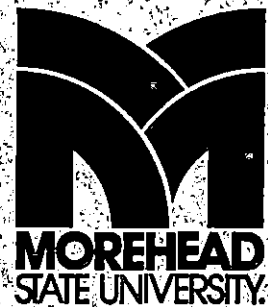


AGENDA BOOK

Board of Regents



SCHEDULE OF MEETINGS

June 9, 2000

9 a.m.	Academic Affairs Committee	Riggle Room
9:30 a.m.	Student Life & External Relations Committee	Riggle Room
10 a.m.	Administration and Fiscal Services Committee	Riggle Room
11 a.m.	Board of Regents	Riggle Room
Immediately following BOR meeting	Lunch	Heritage Room



Academic Affairs

✓Helen Pennington, Chair
✓Madge Baird
✓Lynne Fitzgerald
✓Brandon Fraley
Buckner Hinkle, Jr.
Sylvia Lovely
Charles Rhodes

Administration and Fiscal Services

Buckner Hinkle, Jr., Chair
Gene Caudill
Lynne Fitzgerald
Juanita Mills
Helen Pennington
William R. Seaton

Student Life and External Relations

Charles Rhodes, Chair
✓Madge Baird
✓Gene Caudill
✓Lynne Fitzgerald
✓Brandon Fraley
Sylvia Lovely

Audit Committee

Buckner Hinkle, Jr., Chair
L. M. Jones
Helen Pennington
Charles Rhodes

Officers of the Board

E. M. Jones, Chair
Buckner Hinkle, Jr., Vice Chair
Porter Dailey, Treasurer
Carol Johnson, Secretary

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
Friday, June 9, 2000**

11 a.m., Riggle Room, Adron Doran University Center, Morehead, Kentucky

AGENDA

I. CALL TO ORDER

II. ROLL CALL

III. APPROVE MINUTES OF MARCH 22, 2000

IV. ADOPT RESOLUTIONS OF COMMENDATION

V. RATIFY AWARDING OF HONORARY DOCTORAL DEGREES

**VI. SPOTLIGHT PRESENTATION -- *2000-2001 Operating Budget and
Personnel Roster***

VII. COMMITTEE RECOMMENDATIONS AND REPORTS

A. Academic Affairs

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| 1. | Approve Promotions, 2000 | 24 |
| 2. | Approve Tenure | 25 |
| 3. | Approve Emeritus Status, 2000 | 26 |
| 4. | <i>Final Enrollment Report, Spring 2000 (report to be
distributed at meeting)</i> | |

B. Administration and Fiscal Services

- | | | |
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| 1. | Ratify Personnel Actions | 40-58 |
| 2. | Ratify Sale of Housing and Dining System
Revenue Bonds | 59 |
| 3. | Accept Third Quarter Financial Report and
Amend 1999-2000 Operating Budget | 60-86 |
| 4. | Approve Contracts for Banking Services | 87 |
| 5. | Approve 2000-2001 Operating Budget and
Fee Schedule | 88-92 |
| 6. | Approve 2000-2001 Personnel Roster | 93-94 |
| 7. | Approve Financing for Microcomputer
Lease/Purchase Program | 95-97 |

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8. <i>Report on Easements</i>	98
9. <i>Report on Personal Service Contracts</i>	99-100
C. <u>Student Life and External Relations</u>	
1. <i>Report of Major Gifts Since November 12, 1999, Through May 26, 2000</i>	105
2. <i>Report of Private Giving Since July 1, 1999, Through May 26, 2000</i>	106
3. <i>Report on Endowments Matched With State Funds</i> ..	107-108
D. <u>Audit</u>	
1. Approve Extension Contract with Kelley, Galloway, and Company	109
2. Approve Minimum Scope of Annual Audit	110-113
VIII. PRESIDENT'S REPORT	
IX. OTHER BUSINESS	
Next Meeting -- September 15, 2000	
X. ADJOURNMENT	

Reports are indicated by italics.

**BOARD OF REGENTS
MOREHEAD STATE UNIVERSITY
Morehead, Kentucky**

Wednesday, March 22, 2000

The Board of Regents of Morehead State University met on Wednesday, March 22, 2000, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky.

Chair Jones convened the meeting at 11:15 a.m.

Members: Regents Gene Caudill, Lynne Fitzgerald, Brandon Fraley, Buckner Hinkle, Jr., L. M. Jones, Sylvia Lovely, Juanita Mills, Helen Pennington, Charles M. Rhodes, and William R. Seaton were present.

Others: President Ronald G. Eaglin; Vice Presidents Michael Moore, Porter Dailey, Michael Mincey, and Keith Kappes; Foundation Board Chair B. Proctor Caudill; Legal Counsel Jon Woodall; and other members of the faculty, staff, and administration also were present.

1. **EXECUTIVE SESSION**

Chair Jones stated that the Board needed to go into executive session for the purpose of discussing litigation and personnel issues. Mr. Seaton moved, seconded by Mr. Caudill, that the Board go into executive session. The motion carried. The Board reconvened into open session at 12:25 p.m.

2. **ELECTION OF OFFICERS**

A. **Chair**

Mr. Hinkle moved that Mr. Jones be reelected Chair. Mr. Seaton, seconded by Ms. Mills, moved that nominations cease. Mr. Jones was reelected Chair by acclamation.

B. **Vice Chair**

Dr. Fitzgerald nominated Ms. Lovely to be Vice Chair. Ms. Pennington nominated Mr. Hinkle to be Vice Chair. Ms. Pennington moved, seconded by Mr. Caudill, that nominations cease. Chair Jones called for a vote on the two nominees, and Mr. Hinkle was reelected Vice Chair.

C. Secretary

Dr. Rhodes moved that Ms. Johnson be reelected Secretary. Mr. Hinkle seconded the motion, and Ms. Johnson was reelected Secretary.

D. Treasurer

Chair Jones appointed Mr. Dailey to serve as Treasurer.

3. **MINUTES OF NOVEMBER 12, 1999**

Mr. Seaton moved, seconded by Ms. Mills, to approve the minutes of the November 12, 1999, meeting as distributed. The motion carried.

4. **HONORARY DOCTORAL DEGREES**

The President recommended:

That the Board of Regents ratify the awarding of an honorary degree of Doctor of Humanities to Josephine D. Richardson of Whitesburg, Kentucky, and an honorary degree of Doctor of Public Service to John M. Rosenberg of Prestonsburg, Kentucky, during the Winter Commencement ceremony on December 18, 1999.

(Additional background information attached to these minutes and marked V)

MOTION: Mr. Seaton moved, seconded by Dr. Rhodes, to approve the President's recommendation.

VOTE: The motion carried.

5. **REPORT OF THE COMMITTEE ON ACADEMIC AFFAIRS**

Ms. Pennington, chair of the Academic Affairs Committee, presented the report of the committee meeting held earlier in the day.

A. 2000 Spring Graduates

The committee recommends:

That the Board approve the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the 2000 Spring Commencement on May 6.

MOTION: Ms. Pennington moved, seconded by Ms. Mills, to approve the committee's recommendation.

VOTE: The motion carried.

B. Tenure, 2000

The committee recommends:

That the Board of Regents approve the granting of tenure for the following faculty members with the issuance of their contracts for the 2000-2001 year:

C. Steven Hunt, Information Sciences/Business Education
James Knoll, Education

(Additional background information attached to these minutes and marked VII-A-3)

MOTION: Ms. Pennington moved, seconded by Mr. Seaton, that the Board approve the committee's recommendation.

VOTE: The motion carried.

C. Tenure with Promotion, 2000

The committee recommends:

That the Board of Regents approve the granting of tenure and promotion to the associate professor rank for the following faculty members with the issuance of their contracts for the 2000-2001 year:

Deborah Abell, Education
Edward Breschel, Sociology
Mattie Burton, Nursing
Marcia Cooper, Radiologic Technology
Vivian Cyrus, Mathematics
Scott Davison, Philosophy
John Ernst, History
Donna Everett, Business Education
Deeno Golding, Art
William Grise, Industrial Education and Technology
Wanda Letendre, Education
Elizabeth Mesa-Gaido, Art
Gary Mesa-Gaido, Art
Susanne Rolland, Social Work

Melinda Willis, Education
Ahmad Zargari, Industrial Education and Technology

(Additional background information attached to these minutes and marked VII-A-4)

MOTION: Ms. Pennington moved, seconded by Ms. Mills, to approve the committee's recommendation.

VOTE: The motion carried.

D. Sabbatical Leaves, 2000-2001

The committee recommends:

That the Board of Regents approve the granting of sabbatical leaves to the following faculty members contingent upon funding being available within the academic department:

Fall 2000

George Eklund, Associate Professor of English
Timothy Pitts, Associate Professor of Geography
Suzanne Tallichet, Associate Professor of Sociology
*Dan Fasko, Professor of Education

Spring 2001

Ric Caric, Associate Professor of Government
Robert Pritchard, Associate Professor of Music

*Dr. Fasko was previously approved for a sabbatical leave, but it was postponed in order that he might serve as interim chair of his department.

(Additional background information attached to these minutes and marked VII-A-5)

MOTION: Ms. Pennington moved, seconded by Mr. Caudill, that the Board approve the committee's recommendation.

VOTE: The motion carried.

6. **REPORT OF THE COMMITTEE ON ADMINISTRATION AND FISCAL SERVICES**

Mr. Hinkle, chair of the Committee on Administration and Fiscal Services, reported on the meeting held earlier in the day.

A. **Personnel Actions**

RECOMMENDATION: That the Board ratify the Personnel Actions for the period October 25, 1999, through February 18, 2000.

(List of Personnel Actions and additional background information attached to these minutes and marked VII-B-1)

Mr. Hinkle stated that the committee took no action due to a matter concerning potential litigation that needs to be discussed in closed session. It is now up to the Board to take action on the report.

MOTION: Mr. Hinkle moved, seconded by Mr. Caudill, to approve the Committee's recommendation.

VOTE: The motion carried.

B. **Second Quarter Financial Report & 1999-2000 Operating Budget**

The Committee recommends:

That the Board accept the Second Quarter Financial Report as presented and amend the institution's 1999-2000 Operating Budget to reflect a revised budget of \$77,953,261 in accordance with the information provided.

(Quarterly Financial Report and additional background information attached to these minutes and marked VII-B-2)

MOTION: Mr. Hinkle moved, seconded by Mr. Caudill, to approve the Committee's recommendation.

VOTE: The motion carried.

C. Resolutions Authorizing the Sale of Housing and Dining System
Revenue Bonds, Series N & O

The Committee recommends:

That the Board adopt:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES N, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

And,

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES O, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SIXTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

And that:

- (A) The forms of Notice of Bond Sale, Official Terms and Conditions of the Sale of Bonds, and Bid Form be approved and a copy of each be placed by the Secretary in the official record of the Board;

- (B) The Board authorize the publication of the Notice of Bond Sale in accordance with Chapter 424 of the Kentucky Revised Statutes and the Financial Advisor be authorized to disseminate copies of the Official Statement;
- (C) Sealed bids for the purchase of the Series N and O bonds be opened by the President on such date and time as designated by the Vice President for Administration and Fiscal Services, whereupon there is herewith appointed a special committee of the Board which shall, by resolution, accept on such date the lowest and best bid as recommended by Seasongood & Mayer, the Financial Advisor to the Board; and
- (D) The form of the Certificate With Reference to the Issuance of Housing and Dining System Revenue Bonds, Series N, Conforming to the Requirements of Section 1101 (c) of Article XI of the Trust Indenture Dated November 1, 1961, Between the Board of Regents of Morehead State University and Central Bank and Trust Company, Lexington, Kentucky, As Trustee, Showing Compliance With Conditions for Issuance of Parity Bonds, be approved for execution prior to the date of the bond sale.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES N, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK & TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

Section 1. This Board hereby authorizes the issuance of its "Morehead State University Housing and Dining System Revenue Bonds, Series N" (the "Series N Bond"), in the principal amount of approximately \$4,700,000 according to statutory authority as set forth in KRS 162.340 to 162.380, inclusive, and in accordance with the terms, provisions, conditions and restrictions set forth in that certain Trust Indenture which was made by this Board with Pikeville National Bank & Trust

Company, Pikeville, Kentucky, as Trustee, under date of November 1, 1966, wherein the present Housing and Dining System of the University was created and established, and a certain Fifth Supplemental Trust Indenture between the Board and Central Bank & Trust Company, Lexington, the Trustee, to be dated the date of the Series N Bonds; said Series N Bonds to rank on a basis of parity and equality as to security and source of payment with the Board's previously issued and outstanding "Housing and Dining System Revenue Bonds," Series D,E,F,G,H,I,K,L and M.

