

Kentucky State University
Addendum to Statement of Net Assets
Components of Fund Balances - Disaggregated
(Unaudited)

	June 30 2012	Actual YTD Activity	March 31 2013
Invested in Capital Assets, net of related debt	<u>75,839,623</u>	<u>(667,656)</u>	<u>75,171,967</u>
Restricted - Nonexpendable:			
Endowments	<u>8,657,506</u>	<u>3,443,452</u>	<u>12,100,957</u>
Expendable:			
Grants & Contracts	(474,305)	118,295	(356,009)
Endowments	1,050,161	2,423,661	3,473,822
Plant Renewal & Replacement	5,232,852	(744,245)	4,488,608
Capital Renewal Reserves	859,656	(188,026)	671,630
	<u>6,668,364</u>	<u>1,609,686</u>	<u>8,278,051</u>
Unrestricted:			
Education & General	5,754,179	2,948,890	8,703,069
Auxiliary	2,865,998	266,668	3,132,666
Land Grant Match	17,305,821	(23,156)	17,282,665
	<u>25,925,998</u>	<u>3,192,403</u>	<u>29,118,400</u>
Total Net Assets	<u>117,091,491</u>	<u>7,577,884</u>	<u>124,669,375</u>

Kentucky State University
Statement of Revenues, Expenses and Changes in Net Assets (By Function)
Period Ending March 31, 2013
(Unaudited)

	<u>FY 2013</u>	<u>FY 2012</u>
REVENUES		
Operating Revenues		
Student tuition and fees (gross)	20,913,533	22,911,614
Less: Scholarship allowances	<u>(4,306,235)</u>	<u>(4,198,036)</u>
Student tuition and fees (net of scholarships)	16,607,298	18,713,578
Federal grants and contracts	6,240,238	6,069,735
Federal appropriations	4,492,646	2,727,813
State and local grants and contracts	1,003,525	1,169,450
Auxiliary enterprises		
Residence halls	2,757,183	3,170,112
Dining	2,774,541	3,187,043
Bookstore	112,500	-
Other auxiliaries	192,874	292,470
Other operating revenues	<u>821,186</u>	<u>971,636</u>
Total operating revenues	<u>35,001,991</u>	<u>36,301,837</u>
EXPENSES		
Operating expenses		
Educational and general		
Instruction	8,633,085	10,531,784
Research	4,333,438	4,416,868
Public service	5,222,460	4,418,082
Academic support	2,466,030	2,820,739
Student services	5,323,931	5,101,661
Institutional support	7,658,172	7,981,309
Operation and maintenance of plant	4,458,414	4,579,236
Student aid	8,308,500	9,989,150
Depreciation	2,780,037	3,567,971
Auxiliary enterprises		
Residence halls	1,550,403	2,061,655
Dining	2,036,764	2,210,571
Bookstore	-	374,105
Other auxiliaries	777,639	59,724
Depreciation	<u>226,876</u>	<u>257,149</u>
Total operating expenses	<u>53,775,749</u>	<u>58,370,004</u>
Operating income (loss)	(18,773,758)	(22,068,167)

Kentucky State University
Statement of Revenues, Expenses and Changes in Net Assets (By Function)
Period Ending March 31, 2013
(Unaudited)

NONOPERATING REVENUES (EXPENSES)		
State appropriations	18,826,621	20,253,656
Federal Grants and Contracts	5,777,947	7,480,286
Gifts	819	244,243
Investment income (net of investment expense)	957,040	644,019
Interest on capital asset-related debt	(178,813)	-
Other nonoperating revenues (expenses)	960,751	1,107,979
Net nonoperating revenues	26,344,365	29,730,182
 Income (loss) before other revenues, expenses, gains or losses	 7,570,607	 7,662,016
Endowment Gifts	7,276	106,552
Capital appropriations	-	-
Increase (decrease) in net assets	7,577,881	7,768,568
 Net assets, beginning of year	 117,091,491	 115,955,740
 Net assets, end of year	 124,669,374	 123,724,308

Kentucky State University
Statement of Cash Flows
Period Ending March 31, 2013
(Unaudited)

