Regent Lavaughn Henry, present
Regent Ron Banks, present
Regent David Guarnieri, absent
Regent Syamala Reddy, absent
Regent Chuck Whitehead, present
Mrs. Lockridge, present

A quorum was declared.

III. Approval of Minutes

Action: Motion to approve the minutes from the April 26, 2013 Finance and Business Committee meeting was made by Regent Henry. The minutes stand as approved as submitted.

Regent Henry recognized Mrs. Lockridge to carry the discussion forward.

IV. Vice President's Report

Executive Summary

Vice President Lockridge gave an overview of the Executive Summary Narrative. Budget vs. Actual year-to-date through May was presented. Staff is working to complete the June financials for the fiscal year.

FY2013 Audit

The committee was informed that the external auditors from DeanIDortonAllenIFord have been on campus several times and will be back for about three weeks beginning the week of August 4th to

begin field work. Staff have been diligently working on the audit schedules. The final audit report is due to the Commonwealth by October 4th.

Vice President Lockridge introduced several staff members that have been working on the audit, Jessica Peete, Sr. Financial Analyst, Vickie Dornbusch who is working with us on an interim basis and James Presley, Coordinator Collection and Cash Manager.

NCAA Report

Vice President Lockridge informed the committee that DeanIDortonIAllenIFord have issued the final NCAA audit report which is required every three years; the report was acceptable.

Internal Audit

The committee was informed that Tronconi Segarra & Associates were on campus the week of June 10th to perform general controls reviews in the areas of Purchasing, Accounts Payable, Human Resource Services and Student Financial Aid and will be back later in the year to perform testing.

Perkins Loan

Vice President Lockridge stated that at the January BOR meeting it was reported that the cohort default rate was at 25.9% and at June 30th it is 13.5%; below the USDOE target of below 15%. This is due to staff contacting students and explaining available repayment options, many of them qualified for forbearance. The university is working with the Department of Education (DOE) to exit the program. They have given us a check list and we have to review each file to assure the elements required for completion are included prior to submitting to DOE.

Insurance Renewal

The renewal of insurance coverage for the university was completed July 1st. The renewals include Include Primary General Liability, Directors & Officers Employment Practices, Educators Legal Liability, Crime Insurance and Workers Compensation. Vice President Lockridge stated that we worked with our broker from Neace Lukens and Dr. Tsegaye to acquire insurance for the research vessel referred to as Kentucky River Thoroughbred. Rosenwald Child Care Center is included in the coverage we already have.

TouchNet

Vice President Lockridge stated that management has acquired additional use of rights through a company called TouchNet which offers software whereby students can go online and pay their tuition bills with a credit card. The targeted date for this plan is the end of September. Also, Payment Plan software has been acquired for creating and managing tuition installment plans. Go Live is targeted for October.

Ellucian

The university software vendor Ellucian has been on campus assisting with the loading of the budget, year-end closing and training. On-going training is being planned to assure staff is trained on the functionality of the system.

Other

Per Vice President Lockridge, Finance Administration has partnered with the School of Business to implement an Accounting internship program. Mrs. Carla Perry, a senior with a major in Accounting was introduced and she shared her experience of working in Finance Administration's accounting department.

Human Resource Services

Vice President Lockridge stated that performance evaluations for the University for the period July 1, 2012 through June 30, 2013 are due to HR August 16, 2013. She stated that responses to the RFP for the review of faculty and staff compensation and classification have been received and the first review committee meeting will be held August 1, 2013. She informed the committee that the annual benefit and open enrollment for FY14 was completed in May with an effective date of July 1, 2013 with very few employees changing their health insurance coverage due to an affordable health plan. Per Vice President Lockridge, we continue to monitor our requirements with the Affordable Health Care Act. The university will issue a *Notice to Employees of Coverage Options* no later than October 13, 2013. The committee was informed that to ensure all individuals receiving a paycheck are active KSU employees, ghost audits have been scheduled for Staff in August and Faculty and Students in October. She also stated that the effective date for the implementation of the change to the KTRS sick leave service credit program is September 2, 2013. The committee was informed that there is a pilot program being tested for electronic timesheets for students and also a simplification process for EPAF's has been approved by the Cabinet.