Section 2. In order to assure the purchasers of the Series N Bonds that interest thereon will be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation, the Board agrees that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series N Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series N Bonds will be used for any purpose which would cause the interest on the Series N Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series N Bonds.

The Board has been advised by Bond Counsel, Rubin & Hays, Louisville, Kentucky, and therefore believes, that the Series N Bonds are not "private activity bonds" within the meaning of the Code, and that interest on the Series N Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board, and all subordinate entities thereof, does not reasonably anticipate issuing tax exempt obligations during the calendar year in which the Series N Bonds are being issued in excess of \$10,000,000, and, therefore, the Board designates the Series N Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b) (3) of the Code.

Prior to or at the time of delivery of the Series N Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury

Regulations in order to assure that interest on the Bonds will be exempt from all federal income taxes and that the Series N Bonds will not be treated as arbitrage bonds.

Section 3. The Board hereby agrees, in accordance with the provisions of Rule 15c2-12 as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, for the Commonwealth of Kentucky, in each case as designated by the Commission in accordance with the Rule, audited financial statements presented on the accrual basis of accounting in accordance with standards set forth in *Audits of Colleges and Universities*, an industry audit guide of the American Institute of Certified Public Accountants, and financial information and operating data (commencing with the fiscal year ended June 30, 1999) consistent with the information provided in Appendices A, B, and C to the Official Statement pursuant to which the bonds have been offered for sale.

The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the NRMSIR's and the SID, to each holder or beneficial owner of Series N Bonds who makes request for such information.

The Board agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") and the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;

- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (g) modifications to rights of bondholders;
- (h) bond calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the bonds;
- (k) rating changes; and
- (l) failure to provide annual financial information as required.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if such other event is material with respect to the Series N Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Board reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above if and when the Board no longer remains an obligated person with respect to the Series N Bonds within the meaning of the Rule.

The Board agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders or beneficial owners of the Series N Bonds, and shall be enforceable by such holders or beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations hereunder and any failure by the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Series N Bonds authorized pursuant to this Resolution.

Section 4. In order to implement the issuance of said Series N Bonds, and to make provision for all details relating to said Series N Bonds, including the date thereof, the disposition thereof, respective conditions and limitations applicable to the public offering thereof, maturities, requirements of the aforementioned Trust Indenture dated November 1, 1966, in connection therewith, this Board shall execute the Fifth Supplemental Trust Indenture with Central Bank & Trust Company, Lexington, Kentucky, as Trustee. A proposed form of such Fifth Supplemental Trust Indenture having been prepared in advance by Bond Counsel, Rubin & Hays, Louisville, Kentucky, with the approval of the President of the University and the Vice President for Administration and Fiscal Services of the University, and the Financial Advisor, Seasongood & Mayer, Cincinnati, Ohio, and such proposed

form having been submitted to and examined by this Board, such form is hereby approved and shall be executed substantially in the submitted form, with permissible modifications and corrections which, in the opinion of Bond Counsel and the President of the University, do not change the import thereof in any material respect. The form of the Fifth Supplemental Trust Indenture is hereby approved, is incorporated in full as a part of this Resolution, and is in substantially the form attached hereto.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES O, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SIXTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK & TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

Section 1. This Board hereby authorizes the issuance of its "Morehead State University Housing and Dining System Revenue Bonds, Series O" (the "Series O Bonds"), in the principal amount of approximately \$4,750,000 according to statutory authority as set forth in KRS 162.340 to 162.380, inclusive, and in accordance with the terms, provisions, conditions and restrictions set forth in that certain Trust Indenture which was made by this Board with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee, under date of November 1, 1966, wherein the present Housing and Dining System of the University was created and established, and a certain Sixth Supplemental Trust Indenture between the Board and Central Bank & Trust Company, Lexington, Kentucky, the Trustee, to be dated the date of the Series O Bonds; said Series O Bonds to rank on a basis of parity and equality as to security and source of payment with the Board's previously issued and outstanding "Housing and Dining System Revenue Bonds," Series D, E, F, G, H, I, K, L, M, and N (the Series N Bonds having been authorized at this meeting of the Board).

Section 2. In order to assure the purchasers of the Series O Bonds that interest thereon will be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation, the Board agrees that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series O Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series O Bonds will be used for any purpose which would cause the interest on the Series O Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series O Bonds.

The Board has been advised by Bond Counsel, Rubin & Hays, Louisville, Kentucky, and therefore believes, that the Series O Bonds are not "private activity bonds" within the meaning of the Code, and that interest on the Series O Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board, and all subordinate entities thereof, does not reasonably anticipate issuing tax-exempt obligations during the calendar year in which the Series O Bonds are being issued in excess of \$10,000,000; and, therefore, the Board designates the Series O Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b)(3) of the Code.

Prior to or at the time of delivery of Series O Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury Regulations in order to assure that interest on the bonds will be exempt from all federal income taxes and that the Series O Bonds will not be treated as arbitrage bonds.

Section 3. The Board hereby agrees, in accordance with the provisions of Rule 15c2-12 as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided to each nationally recognized municipal securities information repository ("NRMSIR") and to the

appropriate state information depository ("SID"), if any, for the Commonwealth of Kentucky, in each case as designated by the Commission in accordance with the Rule, audited financial statements presented on the accrual basis of accounting in accordance with standards set forth in *Audits of Colleges and Universities*, an industry audit guide of the American Institute of Certified Public Accountants, and financial information and operating data (commencing with the fiscal year ended June 30, 1999) consistent with the information provided in Appendices A, B and C to the Official Statement pursuant to which the bonds have been offered for sale.

The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the NRMSIR's and the SID, to each holder or beneficial owner of Series O Bonds who makes request for such information.

The Board agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") and the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (m) principal and interest payment delinquencies;
- (n) non-payment related defaults;
- (o) unscheduled draws on debt service reserves reflecting financial difficulties;
- (p) unscheduled draws on credit enhancements reflecting financial difficulties;
- (q) substitution of credit or liquidity providers, or their failure to perform;
- (r) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (s) modifications to rights of bondholders;
- (t) bond calls;
- (u) defeasances;
- (v) release, substitution or sale of property securing repayment of the bonds;
- (w) rating changes; and

- (x) failure to provide annual financial information as required.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if such other event is material with respect to the Series O Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

As of the date of this Resolution, the Board is in compliance with the reporting requirements of the Rule for all undertakings for which it is an "obligated person" as defined in the Rule.

The Board reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the Board no longer remains an obligated person with respect to the Series O Bonds within the meaning of the Rule.

The Board agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders or beneficial owners of the Series O Bonds, and shall be enforceable by such holders or beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations hereunder and any failure by the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Series O Bonds authorized pursuant to this Resolution.

Section 4. In order to implement the issuance of said Series O Bonds, and to make provision for all details relating to said Series O Bonds, including the date thereof, the disposition thereof, respective conditions and limitations applicable to the public offering thereof, maturities, redemption provisions and security and source of payment thereof, and in order to comply with the requirements of the aforementioned Trust Indenture dated November 1, 1966, in connection therewith, this Board shall execute the Sixth Supplemental Trust Indenture with Central Bank & Trust Company, Lexington, Kentucky, as Trustee. A proposed form of such Sixth Supplemental Trust Indenture having been prepared in advance by Bond Counsel, Rubin & Hays, Louisville, Kentucky, with the approval of the President of the University and the Vice President for Administration and Fiscal Services of the University, and the Financial Advisor, Seasongood & Mayer, Cincinnati, Ohio, and such proposed form having been submitted to and examined by this Board, such form is hereby approved and shall be executed substantially in the submitted form, with permissible modifications and corrections which, in the opinion of Bond Counsel and the President of the University, do not

change the import thereof in any material respect. The form of the Sixth Supplemental Trust Indenture is hereby approved, is incorporated in full as a part of this Resolution, and is in substantially the form attached hereto. *(See VII-B-3)*

(Additional background information attached to these minutes and marked VII-B-3)

Mr. Hinkle moved that a subcommittee of the Board be appointed to receive and accept bids on behalf of the Board of Regents for Housing and Dining System Revenue Bonds, Series N and Series O. The motion carried.

Mr. Hinkle briefly presented the reports on personal service contracts and the status of several projects currently underway. *(List of Personal Service Contracts attached to these minutes and marked VII-B-4 and Project Status Reports attached to these minutes and marked VII-B-5)*

7. PRESIDENT'S REPORT

President Eaglin presented an abbreviated report due to the length of the meeting and to accommodate Board members' schedules.

A. SACS Visit

The University has received a favorable response from the Southern Association of Colleges and Schools (SACS) team that visited the campus in early March. SACS will provide a written report listing all recommendations. The "Self-Study Report" was commended for being thoughtfully organized and comprehensive. A complete report will be presented to the Board at a future meeting.

B. Herald-Leader Article

Dr. Eaglin shared a letter he had written to Dr. Mary Beth Susman, President of the Kentucky Commonwealth Virtual University, in response to comments attributed to Dr. Susman in an article that appeared in the Lexington *Herald-Leader*. In the article, MSU was described as unwilling to place its online MBA in the KCVU when, in fact, MSU has pledged its support to the KCVU and to serving students who want to be partners in the enterprise.

C. Board Briefs

Dr. Eaglin noted that pertinent information could be found in *Board Briefs* and reminded the Board of several important dates: Founders Day, April 6; Spring Gala, April 29; Spring Commencement, May 6; and Administrative Retreat, August 7-8.

8. **OTHER BUSINESS**

Chair Jones announced that the Audit Committee would meet on April 20. The next Board meeting will be held on June 9, and on the evening of June 8, President and Mrs. Eaglin will host a reception/dinner for the members of the Board of Regents.

9. **ADJOURNMENT**

There being no further business to conduct, Mr. Seaton moved, seconded by Ms. Mills, to adjourn at 12:45 p.m. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

RESOLUTION HONORING WILLIAM R. SEATON

**BOR (IV)
June 9, 2000**

WHEREAS, Mr. William R. Seaton of Ashland, Kentucky, has served with distinction as a member of the Board of Regents of Morehead State University since 1986; and

WHEREAS, Mr. Seaton provided strong leadership to the Board of Regents while serving as its chairperson from December 1988 to March 1996; and

WHEREAS, Mr. Seaton's reputation as one of Kentucky's top corporate executives brought prestige and stability to the University at a critical time in the history of the institution; and

WHEREAS, Mr. Seaton's distinguished service on the Board of Regents consistently has reflected his high ethical standards and deep, personal commitment to academic excellence; and

WHEREAS, Mr. Seaton's breadth of experience and training in fiscal management has helped the University to improve its administrative operations and financial safeguards;

THEREFORE, be it resolved by the Board of Regents of Morehead State University that Mr. William R. Seaton be and hereby is commended for his 14 years of honorable and outstanding service on the Board of Regents and that the University expresses its profound and sincere gratitude for his leadership and loyalty.

Done this ninth day of June, 2000.