	<u>FY 2013</u>	<u>FY 2012</u>
Cash flows from operating activities		
Tuition and fees	12,512,111	12,101,640
Grants and contracts	14,381,472	4,409,164
Payments to suppliers	(26,751,652)	(24,211,074)
Payments to employees	(26,166,005)	(22,456,519)
Loans issued to students		(196,687)
Collection of loans issued to students		83,576
Auxiliary enterprises:		
Residence halls and dining	5,531,723	6,435,078
Bookstore	112,500	-
Other auxiliaries	192,874	-
Other receipts	773,179	(2,016,958)
Net cash from operating activities	<u>(19,411,798)</u>	<u>(25,851,780)</u>
Cash flows from noncapital financing activities		
State appropriations	18,826,621	20,253,656
Federal Grants and Contracts	5,777,948	7,480,286
Gifts for other than capital purposes	8,095	350,795
Student organization agency receipts	5,648	96,370
Student organization agency disbursements	-	(70,044)
Other receipts (payments)	960,748	1,107,979
Net cash from noncapital financing activities	<u>25,579,060</u>	<u>29,219,042</u>
Cash flows from capital financing activities		
Capital appropriations	-	-
Purchases of capital assets	(2,053,781)	(1,291,970)
Proceeds from capital debt	-	-
Principal paid on capital debt	(285,475)	(118,797)
Interest paid on capital debt	(178,813)	252
Net cash flows from capital financing activities	<u>(2,518,069)</u>	<u>(1,410,515)</u>
Cash flows from investing activities		
Interest received on investments	199,643	140,038
Investment expenses	(64,012)	(29,531)
Proceeds from sale of investments	2,873,512	763,580
Purchases of investments	<u>(4,232,410)</u>	<u>(502,854)</u>
Net cash flows from investing activities	<u>(1,223,267)</u>	<u>371,233</u>
Net increase (decrease) in cash and cash equivalents	2,425,926	2,327,980
Cash and cash equivalents at beginning of year	<u>23,842,721</u>	<u>29,623,196</u>
Cash and cash equivalents at end of year	<u>26,268,647</u>	<u>31,951,176</u>

Kentucky State University
Statement of Cash Flows
Period Ending March 31, 2013
(Unaudited)

**Reconciliation of net operating loss to net cash
from operating activities**

Operating loss	(18,773,758)	(22,068,167)
Adjustments to reconcile operating income to net cash from operating activities:	-	-
Depreciation expense	3,006,913	3,825,120
Loss on disposal of capital assets	-	-
Changes in assets and liabilities:		
Receivables, net	(665,129)	(5,602,840)
Inventory and prepaid expenses	(39,326)	270,084
Accounts payable and accrued liabilities	(2,188,569)	(1,780,915)
Accrued compensated absences	(1,812)	(71,018)
Other Liabilities	80,884	(82,408)
Deferred revenue	(831,001)	(341,636)
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Net cash from operating activities	(19,411,798)	(25,851,780)

Finance and Business Committee
April 26, 2013
10:00 a.m.
Board Room – Academic Services Building
Frankfort, Kentucky
Agenda Item Background

To:	Board of Regents Finance and Business Committee	Date: April 26, 2013
From:	Ms. Anita Lockridge, Vice President for Finance Administration	
Subject:	Human Resources Update	
Reason for Consideration:	Informational	Enclosures: Yes

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

1. Annual employee "Total Compensation" statements completed and mailed to employee home addresses.
2. Request for Proposal for faculty and staff compensation and classification systems has been issued.
3. Initial planning for annual benefit renewal and open enrolment has been in process with broker, Neace Lukens, and the Employee Benefit Advisory Committee (EBAC).
4. Neace Lukens meet with EBAC and reviewed the health insurance renewal rates.
5. Neace Lukens has also provided guidance regarding the possible impact of the Affordable Health Care Act (ACA) on Kentucky State University.
6. HR policy manual updated to reflect change approved at the January 25 Board meeting regarding pay docking of exempt employees absent for a partial day without available leave.