Personnel Policy Update

Attorney Davis gave a presentation for the approval of a revision to Staff Personnel Policy and Procedure Number 6.0

Action: Regent Henry proposed a motion to take this to internal advisement and make a ruling on it at the next Board meeting. Regent Whitehead seconded the motion. The motion passed.

FY2014 Budget Tuition and Fee Increase

Per Vice President Lockridge, at the April 26, 2013 BOR meeting the stated increase in tuition and mandatory fees was noted as 2.9% instead of 2.95%.

Action: Motion to make an adjustment that the tuition and fee policy be increased to 2.95% versus already approved 2.9% was made by Regent Henry and seconded by Regent Whitehead. The motion passed.

Tuition Rates for Rosenwald Center for Families and Children

Vice President Lockridge gave an overview of the tuition rate chart for the Rosenwald Center for Families and Children.

Action: Motion to approve the FY2014 Tuition Rate Chart for Rosenwald Center for Families and Children was made by Regent Henry and seconded by Regent Banks. The motion passed.

V. Adjournment

Motion to adjourn the Finance and Business committee meeting was made by Regent Henry and seconded by Regent Whitehead. The meeting adjourned at 10:47am.

Submitted by:

Approved by:

Anita Lockridge, Vice President for Finance and Business Affairs

Lavaughn Henry, Chairperson
Finance and Business Affairs
Committee

_____ Approved with no corrections

_____ Approved with corrections

**Kentucky State University
Board of Regents
Finance and Business Committee
8:56 a.m., October 25, 2013
Frankfort, Kentucky**

MINUTES

I. Call to Order

Regent Henry called the meeting to order at 8:56 a.m. on October 25, 2013.

II. Roll Call

Regent Henry asked for the roll call, which was recorded as follows:

Regent Lavaughn Henry, present
Regent David Guarnieri, absent
Regent Syamala Reddy, absent
Regent Chuck Whitehead, present
Mrs. Lockridge, present

A quorum was not declared.

III. Approval of Minutes

Action: The minutes from the July 26, 2013 Finance and Business Committee meeting will be presented for approval at the January 24, 2014 Finance Meeting since a quorum was not declared.

Regent Henry recognized Mrs. Lockridge to carry the discussion forward.

IV. Vice President's Report

Executive Summary

Vice President Lockridge introduced three new employees who recently joined the Finance Division; Ms. Debbie Martin, Associate Vice President Business Operations, Ms. Ann Knotts, Director, Budget Policy and Planning and Ms. Venita Dornbusch, Director of Accounting.

Vice President Lockridge stated that total net assets for the two months ending August 2013 are \$128,329,215, revenue is 41% of the revenue budget and expenses approximate 16% of the total expense budget.

Mrs. Lockridge updated the committee on the meetings held by the Council on Post-Secondary Education (CPE) and the Chief Budget Officers pertaining to the 2014-2016 biennium budget. Per Vice President Lockridge, CPE will make a budget recommendation on November 8th pertaining to any new money in the Governor's budget and how the money should be distributed between the institutions. There is a potential increase for the university if the FY2014 – 2016 budget

recommendation by CPE is accepted. Also per Vice President Lockridge, CPE through the Program Review and Investigation Committee, has requested 10 years' worth of data for a Cost Drivers in Higher Education study. This information is due to CPE in December.