ATTEST:

L. M. Jones, Chairman

Carol Johnson, Secretary

Ronald G. Eaglin, President

RESOLUTION HONORING BRANDON FRALEY

**BOR (IV)
June 9, 2000**

WHEREAS, Mr. Brandon Fraley has served as the President of the Student Government Association and as the Student Member of the Board of Regents of Morehead State University for the 1999-2000 school year; and

WHEREAS, Mr. Fraley has demonstrated his leadership abilities through his service on various University committees and by articulating important issues and concerns affecting all students; and

WHEREAS, Mr. Fraley has served the University with distinction and has honorably performed his duties as prescribed by the Kentucky Revised Statutes and policies of the Board of Regents,

THEREFORE, BE IT RESOLVED by the Morehead State University Board of Regents that Mr. Brandon Fraley be and hereby is commended for the time, energy, and dedication given as the Student Member of the Board of Regents of Morehead State University.

The Board extends its best wishes to Mr. Fraley in his future endeavors.

Done this ninth day of June, 2000.

L. M. Jones, Chairman

ATTEST:

Carol Johnson, Secretary

Ronald G. Eaglin, President

HONORARY DOCTORAL DEGREES

BOR (V)
June 9, 2000

Background:

In 1988 the Board of Regents reinstated the practice of awarding honorary doctoral degrees to outstanding individuals. Consequently, the ad hoc Honorary Degree Advisory Committee was established to screen nominations for such recognition and to make appropriate recommendations to the President and Board of Regents. The committee is composed of active and retired faculty and staff members and a representative of the MSU Alumni Association, Inc.

Two outstanding persons – Monsignor Ralph W. Beiting of Lancaster and Dr. Paul F. Maddox of Campton – were nominated for honorary doctoral degrees in conjunction with spring commencement. The Honorary Degree Advisory Committee reviewed the personal and professional qualifications of both persons and unanimously recommended that each be awarded the honorary degree of DOCTOR OF PUBLIC SERVICE at the Spring Commencement ceremony on May 6, 2000.

Monsignor Ralph W. Beiting, founder of the Christian Appalachian Project (CAP), has served as a Roman Catholic priest for 50 years in Eastern Kentucky. A native of Newport, Beiting founded CAP in 1964 as an interdenominational, non-profit Christian organization committed to providing physical, spiritual, and emotional support through a wide variety of programs and services in Appalachia. Today CAP sponsors 75 programs ranging from day care to job training, and each year helps about 50,000 people in Eastern Kentucky and upwards of 500,000 throughout the 13-state Appalachian Region.

Dr. Paul F. Maddox was selected in 1999 as America's Country Doctor of the Year. A family practitioner in Wolfe and surrounding counties for nearly 47 years, he maintains a full-time medical practice at age 74. Dr. Maddox has delivered more than 6,100 babies and treated an estimated 1.5 million patients. He completed pre-med studies at Morehead State University in 1947 and graduated from the University of Louisville College of Medicine in 1953. Active in community affairs, Dr. Maddox served as chairman of the Wolfe County Board of Education. He is a member of the MSU Alumni Hall of Fame and a former board member of the MSU Foundation, Inc.

Recommendation:

That the Board of Regents ratify the awarding of honorary degrees of DOCTOR OF PUBLIC SERVICE to Fr. Ralph E. Beiting of Lancaster, Ky., and Dr. Paul F. Maddox of Campton, Ky., at the Spring Commencement ceremony on May 6, 2000.

**MOREHEAD STATE UNIVERSITY
BOARD OF REGENTS
ACADEMIC AFFAIRS COMMITTEE**

June 9, 2000

9 a.m., Riggle Room, Adron Doran University Center, Morehead, Kentucky

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVE MINUTES OF MARCH 22, 2000**
- IV. RECOMMENDATIONS AND REPORTS**
 - A. Approve Promotions, 2000**
 - B. Approve Tenure**
 - C. Approve Emeritus Status, 2000**
 - D. *Final Enrollment Report, Spring 2000***
- V. OTHER BUSINESS**
- VI. ADJOURNMENT**

Reports are indicated by italics

MINUTES

ACADEMIC AFFAIRS COMMITTEE

Wednesday, March 22, 2000

The Academic Affairs Committee met at 9 a.m. on Wednesday, March 22, 2000, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair Helen Pennington presided.

The following committee members were present: Regents Helen Pennington, Lynne Fitzgerald, Brandon Fraley, Buckner Hinkle, Jr., and Charles Rhodes. Also, Regents Gene Caudill, Sonny Jones, and Juanita Mills were present.

Dr. Fitzgerald moved, seconded by Mr. Fraley, that the minutes of November 12, 1999, be approved as distributed. The motion carried.

Dr. Michael Moore, Executive Vice President for Academic Affairs, introduced three faculty members who presented reports on their 1998-99 sabbatical leaves: Dr. Jennings R. Mace, Associate Professor of English; Dr. Michael N. Harford, Professor of Management; and Dr. Lloyd R. Jaisingh, Professor of Mathematics.

RECOMMENDATION: That the Board approve the awarding of degrees to all candidates who successfully complete all degree requirements as approved by the faculty of the University at the Spring Commencement on May 6, 2000.

MOTION: Mr. Hinkle moved, seconded by Dr. Fitzgerald, to approve the President's recommendation.

VOTE: The motion carried.

RECOMMENDATION: That the Board approve the granting of tenure for the following faculty members with the issuance of their contracts for the 2000-2001 year:

C. Steven Hunt, Information Sciences/Business Education
James Knoll, Education

(Additional background information attached to these minutes and marked VII-A-3)

MOTION: Mr. Hinkle moved, seconded by Dr. Fitzgerald, to approve the President's recommendation.

VOTE: The motion carried.

RECOMMENDATION: That the Board approve the granting of tenure and promotion to the associate professor rank for the following faculty members with the issuance of their contracts for the 2000-2001 year:

Deborah Abell, Education
Edward Breschel, Sociology
Mattie Burton, Nursing
Marcia Cooper, Radiologic Technology
Vivian Cyrus, Mathematics
Scott Davison, Philosophy
John Ernst, History
Donna Everett, Business Education
Deeno Golding, Art
William Grise, Industrial Education and Technology
Wanda Letendre, Education
Elizabeth Mesa-Gaido, Art
Gary Mesa-Gaido, Art
Susanne Rolland, Social Work
Melinda Willis, Education
Ahmad Zargari, Industrial Education and Technology

(Additional background information attached to these minutes and marked VII-A-4)

MOTION: Dr. Fitzgerald moved, seconded by Mr. Fraley, to approve the President's recommendation.

VOTE: The motion carried.

RECOMMENDATION: That the Board approve the granting of sabbatical leaves to the following faculty members contingent upon funding being available within their academic departments:

Fall 2000

George Eklund, associate professor of English
Timothy Pitts, associate professor of Geography
Susan Tallichet, associate professor of Sociology
Dan Fasko, professor of Education

Spring 2001

Ric Caric, associate professor of Government
Robert Pritchard, associate professor of Music

(Additional background information attached to these minutes and marked VII-A-5)

MOTION: Mr. Rhodes moved, seconded by Dr. Fitzgerald, to approve the President's recommendation.

VOTE: The motion carried.

Spring Enrollment Report

Dr. Moore presented the report on enrollment for Spring 2000. He noted that there are 7,442 students enrolled, which is a slight decrease of 3.1 percent compared with the previous spring semester. *(Report attached to these minutes and marked VII-A-6)*

There being no further business to conduct, Mr. Hinkle moved, seconded by Mr. Fraley, to adjourn at 10 a.m. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

PROMOTIONS, 2000

BOR (VII A-1)
June 9, 2000

Background:

In accordance with personnel policies, faculty members desiring promotion are responsible for developing their portfolios for submission to their peers and administrative supervisors for analysis and review. Recommendations from these peer groups and administrators are forwarded to the Executive Vice President for Academic Affairs and Dean of Faculty. The President, based upon recommendations from the Executive Vice President for Academic Affairs and Dean of Faculty, submits his recommendations to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of promotions to the following with the issuance of their contracts for the 2000-01 year:

Professor

Ric Caric, Government
C. Steven Hunt, Information Science/Business Education
James Knoll, Education
Sarah Morrison, English

Associate Professor

Kathryn Mincey, English

TENURE

BOR (VII A-2)
June 9, 2000

Background:

Morehead State University's personnel policy, PAc-27, provides a procedure for employing a department chair with tenure. Based on Dr. Kermit C. Whaley's well-established track record of excellence in teaching, reputation in research activities, and scope of service activities, the search committee for the chair of the Department of Nursing and Allied Health Sciences recommended Dr. Whaley for employment with tenure. The Executive Vice President for Academic Affairs, the College Dean and the University Tenure Committee have supported this recommendation.

Recommendation:

That the Board of Regents approve the granting of tenure to Dr. Kermit C. Whaley, Professor of Radiologic Sciences.

EMERITUS STATUS, 2000

**BOR (VII A-3)
June 9, 2000**

Background:

In accordance with PAc-3, the faculty members listed below were recommended for emeritus status by their peers and immediate supervisors to the Executive Vice President for Academic Affairs and Dean of Faculty. The President, based upon recommendations from the Executive Vice President for Academic Affairs and Dean of Faculty, submits his recommendations to the Board of Regents.

Recommendation:

That the Board of Regents approve the granting of Emeritus Status to the following:

Diane Cox, Assistant Professor of Education
Colleta Grindstaff, Assistant Professor of Education
Betty Porter, Professor of Nursing
Alban Wheeler, Professor of Sociology

**MOREHEAD STATE UNIVERSITY
BOARD OF REGENTS
ADMINISTRATION AND FISCAL SERVICES**

June 9, 2000

10 a.m., Riggle Room, Adron Doran University Center, Morehead, Kentucky

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVE MINUTES OF MARCH 22, 2000**
- IV. RECOMMENDATIONS AND REPORTS**
 - A. Ratify Personnel Actions**
 - B. Ratify Sale of Housing and Dining System Revenue Bonds**
 - C. Accept Third Quarter Financial Report and Amend
1999-2000 Operating Budget**
 - D. Approve Contracts for Banking Services**
 - E. Approve 2000-2001 Operating Budget and Fee Schedule**
 - F. Approve 2000-2001 Personnel Roster**
 - G. Approve Financing for Microcomputer Lease/Purchase Program**
 - H. *Report on Easements***
 - I. *Report on Personal Service Contracts***
- V. OTHER BUSINESS**
- VI. ADJOURNMENT**

Reports are indicated by italics

MINUTES

ADMINISTRATION AND FISCAL SERVICES COMMITTEE

Wednesday, March 22, 2000

The Administration and Fiscal Services Committee met at 10 a.m. on Wednesday, March 22, 2000, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair Buckner Hinkle presided.

The following members were present: Buckner Hinkle, Jr., Gene Caudill, Lynne Fitzgerald, Juanita Mills, Helen Pennington, and William R. Seaton. Regents Brandon Fraley, L. M. Jones, and Charles Rhodes also were present.

Mr. Seaton moved, seconded by Ms. Mills, that the minutes of the November 12, 1999, meeting be approved as distributed. The motion carried.

RECOMMENDATION: That the Board ratify the Personnel Actions for the period October 25, 1999, through February 18, 2000.

(List of Personnel Actions and additional background information attached to these minutes and marked VII-B-1)

Mr. Roger Barker, Director of Human Resources, noted that seven individuals retired during the period October 25, 1999, through February 18, 2000.

Following discussion concerning other personnel actions and potential litigation, Mr. Caudill moved, seconded by Mr. Seaton, to defer action on the report to the full Board meeting. The motion carried.

RECOMMENDATION: That the Board accept the Second Quarter Financial Report as presented and amend the institution's 1999-2000 Operating Budget to reflect a revised budget of \$77,953,261 in accordance with the information presented herein.