7. Pilot program under development for electronic timesheet reporting for student employees.

Recommendation:

Informational

Initiator:	Mr. Gary Meiseles, Director of Human Resources Services
Board Action Date:	April 26, 2013
Effective Date:	April 26, 2013

Agenda Item Background

To:	Board of Regents Finance and Business Committee	Date: April 26, 2013
From:	Ms. Anita Lockridge Vice President for Finance Administration	
Subject:	FY 2014 Financial Plan	
Reason for Consideration:	Approval	Enclosures: Yes

Background:

The Budget for FY 14 is being presented along with the accompanying fee schedules for approval.

Recommendation:

Approval of the FY 2014 Financial Plan

Approval

Initiator:	Ms. Anita Lockridge Vice President for Finance Administration
Board Action Date:	April 26, 2013
Effective Date:	April 26, 2013



Budget Proposal Fiscal Year 2013-2014



**Presented at the April 26, 2013
Board of Regents Meeting**

**By
Anita Lockridge
Vice President Finance Administration**

To the Board of Regents:

We are pleased to share with you the 2013-2014 Kentucky State University Operating Budget.

As we continue to face challenges with funding, our university will continue to find ways to reduce expenses without affecting the integrity of our mission. We stand steadfast to provide a quality education to the students that entrust us with their higher education while also improving the lives of Kentuckians and others we serve.

We continue to make difficult cuts to our budget this year as well as the upcoming fiscal year. It is a daunting task, but we are doing our part to trim what we can while at the same time refusing to compromise our ability to move Kentucky State University (KSU) forward and our state forward.

As we continue to explore alternatives to ensure financial stability and future growth at KSU we are focusing on the following:

- 1) Reengineering of processes and expense management
- 2) Increasing grant awards
- 3) Expanding relationships with public and private organizations.
- 4) Creating partnerships with local community colleges
- 5) Reviewing all program of offerings
- 6) Enhancing the distance learning program
- 7) Enhancing fund raising

Despite budget issues, we are meeting our commitment to the goals and mandates of the Postsecondary Education Improvement Act of 1997 (HB1). We are determined to continue with our mission of affording access to and preparing a diverse student population to compete in a global society and our vision to be a university of distinction.

With your continued support, I know we will succeed.

INTRODUCTION

President Sias and her Leadership Team submit for your consideration a proposed Fiscal Year 2013-14 General Fund operating budget totaling \$54.5 million. This is a \$7.3 million (11.8%) decrease over last year. The budget recommendation is balanced; the proposed revenue budget equals the proposed expenditure budget. Below are the key budget assumptions for the FY 14 operating budget.

BUDGET ASSUMPTIONS:

REVENUES

- Based on the enacted budget as shown in HB 265, from the 2012 regular session of the Kentucky General Assembly, the University's state appropriation will remain at the FY 13 level of \$23,537,400.
- A tuition increase of 2.95% applied to all levels of residency. The recommended tuition increase is consistent with the FY 2013-14 maximum 3% cap for resident undergraduate students approved by the Council on Postsecondary Education (CPE).
- Enrollment headcount is projected for Fall and Spring at 2,636 and 2,908 respectively with total student credit hours at 52,032.
- Board plans will increase by 3.4%.

Other Revenue

- Other sources of revenue have increased over prior year due to new fees being recommended or due to a change in an existing fee (see below for fees). Also, an increase to the Facilities and Administrative rate for grants and new grants awarded has been projected.
- Fund Balance funding of \$2.5 million has not been carried forward for FY14.

EXPENDITURES

• Fixed Costs

The overall benefit rate of 34.1% will increase to 34.69% due to the following:

- **Employer-paid Social Security Taxes** — A total of \$20,000 is budgeted to cover the projected increased cost of funding FICA taxes on a higher Social Security wage base (salary maximum). Wage base for 2013 is \$113,700.
- **Employee Retirement Program** — Employees meeting eligibility guidelines must participate in either the Kentucky Employees Retirement System (KERS) plan or the Kentucky Teacher Retirement System (KTRS) plan. The projected increase for the budget year is \$130,000.
- **Worker's Compensation** — This insurance premium is based on worker's compensation classifications, historical claims experience and the insurance market. These three factors, applied to the University's payroll, determine the cost. Due to an increase in worker's compensation claims and market changes over the previous few years, this budget is projected to increase modestly \$8,500 for FY 2013-14.