Human Resource Services

Gary Meiseles, Director Human Resource Services gave a presentation of several projects. Per Mr. Meiseles, HR will be coordinating a compensation and classification study. The last time a study was completed was ten years ago. A representative committee of six KSU employees reviewed responses from a Request for Proposal from five firms. Fox Lawson was awarded the project. Per Mr. Meiseles, Fox Lawson has been a compensation consulting practice since 1981, 90% of the firm's business was conducted with public employees, 40% has been conducted with colleges and universities including HBCUs and land grant institutions. Mr. James Fox, Project Manager, has thirty years of compensation design experience and twenty seven of those were with higher education. The scope of the project is position classification for all non-faculty positions which will include appropriate designations of positions as exempt or non-exempt; compensation review for both faculty and staff with a comparison with peer institutions, recruiting markets and academic disciplines and will include a race and gender equity study; review and make recommendations for a performance management system as well as a compensation policy. Dr. Fox will be on campus in December to provide the project overview to all employees and explain the PDQ (Position Description Questionnaire) that all non-faculty will need to complete by January 2014. The job analysis and evaluation is to be completed March 2014; benchmarking and pay recommendations completed by July 2014; performance management systems completed by September 2014 and the final report submitted by October 2014.

Per Mr. Meiseles, 431 out of 433 staff employees completed the ghost payroll audit which required employees to verify their identity. The remaining two staff members were on paid administrative leave and will complete the audit process upon their return. The faculty and student audit is to be completed by November 8, 2013.

Mr. Meiseles stated that the Health Fair and Tobacco Free Campus Initiative kickoff was held October 21, 2013 which was co-sponsored by Neace Lukens. There were a number of participating agencies and the university's College of Agriculture made several presentations. The Employee Retirement Readiness Fair is scheduled to be held October 28, 2013.

Discussion

There was discussion of the My Math Lab Fee which was not presented with the Budget during the August BOR meeting. No action was taken due to a lack of quorum.

V. **Adjournment**

The Finance and Business committee's discussion adjourned at 9:17 a.m.

Submitted by:

Approved by:

Anita Lockridge
Vice President for Finance
Administration
Kentucky State University

Lavaughn Henry, Chair
Finance and Business Committee
Board of Regents
Kentucky State University

___ Minutes approved with no corrections

___ Minutes approved with corrections

Agenda Item Background

To:	Board of Regents Finance Administration	Date: January 24, 2014
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Executive Summary	
Reason for Consideration:	Informational Item	Enclosures: Yes

Background:

Please see attached.

Recommendation:

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	January 24, 2014
Effective Date:	January 24, 2014

**KENTUCKY STATE UNIVERSITY
BOARD OF REGENTS**

Report to the

Finance and Business Committee

Anita Lockridge

Vice President for Finance Administration

January 24, 2014

KENTUCKY STATE UNIVERSITY
Regular Meeting of the
Board of Regents
Finance and Business Committee
January 24, 2014
10:00 am to 10:45 am
Board Room - Academic Services Building
Frankfort, Kentucky

Fiscal 2013 Budget vs. Actual

For Fiscal 2013, planned budget results are presented in item B3 as of November 30, 2013.

Fiscal 2013 Financial Statements (unaudited)

For Fiscal 2013, unaudited comparative financials are presented in item B3 as of November 30, 2013.

Internal Audit

Tronconi Segarra & Associates was on-site the week of December 9, 2013 and performed testing in the Land Grant area.

TouchNet Project

TouchNet ACH and credit card payment services have been implemented and are functional. These services enable students to make ACH and credit card payments online, through a portal on their WIRED accounts. Transactions are posted and tracked daily. There is a Payment Plan portion of this software currently being tested. The estimated time for implementation of the payment plan module is January 20, 2014.

Ellucian

On November 19 and 20th, the Finance Division staff participated in the Ellucian Discovery Sessions for the Action Planning Engagement coordinated by Information Technology.

Ellucian was engaged to provide a consultant in December 2013 to review the settings and configurations of Banner Finance and Accounts Receivable modules as it relates to charges posting and feeding into other modules.

The Finance Division participated in the fully integrated coordinated testing for Banner modules during November and December 2013. The following modules have now been upgraded to the following releases: Finance Module to release 8.8, Finance self-service to release 8.6, and Accounts Receivable to 8.4.5, Position Control 8.9, Human Resource 8.9, Student 8.5.8, Student Self Service 8.5.4, General 8.6, Web Tailor 8.6, General Web 8.6 and Faculty Self Service 8.5.4.