(Second Quarter Financial Report and additional background information attached to these minutes and marked VII-B-2)

Ms. Angela Martin, Director of Budgets and Management Information, presented information on the Second Quarter Financial Report. Ms. Martin discussed the Balance Sheets from an entity-wide perspective as of December 31, 1999 and 1998, the Unrestricted Current Funds Statement of Changes in Fund Balance, the Unrestricted Current Funds Statement of Educational and General Revenues, and the Auxiliary Enterprises Statement of Revenues and Expenditures for the six months ended December 31, 1999. She stated that as

of December 31, 1999, total unrestricted operating revenues and expenditures were budgeted at \$77,953,261, which is an increase of \$696,667 from the amended budget of \$77,256,594 approved by the Board at its meeting on November 12, 1999. The majority of the increase is from budgeted fund balance and the MSU Foundation, Inc.

In addition, Ms. Martin noted that beginning with the new fiscal year, quarterly financial reports would be presented in a more analytical and condensed format. This new format will be presented for discussion at the Board's budget workshop in April.

MOTION: Mr. Seaton moved, seconded by Mr. Caudill, to approve the President's recommendation.

VOTE: The motion carried.

RECOMMENDATION: That the Board adopt:

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES N, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

And,

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES O, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SIXTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK AND TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

And that:

- (A) The forms of Notice of Bond Sale, Official Terms and Conditions of the Sale of Bonds, and Bid Form be approved and a copy of each be placed by the Secretary in the official record of the Board;
- (B) The Board authorize the publication of the Notice of Bond Sale in accordance with Chapter 424 of the Kentucky Revised Statutes and the Financial Advisor be authorized to disseminate copies of the Official Statement;
- (C) Sealed bids for the purchase of the Series N and O bonds be opened by the President on such date and time as designated by the Vice President for Administration and Fiscal Services, whereupon there is herewith appointed a special committee of the Board which shall, by resolution, accept on such date the lowest and best bid as recommended by Seasongood & Mayer, the Financial Advisor to the Board; and
- (D) The form of the Certificate With Reference to the Issuance of Housing and Dining System Revenue Bonds, Series N, Conforming to the Requirements of Section 1101 (c) of Article XI of the Trust Indenture Dated November 1, 1961, Between the Board of Regents of Morehead State University and Central Bank and Trust Company, Lexington, Kentucky, As Trustee, Showing Compliance With Conditions for Issuance of Parity Bonds, be approved for execution prior to the date of the bond sale.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES N, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A FIFTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK & TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

Section 1. This Board hereby authorizes the issuance of its "Morehead State University Housing and Dining System Revenue Bonds, Series N" (the "Series N Bond"), in the principal amount of approximately \$4,700,000 according to statutory authority as set forth in KRS 162.340 to 162.380, inclusive, and in accordance with the terms, provisions, conditions and restrictions set forth in that certain Trust Indenture which was made by this Board with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee, under date of November 1, 1966, wherein

the present Housing and Dining System of the University was created and established, and a certain Fifth Supplemental Trust Indenture between the Board and Central Bank & Trust Company, Lexington, the Trustee, to be dated the date of the Series N Bonds; said Series N Bonds to rank on a basis of parity and equality as to security and source of payment with the Board's previously issued and outstanding "Housing and Dining System Revenue Bonds," Series D,E,F,G,H,I,K,L and M.

Section 2. In order to assure the purchasers of the Series N Bonds that interest thereon will be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation, the Board agrees that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series N Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series N Bonds will be used for any purpose which would cause the interest on the Series N Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series N Bonds.

The Board has been advised by Bond Counsel, Rubin & Hays, Louisville, Kentucky, and therefore believes, that the Series N Bonds are not "private activity bonds" within the meaning of the Code, and that interest on the Series N Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board, and all subordinate entities thereof, does not reasonably anticipate issuing tax exempt obligations during the calendar year in which the Series N Bonds are being issued in excess of \$10,000,000, and, therefore, the Board designates the Series N Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b) (3) of the Code.

Prior to or at the time of delivery of the Series N Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury Regulations in order to assure that interest on the Bonds will be exempt from all federal income taxes and that the Series N Bonds will not be treated as arbitrage bonds.

Section 3. The Board hereby agrees, in accordance with the provisions of Rule 15c2-12 as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided to each nationally

recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, for the Commonwealth of Kentucky, in each case as designated by the Commission in accordance with the Rule, audited financial statements presented on the accrual basis of accounting in accordance with standards set forth in *Audits of Colleges and Universities*, an industry audit guide of the American Institute of Certified Public Accountants, and financial information and operating data (commencing with the fiscal year ended June 30, 1999) consistent with the information provided in Appendices A, B, and C to the Official Statement pursuant to which the bonds have been offered for sale.

The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the NRMSIR's and the SID, to each holder or beneficial owner of Series N Bonds who makes request for such information.

The Board agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") and the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (g) Modifications to rights of bondholders;
- (h) Bond calls;
- (i) Defeasances;
- (j) Release, substitution or sale of property securing repayment of the bonds;
- (k) Rating changes; and
- (l) Failure to provide annual financial information as required.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if such other event is material with respect to the Series N Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

The Board reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above if and when the Board no longer remains an obligated person with respect to the Series N Bonds within the meaning of the Rule.

The Board agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders or beneficial owners of the Series N Bonds, and shall be enforceable by such holders or beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations hereunder and any failure by the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Series N Bonds authorized pursuant to this Resolution.

Section 4. In order to implement the issuance of said Series N Bonds, and to make provision for all details relating to said Series N Bonds, including the date thereof, the disposition thereof, respective conditions and limitations applicable to the public offering thereof, maturities, requirements of the aforementioned Trust Indenture dated November 1, 1966, in connection therewith, this Board shall execute the Fifth Supplemental Trust Indenture with Central Bank & Trust Company, Lexington, Kentucky, as Trustee. A proposed form of such Fifth Supplemental Trust Indenture having been prepared in advance by Bond Counsel, Rubin & Hays, Louisville, Kentucky, with the approval of the President of the University and the Vice President for Administration and Fiscal Services of the University, and the Financial Advisor, Seasongood & Mayer, Cincinnati, Ohio, and such proposed form having been submitted to and examined by this Board, such form is hereby approved and shall be executed substantially in the submitted form, with permissible modifications and corrections which, in the opinion of Bond Counsel and the President of the University, do not change the import thereof in any material respect. The form of the Fifth Supplemental Trust Indenture is hereby approved, is incorporated in full as a part of this Resolution, and is in substantially the form attached hereto.

A RESOLUTION OF THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY AUTHORIZING THE ISSUANCE OF SAID BOARD'S HOUSING AND DINING SYSTEM REVENUE BONDS, SERIES O, TO BE DATED THE FIRST DAY OF THE MONTH IN WHICH THEY ARE SOLD; AUTHORIZING PROPER PROCEEDINGS RELATIVE TO THE PUBLIC SALE OF THE BONDS AND THE DISPOSITION OF THE PROCEEDS THEREOF; AUTHORIZING EXECUTION OF A SIXTH SUPPLEMENTAL TRUST INDENTURE BETWEEN THE BOARD AND CENTRAL BANK &

TRUST COMPANY, LEXINGTON, KENTUCKY, AS TRUSTEE, IN COMPLIANCE WITH THE PROVISIONS OF THE TRUST INDENTURE OF NOVEMBER 1, 1966.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF REGENTS OF MOREHEAD STATE UNIVERSITY, AS FOLLOWS:

Section 1. This Board hereby authorizes the issuance of its "Morehead State University Housing and Dining System Revenue Bonds, Series O" (the "Series O Bonds"), in the principal amount of approximately \$4,750,000 according to statutory authority as set forth in KRS 162.340 to 162.380, inclusive, and in accordance with the terms, provisions, conditions and restrictions set forth in that certain Trust Indenture which was made by this Board with Pikeville National Bank & Trust Company, Pikeville, Kentucky, as Trustee, under date of November 1, 1966, wherein the present Housing and Dining System of the University was created and established, and a certain Sixth Supplemental Trust Indenture between the Board and Central Bank & Trust Company, Lexington, Kentucky, the Trustee, to be dated the date of the Series O Bonds; said Series O Bonds to rank on a basis of parity and equality as to security and source of payment with the Board's previously issued and outstanding "Housing and Dining System Revenue Bonds," Series D, E, F, G, H, I, K, L, M, and N (the Series N Bonds having been authorized at this meeting of the Board).

Section 2. In order to assure the purchasers of the Series O Bonds that interest thereon will be excludable from gross income for federal income tax purposes and exempt from Kentucky income taxation, the Board agrees that (1) the Board will take all actions necessary to comply with the provisions of the Internal Revenue Code of 1986 (the "Code"), (2) the Board will take no actions which will violate any of the provisions of the Code, or that would cause the Series O Bonds to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Series O Bonds will be used for any purpose which would cause the interest on the Series O Bonds to become subject to federal income taxation, and that the Board will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Series O Bonds.

The Board has been advised by Bond Counsel, Rubin & Hays, Louisville, Kentucky, and therefore believes, that the Series O Bonds are not "private activity bonds" within the meaning of the Code, and that interest on the Series O Bonds is not included as an item of tax preference in calculating the alternative minimum tax for individuals.

The Board, and all subordinate entities thereof, does not reasonably anticipate issuing tax-exempt obligations during the calendar year in which the Series O Bonds are being issued in excess of \$10,000,000, and, therefore, the Board designates the

Series O Bonds as "qualified tax-exempt obligations" for investment by financial institutions pursuant to the provisions of Section 265(b)(3) of the Code.

Prior to or at the time of delivery of Series O Bonds, the Chairman of the Board and/or the chief financial officer of the University shall execute the appropriate certifications with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by applicable Treasury Regulations in order to assure that interest on the bonds will be exempt from all federal income taxes and that the Series O Bonds will not be treated as arbitrage bonds.

Section 3. The Board hereby agrees, in accordance with the provisions of Rule 15c2-12 as amended and interpreted from time to time (the "Rule"), promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, to provide or cause to be provided to each nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate state information depository ("SID"), if any, for the Commonwealth of Kentucky, in each case as designated by the Commission in accordance with the Rule, audited financial statements presented on the accrual basis of accounting in accordance with standards set forth in *Audits of Colleges and Universities*, an industry audit guide of the American Institute of Certified Public Accountants, and financial information and operating data (commencing with the fiscal year ended June 30, 1999) consistent with the information provided in Appendices A, B and C to the Official Statement pursuant to which the bonds have been offered for sale.

The Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Board; provided that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the NRMSIR's and the SID, to each holder or beneficial owner of Series O Bonds who makes request for such information.

The Board agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") and the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if such event is material:

- (m) Principal and interest payment delinquencies;
- (n) Non-payment related defaults;

- (o) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (p) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (q) Substitution of credit or liquidity providers, or their failure to perform;
- (r) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- (s) Modifications to rights of bondholders;
- (t) Bond calls;
- (u) Defeasances;
- (v) Release, substitution or sale of property securing repayment of the Bonds;
- (w) Rating changes; and
- (x) Failure to provide annual financial information as required.

The Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if such other event is material with respect to the Series O Bonds, but the Board does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

As of the date of this Resolution, the Board is in compliance with the reporting requirements of the Rule for all undertakings for which it is an "obligated person" as defined in the Rule.

The Board reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the Board no longer remains an obligated person with respect to the Series O Bonds within the meaning of the Rule.

The Board agrees that its undertaking pursuant to the Rule is intended to be for the benefit of the holders or beneficial owners of the Series O Bonds, and shall be enforceable by such holders or beneficial owners; provided that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Board's obligations hereunder and any failure by the Board to comply with the provisions of this undertaking shall not be an event of default with respect to the Series O Bonds authorized pursuant to this Resolution.