Labor Cost

- The preliminary budget includes a 2% salary adjustment effective mid-year
- A review of all positions was completed and only filled positions and essential vacant positions are included in the budget.

Fee Schedule

The following fees are being proposed as either a new fee or a change to an existing fee:

NEW FEES:

- **Social Work**
 - LiveText Subscription \$98 per student
- **Math**
 - High School Student Dual Credit for Math \$60
- **Bursar Office**
 - Optional Participation Fee for the Payment Plan System Maintenance of \$25 for each payment plan

CHANGES TO EXISTING FEES:

- **School of Nursing**
 - Nursing Lab Fee \$300 per semester in lieu of the current \$200 per semester
- The High School Student In Service Counties fee of \$104 per course to \$165 per course
- The High School Student Outside Service Counties of \$83 per credit hour to \$165 per course

KENTUCKY STATE UNIVERSITY
FY 2014 PROPOSED FINANCIAL PLAN

	FY 2013 Approved Budget	FY 2014 Proposed Budget
UNRESTRICTED		
State Appropriations :		
Base Funds - General	\$18,877,764	\$19,896,113
Land Grant Match	4,389,515	3,371,166
State Appropriations Subtotal	23,267,279	23,267,279
Student Tuition & Mandatory Fees :		
Tuition & Mandatory Fees Fall, Spring & Summer	25,975,156	21,650,044
Student Tuition & Fees Subtotal	25,975,156	21,650,044
Other Revenue:		
Other Sources	2,091,900	2,400,227
Fund Balance	2,500,000	0
Other Revenue Subtotal	4,591,900	2,400,227
Total Unrestricted Revenue	53,834,335	47,317,550
DESIGNATED		
State Appropriations :		
CPE Trust Funds	595,297	595,297
MLK Scholarship	8,492	8,492
Regional Stewardship - Grant	87,329	87,329
Regional Stewardship	117,003	117,003
Total Designated Revenue	808,121	808,121
TOTAL UNRESTRICTED & DESIGNATED REVENUE	54,642,456	48,125,671
AUXILIARY ENTERPRISES	7,203,860	6,409,856
TOTAL REVENUE	\$ 61,846,316	\$ 54,535,527
EXPENDITURES :		
ACADEMIC AFFAIRS	\$23,693,828	\$20,190,404
STUDENT AFFAIRS	5,403,790	5,378,148
EXTERNAL RELATIONS & DEVELOPMENT	12,201,827	10,085,160
BUSINESS AFFAIRS	3,135,643	3,697,833
CENTRAL ACCOUNTS	2,117,164	0
PRESIDENT'S OFFICE	3,959,411	3,981,984
SCHOLARSHIPS	4,818,533	4,792,142
AUXILIARY ENTERPRISES	6,516,120	6,409,856
TOTAL UNIVERSITY EXPENDITURES	\$61,846,316	\$54,535,527
SURPLUS / (DEFICIT)	\$ -	\$ -