Budget Planning

Budget planning for Fiscal year 2014-15 is currently underway.

Other

Accounting services is reviewing the current processes and procedures to create efficiencies within the work area and is working to address the audit findings and recommendations.

Agenda Item Background

To:	Board of Regents Finance Administration	Date: January 24, 2014
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Unaudited Comparative Financial Statements for the five months ending November 30, 2013	
Reason for Consideration:	Informational Item	Enclosures: Yes

Background:

The comparative Interim Statement of Revenues, Expenses and Changes in Net Position (SRECNP) are included as of November 30, 2013 and December 31, 2012. Finance is using December 31, 2012 as comparison due to lack of documentation from November 30, 2012.

The Statement of Net Position (SNP) is as of November 30, 2013 and June 30, 2013. The SNP is a summary of the financial balances at a given point in time, whereas the SRECNP shows the company's revenues and expenses during a particular period of time. A brief summary explanation of certain current assets and plant items follows:

1. Cash and cash equivalents total \$27.2 million and \$21.1 million for November 2013 and June 2013, respectively. The amount for November 30, 2013 includes \$18.9 million that is restricted for Land Grant and Action Agenda programs and \$1.2 million that is restricted for plant purposes. The remainder is current operating cash that will be available for current operations during the year.
2. Accounts receivable totaling \$11.6 million and \$10.9 million for November 2013 and June 2013, respectively, includes the receivables from students, grants and loans. As of November 2013, this amount includes \$8.6 million in student accounts receivables, and \$3.0 million that is grants and other accounts receivables. Student accounts receivable has increased \$3.0 million since June 30, 2013, from \$5.6 million to \$8.6 million. Grants receivable has decreased \$2.7 million due to recovered receivables since June 2013. The KSU Student Balance Required Payment Schedule was implemented in November 2013 to keep student balances as manageable as possible while students pay their outstanding balances.

3. Current liabilities for November 2013 and June 2013 amounts to \$7.0 million and \$7.3 million, respectively, consisting of accounts payable and accrued payroll liabilities. Accrued compensated absences total \$1.6 million and Deferred Revenue totals \$1.3 million as of November 2013.
4. As of November 30, 2013, net assets reflect a \$7.3 million increase over June 2013, primarily due to \$6.9 million increase in current assets. This increase is primarily due to an increase in cash and cash equivalents, which is attributable to Fall 2013 student grants money (e.g. Pell, subsidized and unsubsidized loans, etc.) and State Appropriations received.
5. Tuition and fee revenue comparison for November 2013 and December 2012 represents a \$476 thousand increase. Net Student Tuition & Fees totals \$9.3 million and \$8.8 million as of November 2013 and December 2012, respectively.
6. Auxiliary revenue comparison for November 2013 and December 2012 represents a \$2.4 million decrease primarily due to early processing of spring semester charges in December 2012.
7. Operating expenses as of November 2013 decreased \$4.8 million compared to December 2012. This is primarily due to an additional month of expenses in the comparative month December 2012.
8. The Statement of Cash Flows reflects a net increase of \$6.1 million at November 2013. Operations consumed \$8.6 million and \$11.6 million as of November 2013 and December 2012, respectively.
9. As of November 30, 2013, we are through 41.67% of the annual fiscal budget period. Total expenditures were 37.88%, which is 3.79% under budget. Total revenue was 52.36% of total budget, due to receipt of state appropriations, tuition and auxiliary charges recognized in the fall term. The result is an \$8.2 million surplus, of which \$5.9 million is Educational & General, \$1.1 million Auxiliary, and \$1.2 million Land Grant.