Section 4. In order to implement the issuance of said Series O Bonds, and to make provision for all details relating to said Series O Bonds, including the date thereof, the disposition thereof, respective conditions and limitations applicable to the public offering thereof, maturities, redemption provisions and security and source of payment thereof, and in order to comply with the requirements of the aforementioned Trust Indenture dated November 1, 1966, in connection therewith, this Board shall execute the Sixth Supplemental Trust Indenture with Central Bank & Trust Company, Lexington, Kentucky, as Trustee. A proposed form of such Sixth Supplemental Trust Indenture having been prepared in advance by Bond Counsel,

Rubin & Hays, Louisville, Kentucky, with the approval of the President of the University and the Vice President for Administration and Fiscal Services of the University, and the Financial Advisor, Seasingood & Mayer, Cincinnati, Ohio, and such proposed form having been submitted to and examined by this Board, such form is hereby approved and shall be executed substantially in the submitted form, with permissible modifications and corrections which, in the opinion of Bond Counsel and the President of the University, do not change the import thereof in any material respect. The form of the Sixth Supplemental Trust Indenture is hereby approved, is incorporated in full as a part of this Resolution, and is in substantially the form attached hereto.

(Additional background information attached to these minutes and marked VII-B-3)

Mr. Mike Walters, Associate Vice President for Fiscal Services, stated that in a report to the Board in February 1999, MSU and other postsecondary institutions initiated a multi-year plan to install sprinkler systems and upgrade other fire safety systems in student residence halls. In addition to the sprinkler and fire safety initiatives, the University has identified other residence hall improvement projects. These projects, as authorized by the 1998 General Assembly, were to be funded by the sale of Housing and Dining System Revenue Bonds in the amount of \$2,970,000 and from the University's Housing and Dining System Repair and Maintenance Reserve account in the amount of \$400,000.

Given the multi-year nature of the fire safety projects and the unknown effect on cost of several universities competing with the same contractors at the same time, it was not feasible to sell the bonds at an earlier date. The projects, therefore, were funded with the proceeds of short-term notes obtained from the Commonwealth of Kentucky Asset/Liability Commission, and these notes are to be repaid from the proceeds of the sale of the bonds.

In addition to the 1999 fire safety projects, the University is now ready to proceed with the projects scheduled for completion in 2000. The scope for these projects is \$1.2 million and additional bonding authorization for the 1998-2000 biennium was obtained in that amount from the Capital Projects and Bond Oversight Committee.

The total scope of projects to be funded from Housing and Dining System Revenue Bonds is \$4,170,000. Including issue costs, debt service reserve requirements, underwriter's discount, and accrued interest, the bond issue will total approximately \$4,700,000.

Mr. Walters explained that the Series O bond issue would be used to refund a portion of Series K & L Bonds. It is anticipated that the interest rate for the Series O Bond issue will be lower and thus the University can generate some cost savings by redeeming the Series K & L Bond issues.

MOTION: Mr. Seaton moved, seconded by Mr. Caudill, that the Resolution authorizing the sale of Series N (for sprinkler system) Housing and Dining System Revenue Bonds be adopted.

VOTE: The motion carried with Mr. Hinkle voting nay. Mr. Hinkle explained that he wanted to go on record as opposing the bond issue because he did not believe the burden of paying for the sprinkler system should be placed on the students.

Dr. Eaglin stated that the institution that has students coming from the highest need area in the state would now be faced with students having some of the highest charges for living in the residence halls in the state. He said that he did not know what those charges would be, but it would be in the next budget proposal.

Mr. Dailey noted that this is for phase one and two and that there are three other phases to be funded.

MOTION: Mr. Seaton moved, seconded by Mr. Caudill, that the Resolution authorizing the sale of Series O Housing and Dining System Revenue Bonds be adopted.

VOTE: The motion carried.

Mr. Seaton moved, seconded by Ms. Pennington, that the Board appoint Brandon Fraley, Lynne Fitzgerald, and Gene Caudill to serve on a subcommittee of the Board to receive and accept bids of Morehead State University's Housing and Dining System Revenue Bonds, Series N and O. The motion carried.

Personal Service Contracts

Mr. Walters noted that there were two personal service contracts for the period October 26, 1999, through March 1, 2000. These contracts include:

- Dr. Betty Straub, Greenville, NC, to coordinate a two-year project for the Kentucky Network to reduce high-risk drinking among college students, in the amount of \$37,500 for the period November 1, 1999, to June 30, 2000.
- Sturgill, Turner, Barker & Moloney, Lexington, KY, to provide legal representation in employment law and other litigation matter, in the amount of \$30,000 for the period January 1, 2000, to June 30, 2000.

Project Status Reports

Mr. Dailey briefed the Board on several projects currently underway. These include: the West Liberty Extended Campus facility, Breckinridge Hall renovation, Northeast Regional Postsecondary Education Center, residence hall furnishings, soccer field

construction, and demolition of Lakewood Terrace units (*See Project Status Reports— VII-B-5*). In addition, he stated that the University is considering granting an easement to the Morehead Utility Plant Board for the construction of a large water tower on the northwest corner of the campus. Mr. Joe Planck, Director of Physical Plant, explained that the Utility Plant Board currently has two 150,000-gallon water tanks on the campus, and the Plant Board wants to replace these two tanks with a 750,000-gallon water tank. MSU's logo will appear on the new tank.

Also, Mr. Dailey reported that the University is in the process of replacing the artificial surface at Jayne Stadium. Currently, the University has authorization in the 2000-2002 Executive Budget to resurface the field, which was initially surfaced in 1986. It was anticipated that this project would cost the University about \$800,000 to \$1 million. However, through the efforts of MSU's coaching staff, Physical Plant staff, and Student Life staff, the University has found a product called Astroplay manufactured by Southwest Recreational Industries, Inc. that has great appeal. Since this company will install the surface during its off-season, the cost will be approximately \$538,000, which represents a 7 percent discount. As a result, the University has asked the legislature to slightly amend its authorization to allow installation this summer.

Dr. Eaglin noted that from a safety standpoint, this new surface would significantly lessen student athlete injuries. Also, he noted that one half of the cost of resurfacing the field would be provided by a friend of the University.

In response to a question on where this new artificial turf is being used, Mr. Dailey stated that it has been used on football fields for about two years and is currently being used by 20 colleges and universities.

Mr. Dailey stated that Ms. Beverly Hatfield, Director of Internal Audits, was relocating to Northern Kentucky and this would be her last Board meeting.

There being no further business to conduct, Mr. Seaton moved, seconded by Ms. Pennington, that the meeting adjourn at 11:05 a.m. The motion carried.

Respectfully submitted,



Carol Johnson, Secretary
Board of Regents

PERSONNEL ACTIONS

BOR (VII-B-1)
June 9, 2000

Background:

The Personnel Action Request Report includes actions related to:

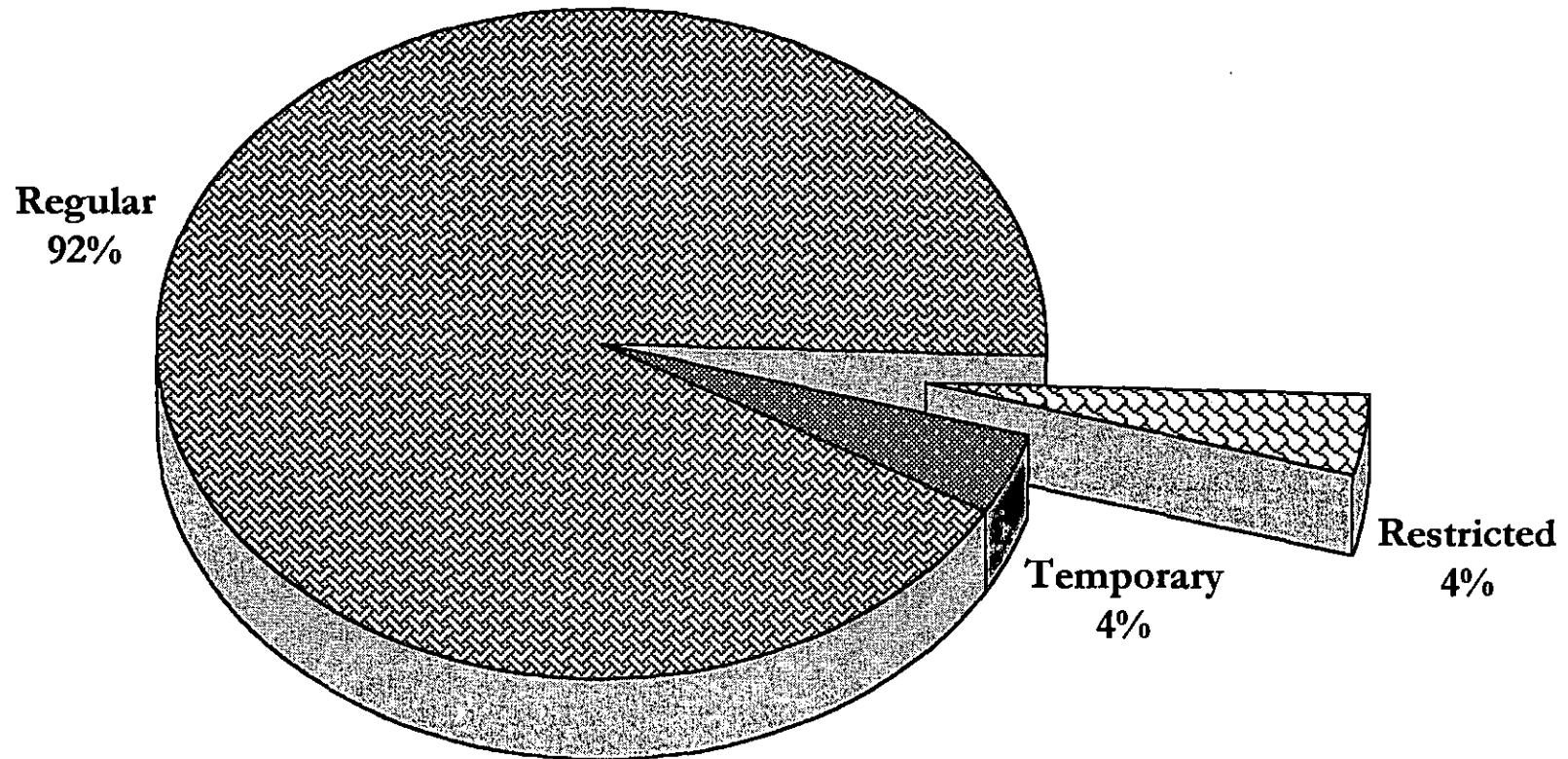
- 1) full-time and continuing part-time faculty, librarians and Executive, Administrative and Managerial employees, except supplemental actions (which had been reported in the Quarterly PAR Informational Report but discontinued at the Board of Regents meeting on September 17, 1999);
- 2) full-time and continuing part-time non-classified Executive, Administrative and Managerial and Professional Staff positions (including supplemental actions);
- 3) discipline;
- 4) leave of absences;
- 5) sabbaticals; and
- 6) retirements.

Recommendation:

That the Board ratify the Personnel Actions for the period February 21, 2000, through May 12, 2000.