TUITION/MANDATORY FEE SCHEDULE

	2012/13	2013/14
	Per	Per
	Semester	Semester
FULL-TIME		
Undergraduate		
Resident		
12 credit hours	\$3,048	\$3,138
13 credit hours	\$3,175	\$3,269
14 credit hours	\$3,302	\$3,399
15 credit hours	\$3,429	\$3,530
16 credit hours	\$3,556	\$3,661
17 credit hours	\$3,683	\$3,792
18 credit hours	\$3,810	\$3,922
19 credit hours	\$3,937	\$4,053
20 credit hours	\$4,064	\$4,184
21 credit hours	\$4,191	\$4,315
Non-resident		
12 credit hours	\$7,320	\$7,536
13 credit hours	\$7,625	\$7,850
14 credit hours	\$7,930	\$8,164
15 credit hours	\$8,235	\$8,478
16 credit hours	\$8,540	\$8,792
17 credit hours	\$8,845	\$9,106
18 credit hours	\$9,150	\$9,420
19 credit hours	\$9,455	\$9,734
20 credit hours	\$9,760	\$10,048
21 credit hours	\$10,065	\$10,362
Non-resident Destiny & Legacy		
12 credit hours	\$6,096	\$6,276
13 credit hours	\$6,350	\$6,537
14 credit hours	\$6,604	\$6,799
15 credit hours	\$6,858	\$7,060
16 credit hours	\$7,112	\$7,322
17 credit hours	\$7,366	\$7,583
18 credit hours	\$7,620	\$7,845
19 credit hours	\$7,874	\$8,106
20 credit hours	\$8,128	\$8,368
21 credit hours	\$8,382	\$8,629

TUITION/MANDATORY FEE SCHEDULE

	2012/13	2013/14
	Per	Per
	Semester	Semester
Graduate (full or part-time per credit hour)		
Resident	\$387	\$398
Non-resident	\$582	\$599
PART-TIME		
Undergraduate (per credit hour)		
Resident	\$254	\$261
Non-resident	\$610	\$628
Non-resident -Destiny & Legacy	\$508	\$523

ONLINE TUITION AND FEE SCHEDULE

	2012-2013	2013-2014
	Per	Per
<u>FEES</u>	<u>Credit Hour</u>	<u>Credit Hour</u>
Undergraduate		
Resident	\$359	\$370
Non-resident	\$359	\$370
High School Student		
In Service Counties	\$104	\$0
Outside Service County	\$83	\$0
Dual Credit (All Counties)	\$0	\$165
Dual Credit (All Counties)- Math	\$0	\$60
Graduate		
Resident	\$440	\$453
Non-resident	\$440	\$453

Note

These rates are applicable to those students who are registered as Part-time students.

An undergraduate student who is registered for 12 or more hours (graduate 9 or more hours.) online exclusively will be classified as a full-time student and shall be charged based on the normal tuition and fee schedule and residency.

HOUSING AND BOARD FEE SCHEDULE

<u>Description</u>	<u>2012/13</u> <u>Per</u> <u>Semester</u>	<u>2013/14</u> <u>Per</u> <u>Semester</u>
RESIDENCE HALL RENTALS		
Double Occupancy		
Chandler Hall	\$1,670	\$1,670
Kentucky Hall	\$1,670	\$1,670
The Halls	\$1,670	\$1,670
Combs Hall	\$1,670	\$1,670
Hunter Hall	\$1,670	\$1,670
Single Occupancy		
Chandler Hall	\$2,220	\$2,220
Kentucky Hall	\$2,220	\$2,220
The Halls	\$2,220	\$2,220
McCullin	\$2,220	\$2,220
Triple Occupancy		
Kentucky Hall	\$1,620	\$1,620
Suite/Apartment Occupancy		
Chandler Hall	\$2,120	\$2,120
Kentucky Hall	\$2,120	\$2,120
McCullin Hall	\$2,120	\$2,120
Young Hall	\$2,120	\$2,120
BOARD RATES		
All Resident Students		
10 meal plan with \$300 flex dollars	\$1,620	\$1,675
15 meal plan with \$200 flex dollars	\$1,620	\$1,675
19 meal plan with \$125 flex dollars	\$1,620	\$0
225 block meal plan with \$150 flex dollars	\$0	\$1,675
Commuter Meals		
5 Meal Membership w/\$200 Dining Dollars	\$652	\$652
50 Block w/\$250 Dining Dollars	\$594	\$594
\$300 Dining Dollars	\$300	\$300
20 Block w/\$50 Dining Dollars	\$180	\$180