Informational Item

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	January 24, 2014
Effective Date:	January 24, 2014

Kentucky State University
Statement of Net Position
Unaudited November 2013 and Audited June 2013
In dollars

	<u>Unaudited</u> <u>November 2013</u>	<u>Audited</u> <u>June 2013</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$27,160,940	\$21,107,984
Accounts, grants, and loans receivable, net	11,591,355	10,875,339
Investments	0	0
Inventory and other current assets	690,160	538,521
Total current assets	39,442,455	32,521,844
Noncurrent assets:		
Accounts, grants, and loans receivable, net	342,762	443,881
Investments	14,461,906	13,501,397
Capital assets, net	81,972,411	83,185,618
Total noncurrent assets	96,777,080	97,130,896
Total assets	136,219,535	129,652,740
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	3,012,270	3,291,014
Accrued compensated absences	1,633,551	1,633,551
Deferred revenue	1,272,650	1,280,078
Deposits	158,477	160,856
Other current liabilities	403,180	63,283
Bonds and capital lease obligations, net	517,217	875,082
Total current liabilities	6,997,345	7,303,864
Noncurrent liabilities		
Bonds and capital lease obligations	7,050,371	7,300,902
Other long term liabilities	834,914	991,709
Total noncurrent liabilities	7,885,285	8,292,611
Total liabilities	14,882,630	15,596,475
NET ASSETS		
Invested in capital assets, net of related debt	75,663,026	75,009,634
Restricted		
Nonexpendable	10,512,168	8,657,506
Expendable	4,395,412	5,905,037
Unrestricted	30,766,300	24,484,088
Total Net Assets	\$121,336,905	\$114,056,265

Kentucky State University
Statement of Revenues, Expenses and Changes in Net Position (By Function)
Periods Ending November 30, 2013 and December 31, 2012
(Unaudited)

	<u>November 2013</u>	<u>December 2012</u>
REVENUES		
Operating revenue:		
Student tuition and fees (gross)	\$11,591,670	\$10,971,684
Less: Scholarship allowances	(2,335,405)	(2,190,839)
Student tuition and fees (net of scholarships)	9,256,265	8,780,845
Federal grants and contracts	2,716,482	5,543,710
Federal appropriations	3,031,914	2,649,822
State and local grants and contracts	869,582	614,916
Auxiliary enterprises		
Residence halls	1,684,552	2,940,805
Dining	1,576,781	2,672,767
Bookstore	62,500	75,000
Other auxiliaries	42,197	51,204
Other operating revenues	819,655	614,572
Total operating revenue	20,059,927	23,943,641
EXPENSES		
Operating expenses:		
Educational and general		
Instruction	4,418,153	5,127,865
Research	2,319,883	2,941,565
Public service	3,159,829	3,741,104
Academic support	973,044	1,474,586
Student services	3,103,502	3,157,814
Institutional support	4,633,345	5,424,446
Operations and maintenance of plant	2,330,219	2,808,972
Student aid	4,745,149	5,319,568
Depreciation	1,719,353	1,733,085
Auxiliary enterprises		
Residence halls	628,676	1,419,916
Dining	1,329,356	1,246,374
Other auxiliaries	290,847	315,805
Depreciation	137,598	143,271
Total operating expenses	29,788,954	34,582,371
Operating income (loss)	(\$9,729,207)	(\$10,638,730)

Kentucky State University
Statement of Revenues, Expenses and Changes in Net Position (By Function)
Periods Ending November 30, 2013 and December 31, 2012
(Unaudited)

	<u>November 2013</u>	<u>December 2012</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	\$12,945,572	\$12,942,271
Federal grants and contracts	3,165,168	3,105,450
Gifts	89,102	1,320
Investment income (net of investment expenses)	951,539	441,572
Interest on capital asset related debt	(142,215)	(176,532)
Other nonoperating revenues (expenses)	500	308,895
Net nonoperating revenues	<u>17,009,666</u>	<u>16,622,976</u>
Income (loss) before other revenues, expenses, gains or losses	<u>7,280,639</u>	<u>5,984,245</u>
Endowment Gifts	0	0
Capital appropriations	0	0
Increase (decrease) in net assets	<u>7,280,639</u>	<u>5,984,245</u>
Net assets, beginning of year	<u>114,056,265</u>	<u>117,091,491</u>
Net assets, end of year	<u>\$121,336,905</u>	<u>\$123,075,736</u>