PERSONNEL ACTION REQUEST

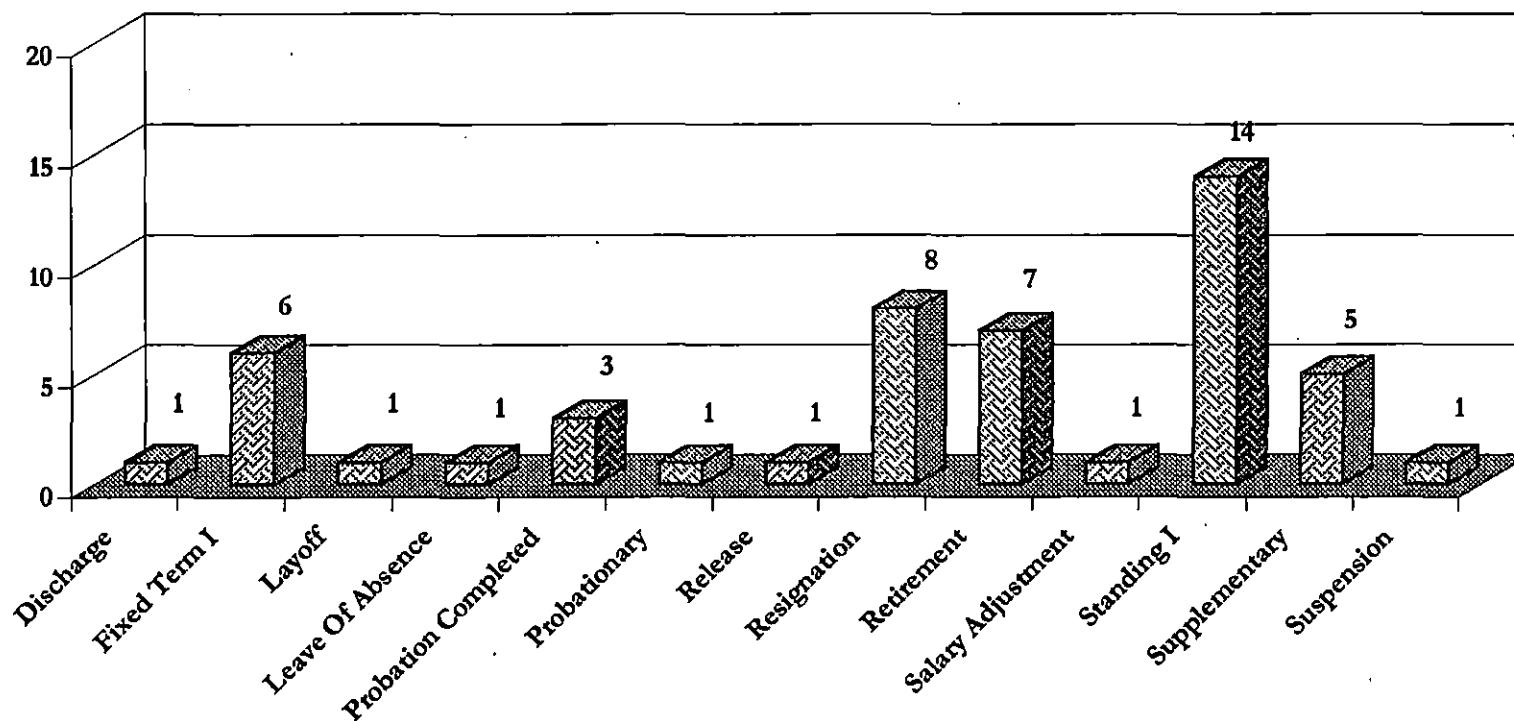
2/21/00 thru 5/12/00



Total Number of PARs = 52

PERSONNEL ACTIONS FOR STANDING I & II POSITIONS

2/21/00 thru 5/12/00

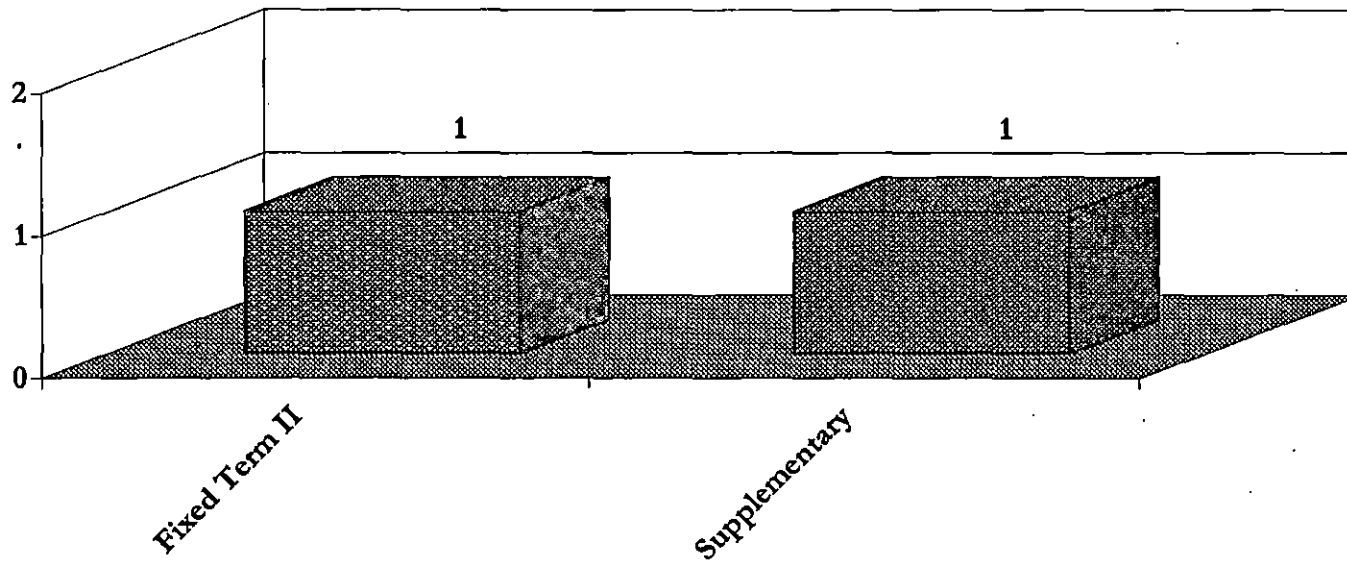


Total Number of PARs = 48

Total Number of Actions = 50

PERSONNEL ACTIONS FOR TERM APPOINTMENTS

2/21/00 thru 5/12/00

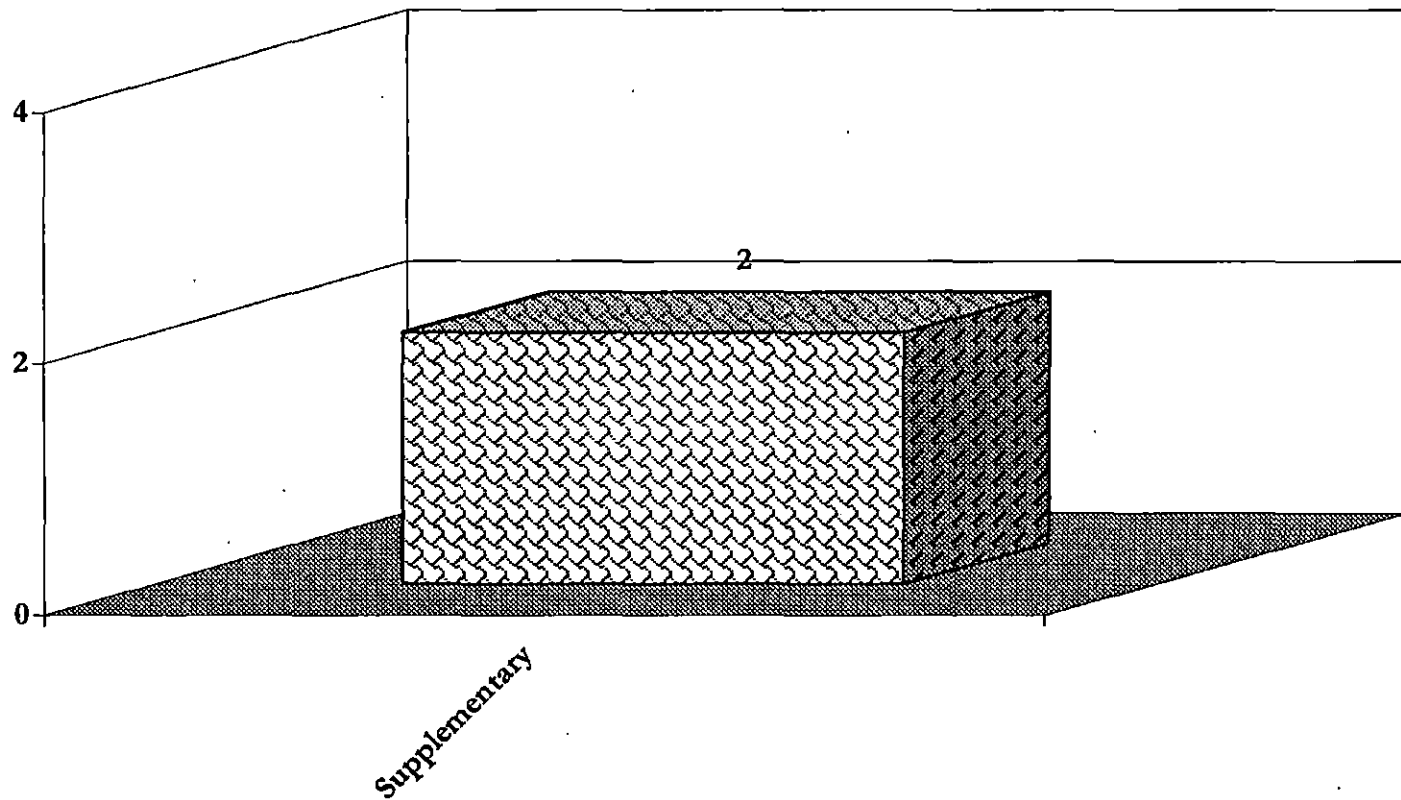


Total Number of PARs = 2

Total Number of Actions = 2

PERSONNEL ACTIONS FOR RESTRICTED APPOINTMENTS

2/21/00 thru 5/12/00



Total Number of PARs = 2

Total Number of Actions = 2

MOREHEAD STATE UNIVERSITY
STANDING I AND STANDING II POSITIONS SUMMARY
05/12/00

DEPARTMENT NAME	July 1 Authorized Positions	Current Authorized Positions	+/- Position Adjustments	Current Position Strength	% Current Strength
OFFICE OF THE PRESIDENT	18.75	18.25	-0.50	18.25	100.00
DIVISION OF UNIVERSITY RELATIONS	24.50	25.50	1.00	25.50	100.00
DIVISION OF ADMINISTRATION AND FISCAL SERVICES	110.00	110.00	0.00	104.00	94.55
PHYSICAL PLANT	153.70	155.70	2.00	144.70	92.94
DIVISION OF STUDENT LIFE	117.80	119.30	1.50	113.30	94.97
DIVISION OF ACADEMIC AFFAIRS	30.50	30.50	0.00	28.50	93.44
CAUDILL COLLEGE OF HUMANITIES	124.75	124.75	0.00	120.75	96.79
COLLEGE OF BUSINESS	50.50	50.50	0.00	47.50	94.06
COLLEGE OF EDUCATION & BEHAVIORAL SCIENCE	113.25	112.25	-1.00	94.25	83.96
COLLEGE OF SCIENCE AND TECHNOLOGY	137.02	139.10	2.08	129.60	93.17
INSTITUTE FOR REGIONAL ANALYSIS & PUBLIC POLICY	8.50	10.50	2.00	10.50	100.00
GRADUATE AND UNDERGRADUATE PROGRAMS	38.92	38.92	0.00	37.00	95.07
CAMDEN-CARROLL LIBRARY	40.00	40.00	0.00	38.50	96.25
	968.19	975.27	7.08	912.35	93.55

NOTE: Positions are expressed in terms of full-time equivalency.