Notes: Students residing in residence halls are required to have a meal plan

SCHEDULE OF OPTIONAL PARTICIPATION FEES

Description	2012/2013	2013/2014
Activity Fee	170.00	170.00
Application fee	30.00	30.00
Application fee--International Students	100.00	100.00
Auto Registration--Faculty/Staff (per year)	100.00	100.00
Auto Registration--Students (per year)	30.00	30.00
Damage Fee (non-refundable)	125.00	125.00
Deferred Payment Fee (per semester)	75.00	75.00
Diploma Replacement (undergraduate)	13.00	13.00
Diploma/Cover Replacement (undergraduate)	20.00	20.00
Diploma Replacement (graduate)	20.00	20.00
Diploma/Cover Replacement (graduate)	40.00	40.00
Drop/Add Fee	30.00	30.00
Graduation Fee--Graduate (excl cap/gown) non-refundable	125.00	125.00
Graduation Fee--Undergraduate (excl cap/gown) non-refundable	75.00	75.00
Health Insurance Fee (per semester)	264.00	264.00
Homecoming Fee (fall semester only)	50.00	50.00
ID Card Replacement Fee (per card)	20.00	20.00
Student Housing Fire, Theft Property Insurance	60.00	60.00
Housing Access Control Fee (One Time Housing Fee,) non-refundable	50.00	50.00
Late Registration (per semester)	100.00	100.00
Nursing Student Liability Insurance Fee (Fall Semester)	16.00	16.00
Orientation Fee	35.00	35.00
Payment Plan System Maintenance Fee	-	25.00
Re-instatement Fee	50.00	50.00
Return Check Fee	50.00	50.00
Room Reservation (per year)	75.00	75.00
Thesis Fee	30.00	30.00
Transcript Fee	10.00	10.00
TEST FEE		
ACAT	-	-
ACT Plus Writing	-	-
ACT Test Fee--National	34.00	34.00
ACT Test Fee--Residual	34.00	34.00
CLEP Test--KSU	25.00	25.00
CLEP Test--CLEP	77.00	77.00
Correspondence Exams	25.00	25.00
CPP-2 Test	-	-
GMAT Test	-	-
GRE Test	-	-
Law School Reports	-	-
LSDAS	-	-
LSAT Test	-	-
MAT(Miller Analogies Test)	77.00	77.00
MCAT Test	-	-
NLN/ACE	70.00	70.00
NCLEX Review	350.00	350.00
PRAXIS Test--Registration	-	-
PRAXIS Test--Subjects	-	-
SAT1 Test-Reasoning	49.00	49.00

SAT2 Test--Subject (each)	22.00	22.00
SAT2 Test--Listening	22.00	22.00
TOEFL Test	125.00	125.00
Testing Transcript (per copy)	5.00	5.00

COURSE & LAB FEES

	Per Course 2012/2013	Per Course 2013/2014
Applied Information Technology	20	20
CIT 110 120 121 136 137 220 221 222 230 251 255 300 310 350 351 352 355 361 362 420 430 440 450 451 452 460	20	20
Aquaculture		
AQU 411 412 413 427 460 511 512 527 560	30	30
Art		
ART 130 360	10	10
ART 101 108 110 112 113 211 305 306 310 319 330 405 419 430 431 432	30	30
ART 220 240 315 317 321 340 415 417 420 433 434 435 436 437 438 439 440 441 442 443 444	50	50
ART 307 312 322 407 412 451 452 453 454	75	75
Biology		
BIO 101 107 108 111 204 210 212 301 302 303 304 305 307 308 309 315 316 317 318 408 410 411 412 413 417 427 460	30	30
Chemistry		
CHE 110 120 203 220 307 308 310 312 314 350	35	35
Child Development/Family Relations		
CDF 315 407 408	30	30
Computer Science		
COS 100 101 108 109 180 200 230 232 242 250 300 301 340 350 410 420 481 482 483 484 485 502 504 511 512 513 514 515 517 518 520 533 581 582 583 584 585 586 587 588 589	15	15
Music		
MUS 112, 114, 212, 214	25	25
Half Hour Private Lesson/Week	50	50
One Hour Private Lesson/Week	75	75
Nursing		
NUR 111 112 201 202 211 212	200	300
\$200/ per course		
Physical Science		
PHS 201 202 211	20	20
Physics		
PHY 111 112 207 208 211 212 320 340 361	20	20
Social Work 201		98