Kentucky State University
Statement of Cash Flows
Periods Ending November 30, 2013 and December 31, 2012
(Unaudited)

	<u>November 2013</u>	<u>December 2012</u>
Cash flows from operating activities		
Tuition and fees	\$5,800,666	\$4,134,814
Grants and contracts	9,341,737	13,373,822
Payments to suppliers	(8,774,232)	(18,537,936)
Payments to employees	(14,750,616)	(16,492,244)
Student financial aid	(4,497,641)	0
Loans issued to students	18,758	0
Collection of loans issued to students	82,361	0
Auxiliary enterprises		
Residence halls and dining	3,261,332	5,613,572
Bookstore	62,500	75,000
Other auxiliaries	42,197	51,204
Other receipts	828,051	173,350
Net cash from operating activities	<u>(8,584,887)</u>	<u>(11,608,418)</u>
Cash flows from noncapital financing activities		
State appropriations	12,945,572	12,942,271
Federal grants and contracts	3,165,168	3,105,450
Gifts for other than capital purposes	89,102	1,320
Student organization agency receipts	67,665	3,913
Student organization agency disbursements	(70,044)	6,348
Other receipts (payments)	500	308,895
Net cash from noncapital financing activities	<u>16,197,963</u>	<u>16,355,501</u>
Cash flows from capital financing activities		
Capital appropriations	0	0
Purchases of capital assets	(643,744)	(1,785,997)
Proceeds from capital debt	0	0
Principal paid on capital debt	(765,191)	89,525
Interest paid on capital debt	(142,215)	(176,533)
Net cash flows from capital financing activities	<u>(1,551,151)</u>	<u>(1,873,005)</u>
Cash flows from investing activities		
Interest received on investments	131,183	464,128
Investment expenses	(27,090)	(22,556)
Proceeds from sale of investments	2,266,968	1,656,344
Purchases of investments	(2,380,032)	(2,125,407)
Net cash flows from investing activities	<u>(8,970)</u>	<u>(27,491)</u>
Net increase (decrease) in cash and cash equivalents	6,052,955	2,846,587
Cash and cash equivalents at beginning of year	<u>21,107,984</u>	<u>23,842,721</u>

Cash and cash equivalents at end of year

\$27,160,939

\$26,289,308

Kentucky State University
Statement of Cash Flows
Periods Ending November 30, 2013 and December 31, 2012
(Unaudited)

	<u>November 2013</u>	<u>December 2012</u>
Reconciliation of net operating gain (loss) to net cash from operating activities		
Operating gain (loss)	(\$9,729,027)	(\$10,638,730)
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation expense	1,856,951	1,876,356
Gain (loss) on disposal of capital assets	0	0
Bad debt expense	0	0
Changes in assets and liabilities:		
Receivables, net	(614,898)	328,668
Inventory and prepaid expenses	(151,639)	(30,765)
Accounts payable and accrued liabilities	(278,744)	(2,027,055)
Accrued compensated absences	0	(49,290)
Other liabilities	339,897	(217,055)
Deferred revenue	(7,428)	(850,547)
Net cash from operating activities	<u>(\$8,584,887)</u>	<u>(\$11,608,418)</u>

Kentucky State University

Budget vs. Actual

Five months ending November 30, 2013

(Amounts shown in dollars)