DEFINITIONS OF THE DIFFERENT KINDS OF APPOINTMENTS

- Standing I:** Appointment to a continuing full-time faculty, administrative or staff (exempt or non-exempt) position. *Regular status. No ending date. Appointment may be terminated, if for cause.
- Standing II:** Appointment to a continuing part-time faculty, administrative or staff (exempt or non-exempt) position. **Non-Regular status. No ending date. Appointment may be terminated, if for cause.
- Fixed Term I:** Appointment to a full-time faculty, administrative or staff (exempt or non-exempt) position for at least six calendar months but not to exceed one year. Non-faculty appointments may be renewed from year to year. Faculty appointments may be renewed from year to year but cannot exceed five academic years. *Regular status. Terminable on specified ending date of appointment, or earlier, if for cause.
- ♂ **Fixed Term II:** Appointment to a full-time (up to six calendar months) or part-time (up to one year) faculty, administrative or staff exempt position. **Non-Regular status. Terminable on specified ending date of appointment, or earlier, if for cause.
- Supplementary:** Supplementary appointment to original employment agreement. For example, Summer I & II faculty appointments or 9 month appointment extended to 10, 11, or 12 month appointment. Also used for additional responsibilities as supplement to Standing or Fixed Term appointments. For example, an administrator teaching a class or compensation for over-the-road pay. Not to be used for regular overtime pay. A supplemental appointment does not change an employee's base pay or employment status.

* Regular status denotes an appointment of a faculty, administrative, or staff member to a full-time position, with benefits fully covered, that will exist for at least six calendar months.

** Non-Regular status denotes an appointment of a faculty, administrative, or staff member to a position that is less than full-time or is full-time for a period not to exceed six calendar months.

**THE FOLLOWING ARE TYPES OF APPOINTMENTS & PERSONNEL ACTIONS
REPORTED IN THE APPOINTMENT STATUS ACTIONS SECTION:**

DISCHARGE

RELEASE

FIXED TERM I

RESIGNATION

FIXED TERM II

RETIREMENT

LAYOFF

SALARY ADJUSTMENT

LEAVE OF ABSENCE

STANDING I

PROBATIONARY

SUSPENSION

PROBATION COMPLETED

Appointment Status Actions

02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
ADKINS, TAMATHA LYNN Building Services Technician Building Services 785 \$6.74/hr.		\$6.74/hr.	Discharge	04/18/2000	
ARNOLD, JENNIFER KAYE Librarian I Camden Carroll Library 681 \$29,000.00		\$29,000.00	Probation Completed	03/25/2000	
BARLOW, CATHY L. Dept. Chair, Elem. Read. & Spc. Elem. Read. & Spec. Education 3056 \$70,366.00		\$70,366.00	Resignation	06/30/2000	
BREEDEN, WAYNE T. Assistant Basketball Coach Men's Basketball 2219 \$42,360.00		\$42,360.00/11 mo.	Fixed Term I	04/01/2000 - 03/31/2001	
COLLINS, DAVID R. Asst. Professor Radio-TV Communications 468 \$37,123.00		\$37,123.00	Retirement	05/09/2000	

02/21/2000 - 05/12/2000

Name Title Department Roster ID Position Base Salary	Salary	Description	Effective Date	Fund Source
CONTI, DANIEL LEE WMKY General Manager WMKY 541 \$45,000.00	\$45,000.00	Probation Completed	04/15/2000	
CORLEY, DONNA JEAN Assoc. Professor of Nursing Nursing & All. Health-BSN Prog. 976 \$42,490.00	\$42,490.00	Leave of Absence (Educational leave without pay)	08/16/2000 - 12/15/2000	
CORTESE, MICHAEL J. Asst. Professor of Psychology Psychology 3216 \$37,317.00	\$38,000.00	Standing I	08/14/2000	Roster ID # 002996
DERBY, SANDRA ELIZABETH Asst. Prof. of Music Education Music 522 \$37,000.00	\$37,000.00	Standing I	08/14/2000	Roster ID # 002996
DILLON, IDA BELLE Acad. Departmental Specialist Nursing & All. Health-BSN Prog. 1785 \$12.62/hr.	\$12.62/hr.	Resignation	04/04/2000	

Appointment Status Actions

02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
DURBIN, TIMOTHY T. Assistant Professor of Music Music 514 \$33,685.00	\$35,000.00	Standing I	08/14/2000	Roster ID # 002996
ELIASON, STEPHEN L. Asst. Professor of Sociology Sociology, Soc. Work, Crim. 3210 \$35,741.00	\$36,000.00	Standing I	08/14/2000	Roster ID # 002996
FANG, NING Asst. Prof. Ind. Educ. & Tech. Ind. Educ. & Technology 268 \$57,872.00	\$38,000.00	Standing I	08/14/2000	
GRIGSBY, CORBETT Assoc. Women Basketball Coach Women's Basketball 3127 \$38,124.00	\$38,124.00/11 mo.	Fixed Term I	04/01/2000 - 03/31/2001	
HAMBRIGHT, WILLIAM GRANT Asst. Prof. Educational Admin. Leadership & Secondary Educ. 394 \$17,130.00	\$45,000.00	Standing I	08/14/2000	Roster ID # 002996

Appointment Status Actions

02/21/2000 - 05/12/2000

Name

Title

Department

Roster ID

Position Base Salary

Salary

Description

Effective Date

Fund Source

HATFIELD, BEVERLY M.
Director of Internal Audits
Office of Internal Audits
2807
\$46,541.00

\$46,541.00

Resignation

03/24/2000

HEBBLE, ROBERT L.
Asst. Professor of Mathematics
Mathematics
573
\$36,000.00

\$36,000.00

Release

05/11/2000

HOLCOMB, JASON PATRICK
Asst. Professor of Geography
Geog., Government & History
3191
\$37,110.00

\$36,000.00

Standing I

08/14/2000

JERDE, ERIC ALAN
Instructor of Geology
Physical Sciences
593
\$30,000.00

\$36,000.00

Standing I

08/14/2000

Roster ID # 002996

JOSEPH, SHERI LYNN
Assistant Professor of English
English, Foreign Lang. & Phil.
499
\$36,818.00

\$36,000.00

Standing I

08/14/2000

Appointment Status Actions

02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position	Base Salary	Salary	Description	Effective Date	Fund Source
KIDD, ROGER Building Services Technician Building Services 801 \$8.41/hr.		\$8.41/hr.	Retirement	04/28/2000	
KIFFMEYER, THOMAS JOSEPH Instructor of History Geog., Government & History 2814 \$41,425.00		\$34,000.00	Standing I	08/14/2000	
LANE, BRIAN DALE Assistant Basketball Coach Men's Basketball 2218 \$24,676.00		\$24,676.00/11 mo.	Fixed Term I	04/01/2000 - 03/31/2001	
LEE, JEANIE KATHLYN Assistant Professor of Music Music 524 \$41,665.00		\$35,000.00	Standing I	08/14/2000	
MAINS, BILLY MARVIN Maint. Technician II Building Maintenance 725 \$9.51/hr.		\$9.51/hr.	Suspension (Without pay)	01/27/2000 - 02/11/2000	

Appointment Status Actions
02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
MARTIN, C. GERALD Assistant Dean for Development & General Counsel Off. Develop. & Alum. Relation 181 \$35,493.00	\$68,250.00	Probation Completed Salary Adjustment (From \$65,000 to \$68,250. \$3,250 incr.)	02/26/2000	Opening Bud-Undist.
MARTIN, WILLIAM BRUCE Asst. Prof. of Social Work Sociology, Soc. Work, Crim. 628 \$37,606.00	\$37,606.00	Resignation	05/11/2000	
PITTS, TIMOTHY CAMERON Assoc. Professor of Geography Geog., Government & History 602 \$42,528.00	\$42,528.00	Resignation	05/11/2000	
PORTER, BETTY M. Dept. Chair, Nursing Nursing & All. Health-BSN Prog. 3063 \$68,782.00	\$68,782.00	Retirement	06/30/2000	
PORTER, NORMA A. Acad. Departmental Specialist Psychology 419 \$11.43/hr.	\$11.43/hr.	Retirement	04/28/2000	

Appointment Status Actions

02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position Base Salary Salary Description Effective Date Fund Source

RAICHLE, BRIAN WILLIAM
Assistant Professor of Physics
Physical Sciences
588
\$38,074.00

\$38,074.00

Resignation

05/10/2000

RILEY, JENNIFER L.
Secretary
Educational Services Unit
393

\$9.41/hr.

Retirement

02/29/2000

\$9.41/hr.

ROSSI, REAGAN KAY
Assistant Basketball Coach
Women's Basketball
650
\$30,499.00

\$30,499.00/11 mo.

Fixed Term I

04/01/2000 - 03/31/2001

SALE, MARTHA MARIE
Asst. Professor of Accounting
Accounting, Economics & Finan.
3239
\$61,308.00

\$61,308.00

Resignation

05/11/2000

STEPHENSON, LARRY WAYNE
Director of Student Activities
Office of Student Activities
50
\$64,808.00

\$64,808.00

Retirement

06/30/2000

02/21/2000 - 05/12/2000

Fund Source

STEVENSON, LINDA S.
Asst. Professor of Government
Geog., Government & History
2823
\$37,233.00

\$36,000.00

Standing I

08/14/2000

TACKETT, DAVID O
Maint. Technician II
Building Maintenance
731

\$11.93/hr.

Retirement

05/31/2000

55 \$11.93/hr.

TROMBINO, CYNTHIA LEE
Assistant Professor of Biology
Biological & Environmental Sci.
567
\$30,126.00

\$38,500.00

Standing I

08/14/2000

Roster ID # 002996

UECKER, JACQUELINE E.
Pool Coordinator
Swimming Pool
786
\$24,119.00

\$24,119.00

Layoff

06/30/2000

WEHNER, JAMES JOHN
Assistant Football Coach
Football
2284
\$25,455.00

\$25,455.00/annual

Fixed Term I
Probation

04/17/2000 - 12/31/2000

Appointment Status Actions

02/21/2000 - 05/12/2000

Name
Title
Department
Roster ID

Position Base Salary	Salary	Description	Effective Date	Fund Source
WHALEY, KERMIT CYRUS Dept. Chair, Nursing Nursing & All. Health-BSN Prog.	\$7,800.00	Fixed Term II	07/01/2000 - 07/31/2000	Summer School
WHALEY, KERMIT CYRUS Dept. Chair, Nursing Nursing & All. Health-BSN Prog. 3063 \$68,782.00	\$72,222.00	Standing I	08/01/2000	Roster ID # 002996
WINSTED, JOE E. Dept. Chair, Biology Biological & Environmental Sci. 558 \$65,257.00	\$65,257.00	Resignation	06/30/2000	
YAKUBU, SABO EZMUL Instructor of Biology Biological & Environmental Sci. 556 \$26,544.00	\$30,000.00	Fixed Term I	08/14/2000 - 05/09/2001	Roster ID # 002996

**THE FOLLOWING IS THE TYPE OF PERSONNEL ACTION REPORT
IN THE SUPPLEMENTAL ACTIONS SECTION:**

SUPPLEMENTARY

Total for this report = \$4,765.00

Other	\$4,765.00
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Supplemental Actions
02/21/2000 - 05/12/2000

Name
Title

Current Salary

Supplement

Description

Effective Date

Fund Source

Elem. Read. & Spec. Education

MCGHEE, CONNIE LOU	\$125.00	IECE grant	06/14/1999 - 06/30/1999	Restricted
Regional Monitoring Specialist	\$90.00	2 KTIP visits	09/20/1999 - 10/21/1999	Restricted
\$29,083.00	\$45.00	1 KTIP visit	02/01/2000 - 02/01/2000	Restricted
	\$250.00	IECE grant	01/10/2000 - 05/09/2000	Restricted
	\$250.00	IECE grant	05/10/2000 - 05/24/2000	Restricted
 TIERNEY, LELANA GRAVES	\$125.00	IECE grant	06/14/1999 - 06/30/1999	Restricted
Program Consultant	\$250.00	IECE grant	01/10/2000 - 05/09/2000	Restricted
\$32,610.00				

Sociology, Soc. Work, Crim.