	Approved Budget	YTD Actual Activity	YTD Actual % of Budget	Variance %	YTD ACTUAL BY FUND GROUP		
					Education and General	Auxiliary	Land Grant and Action Agenda
REVENUE							
State appropriations	23,537,400	12,945,572	55.00%	-45.00%	10,203,925	0	2,741,647
Student tuition & mandatory fees	21,650,044	11,445,674	52.87%	-47.13%	11,445,674	0	0
Auxiliaries	6,409,856	3,458,489	53.96%	-46.04%	0	3,458,489	0
Other	2,938,227	703,918	23.96%	-76.04%	703,918	0	0
Total revenue	54,535,527	28,553,653	52.36%	-47.64%	22,353,517	3,458,489	2,741,647
EXPENDITURES							
Salaries / Wages / Benefits	32,162,212	11,309,234	35.16%	-64.84%	9,630,024	514,524	1,164,685
Supplies and other	2,208,498	859,864	38.93%	-61.07%	677,797	63,982	118,085
Travel	1,087,275	406,536	37.39%	-62.61%	380,882	0	25,654
Communications	169,550	142,243	83.89%	-16.11%	138,618	714	2,912
Services	8,989,771	3,426,843	38.12%	-61.88%	1,815,985	1,387,097	223,761
Interdepartmental	209,064	7	0.00%	-100.00%	52,620	(84,259)	31,646
Fixed Costs	2,794,201	1,207,473	43.21%	-56.79%	823,527	365,990	17,957
Student Aid	4,792,142	2,966,242	61.90%	-38.10%	2,873,782	92,460	0
Capital	1,340,867	42,329	3.16%	-96.84%	14,295	0	28,034
Total expenditures	53,753,581	20,360,772	37.88%	-62.12%	16,407,529	2,340,508	1,612,734
Surplus (deficit) before transfers	781,946	8,192,882			5,945,988	1,117,981	1,128,913
Mandatory & non mandatory transfers	(781,946)	0			0	0	0
Surplus (deficit) before other activity	0	8,192,882			5,945,988	1,117,981	1,128,913
Other fund net activity	0	(912,243)					
Surplus (deficit)	0	7,280,639					
Year to date - 41.67% of budget has expired							

Agenda Item Background

To:	Board of Regents Finance Administration	Date: January 24, 2014
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Human Resource Services Update	
Reason for Consideration:	Informational Item	Enclosures: No

Background:

Human Resource Services has initiated and continued several significant projects for the University as described below:

Recommendation:

1. Dr. James Fox, Managing Director of Fox Lawson & Associates, provided a project overview of the faculty and staff Classification and Compensation systems review project (C&C) with an address to the Faculty & Staff Spring Institute on January 6. The following day, January 7, Dr. Fox conducted three repeat sessions, each of which included the project but which also included a detailed explanation of a position description questionnaire (PDQ) that every non-faulty employee will be expected to complete. The PDQs, which provide a detailed explanation of the duties assigned to each position, will be reviewed by a minimum of two additional levels of supervision before being submitted to the Office of Human Resources. One of the January 7 sessions was recorded and has been made available via the Office of Human Resources website for individuals who may not have been able to attend one of the sessions: <http://www.kysu.edu/about/divisions/financeandbusiness/humanresources/default.htm>. The website will also be used to keep all employees informed of the project's progress. Completed PDQs are due to the Office of Human Resources by February 7, 2014.
2. Performance evaluations for the period of July 1, 2012 through June 30, 2013 have been received in the Office of Human Resources.

3. The general salary increase of 2% was processed with an effective date of January 1, 2014. Eligible employees will see the increase in the paycheck they receive on January 31, 2014.
4. The university's inaugural Retirement Readiness Fair was held on October 28, 2013. Participants included: Kentucky Teachers' Retirement System (KTRS), Kentucky Retirement System (KRS), TIAA-CREF, Valic, Kentucky Deferred Compensation, ING, and the Social Security Administration.
5. The Employee Benefits Advisory Committee (EBAC) met with broker Neace Lukens and representatives from United Healthcare, the university's health insurance provider, for the annual health insurance plan review. This meeting serves as the starting point for the employee benefits renewal process which leads to the annual open enrollment cycle in the spring.
6. The 2013-2014 Employee Benefits Guide has been completed. The Guide is also posted on the Office of Human Resources website:
http://www.kysu.edu/NR/rdonlyres/31B7E67E-2EF7-4E39-90A1-4233D69DA1A9/0/KSU_BenefitGuide2013_14Final.pdf.

Informational Item

Initiator:	Ms. Anita Lockridge, Vice President for Finance Administration
Board Action Date:	January 24, 2014
Effective Date:	January 24, 2014