HENSLEY, CHRISTOPHER LEE	\$3,000.00	Co-Project Investigator	02/15/2000 - 06/30/2000	Restricted
Dir., Inst. Correct. Training	\$400.00	Co-Project Investigator	07/01/2000 - 07/31/2000	Restricted
\$46,740.00				

Office of Continuing Education

GIFFORD, JAMES M.	\$300.00	Elderhostel Instructor	11/08/1999 - 11/12/1999	Operating Expenses
Exec. Dir., Jesse Stuart Found	\$300.00	Elderhostel Instructor	03/12/2000 - 03/17/2000	Operating Expenses
\$52,573.00				

Beg. TIP (Educat. Serv. Unit)

BLAIR, SHIRLEY S.	\$450.00	10 KTIP visits	09/22/1999 - 11/18/1999	Restricted
Dir., Educational Service Unit	\$248.00	1 KTIP visit	12/15/1999 - 12/15/1999	Restricted
\$59,000.00	\$90.00	2 KTIP visits	10/14/1999 - 11/18/1999	Restricted
	\$270.00	6 KTIP visits	01/25/2000 - 02/23/2000	Restricted

**SALE OF HOUSING AND DINING SYSTEM
REVENUE BONDS, SERIES N and O**

**BOR (VII-B-2)
June 9, 2000**

Background:

On March 22, 2000, the Board adopted resolutions authorizing the sale of Housing and Dining System Revenue Bonds, Series N and O. The proceeds from the Series N bonds will be used to install fire safety systems, make structural repairs, roof replacements, elevator repairs or upgrades, and mechanical repairs and replacements in student residence halls. The proceeds of the Series O bonds will be used to refinance portions of previously issued Series K and L bonds.

The bond sale was scheduled for May 31, 2000. The Board appointed a subcommittee consisting of Mr. Gene Caudill, Dr. Lynne Fitzgerald, and Mr. Brandon Fraley to act on behalf of the Board to review and accept the bids for the bonds. The actions of the subcommittee were to be ratified by the full Board at its first meeting following the bond sale.

Recommendation:

That the Board ratify the actions taken on May 31, 2000, by the appointed subcommittee relating to the sale of the Housing and Dining System Revenue Bonds, Series N and O.

**THIRD QUARTER FINANCIAL
REPORT AND THE 1999-2000
OPERATING BUDGET**

**BOR (VII-B-3)
June 9, 2000**

Background:

Financial Statements

Financial statements have been prepared for the third quarter ended March 31, 2000. The financial statements presented herein include the Balance Sheet (based on an entity wide perspective), the Unrestricted Current Funds Statement of Changes in Fund Balance, the Unrestricted Current Funds Statement of Educational and General Revenues, and the Statement of Auxiliary Enterprises Revenues and Expenditures.

Operating Budgets

Pursuant to the 1999-2000 Operating Budget Resolution, budget reports for revenues and expenditures are also included in the financial report. These reports include a schedule of unrestricted current funds budget amendments and a schedule of unrestricted current funds expenditure budgets. In addition, a schedule of budget transfers that exceed \$200,000 is presented herein.

Capital Outlay

As required by the 1999-2000 Operating Budget Resolution, a report on University-funded equipment purchases with an estimated cost of more than \$50,000 and University-funded capital construction projects with an estimated cost of more than \$200,000 is presented herein.

Analysis:

As of March 31, 2000, total unrestricted operating revenues and expenditures are budgeted at \$78,296,263, an increase of \$343,002 from the amended budget of \$77,953,261 approved by the Board on March 22, 2000. The majority of the increase is from budgeted fund balance, the MSU Foundation, Inc., state appropriations for nursing and allied health services, and the English Language Center.

Recommendation:

That the Board accept the third quarter financial report as presented and amend the institution's 1999-2000 Operating Budget to reflect a revised budget of **\$78,296,263** in accordance with the information provided herein.



OFFICE OF ACCOUNTING AND BUDGETARY CONTROL

207 HOWELL-MCDOWELL AD. BLDG.
MOREHEAD, KENTUCKY 40351-1689
TELEPHONE: 606-783-2019
FAX: 606-783-5011

March 31, 2000

Dr. Ronald G. Eaglin, President
Members of the Board of Regents
Morehead State University
Morehead, Kentucky 40351

Dear Dr. Eaglin and Members of the Board:

I am submitting to you the Balance Sheets - Entity Wide Perspective, for Morehead State University as of March 31, 2000 and 1999, the Unrestricted Current Funds Statement of Changes in Fund Balance, the Unrestricted Current Funds Statement of Educational and General Revenues, and the Auxiliary Enterprises Statement of Revenues and Expenditures for the nine months ended March 31, 2000.

These statements are presented on the accrual basis and are designed for internal reporting to management. They differ from the presentation required for external purposes. Accordingly, these financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,

James A. Fluty, CPA

Director of Accounting And Budgetary Control

Enclosures



www.morehead-st.edu

MOREHEAD STATE UNIVERSITY
Balance Sheets - Entity Wide Perspective
March 31, 2000 And 1999

ASSETS	<u>2000</u>	<u>1999</u>
Cash	\$25,141,047	\$22,860,555
Investments in US government obligations-at cost	7,416,454	7,684,028
Accounts Receivable	2,633,552	3,218,921
Inventories	1,710,975	1,740,973
Notes Receivable	3,524,367	3,363,967
Land, Buildings, Equipment and Library Collection- net of depreciation	<u>86,438,041</u>	<u>84,760,426</u>
TOTAL ASSETS	<u>\$126,864,436</u>	<u>\$123,628,870</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$432,005	\$2,132,095
Accrued salaries and other liabilities	643,785	436,126
Unearned revenues-state and federal grants	669,783	681,226
Deposits	326,579	353,567
Accrued vacation pay	1,569,380	1,715,516
Bonds and notes payable	<u>31,666,889</u>	<u>42,266,560</u>
Total Liabilities	<u>\$35,308,421</u>	<u>\$47,585,090</u>
Net Assets		
Capital	\$54,771,152	\$42,493,866
Non-capital		
Restricted	14,075,981	14,232,259
Non-restricted	<u>22,708,882</u>	<u>19,317,655</u>
Total Net Assets	<u>\$91,556,015</u>	<u>\$76,043,780</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$126,864,436</u>	<u>\$123,628,870</u>
ANALYSIS OF NON-RESTRICTED FUND BALANCE		
Allocations		
Working Capital		
Accounts Receivable	\$1,173,820	\$2,198,282
Inventories	1,710,975	1,740,973
Cashier's Operating Funds	105,000	105,000
Budgeted Fund Balance-Capital Projects	2,684,677	2,005,500
Budgeted Fund Balance-Non-capital Projects	<u>2,584,630</u>	<u>2,282,800</u>
Total Working Capital	<u>\$8,259,102</u>	<u>\$8,332,555</u>
Funded Reserves	<u>\$1,736,567</u>	<u>\$1,648,200</u>
Total Allocated Fund Balance	<u>\$9,995,669</u>	<u>\$9,980,755</u>
Unallocated Fund Balance	<u>12,713,213</u>	<u>9,336,900</u>
Total Unrestricted Fund Balance	<u>\$22,708,882</u>	<u>\$19,317,655</u>

See Attached Notes To Balance Sheets - Entity Wide Perspective

NOTES TO BALANCE SHEETS - ENTITY WIDE PERSPECTIVE
MOREHEAD STATE UNIVERSITY
MARCH 31, 2000 AND 1999

1. These Balance Sheets include the unrestricted current funds, restricted current funds, endowment funds, and plant funds of the University. Agency funds held for others are not included.
2. Accounts receivable are shown net of allowance for uncollectible student accounts of \$346,068 at March 31, 2000 and \$151,933 at March 31, 1999. Also included in this category is the sum of \$1,242,459 receivable from federal and state grant agencies at March 31, 2000 and \$1,029,262 at March 31, 1999.
3. Notes receivable represent balances owed the University from borrowers who have participated in the Federal Perkins Loan Program. The balance is presented net of allowance for uncollectible accounts in the amount of \$147,779 at March 31, 2000 and \$134,811 at March 31, 1999.
4. Accumulated depreciation on buildings and equipment was \$81,219,578 at March 31, 2000 and \$79,634,803 at March 31, 1999.
5. Accrued salaries and other liabilities include amounts due for withheld and matching portions of payroll taxes and estimated claims payable but unsubmitted to the University's health insurance program.
6. Unearned revenues from federal and state grants represent amounts received but not expended at the balance sheet dates.
7. Bonds and notes payable include both the current and long-term portions of amounts borrowed to finance the purchase of plant assets.
8. The capital portion of the net assets balance is the equity the University has in land, buildings, equipment, and library holdings.
9. Restricted net assets include the fund balances of the restricted current funds, endowment funds, loan funds, and expendable plant funds.

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statement of Changes in Fund Balance
For the Nine Months Ended March 31, 2000

	Opening Budget	Actual	Over (Under) Budget
REVENUES AND OTHER ADDITIONS			
Revenues			
Educational and General			
Tuition and Fees	\$22,043,700	\$20,045,293	(\$1,998,407)
Gov't Appropriations	39,326,800	31,452,664	(7,874,136)
Unrestricted Gifts	0	0	0
Indirect Cost Reimbursement	252,500	244,878	(7,622)
Sales & Services of Ed. Activities	796,200	981,707	185,507
Other Sources	1,426,000	1,356,717	(69,283)
Total Educational and General	<u>\$63,845,200</u>	<u>\$54,081,259</u>	<u>(\$9,763,941)</u>
Auxiliary Enterprises	<u>\$9,465,900</u>	<u>\$9,014,178</u>	<u>(\$451,722)</u>
Total Revenues	<u>\$73,311,100</u>	<u>\$63,095,437</u>	<u>(\$10,215,663)</u>
Other Additions			
Budgeted Fund Balance - E & G	\$3,555,700		
Budgeted Fund Balance - AUX	50,000		
Total Other Additions	<u>\$3,605,700</u>		
TOTAL FUNDS AVAILABLE	<u>\$76,916,800</u>	<u>\$63,095,437</u>	<u>(\$10,215,663)</u>
EXPENDITURES BY DIVISION			
Educational & General			
President & Administration	\$1,226,291	\$952,989	(\$273,302)
University Relations	1,147,193	890,710	(256,483)
Administration & Fiscal Services	10,249,480	8,771,905	(1,477,575)
Student Life	10,269,429	8,598,601	(1,670,828)
Academic Affairs	34,883,203	22,957,111	(11,926,092)
Other	9,388,304	3,648,267	(5,740,037)
Total Educational & General	<u>\$67,163,900</u>	<u>\$45,819,583</u>	<u>(\$21,344,317)</u>
Auxiliary Enterprises			
Administration & Fiscal Services	\$6,730,969	\$4,076,590	(\$2,654,379)
Student Life	722,147	514,980	(207,167)
Other	2,299,784	1,611,091	(688,693)
Total Auxiliary Enterprises	<u>\$9,752,900</u>	<u>\$6,202,661</u>	<u>(\$3,550,239)</u>
TOTAL EXPENDITURES	<u>\$76,916,800</u>	<u>\$52,022,244</u>	<u>(\$24,894,556)</u>
NET CHANGE IN FUND BALANCE			
REVENUES	<u>\$73,311,100</u>	<u>\$63,095,437</u>	
LESS EXPENDITURES	<u>76,916,800</u>	<u>52,022,244</u>	
	<u>(\$3,605,700)</u>	<u>\$11,073,193</u>	

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Statement of Educational and General Revenues
For the Nine Months Ended March 31, 2000

	Opening Budget	Actual	Over (Under) Budget
EDUCATIONAL AND GENERAL REVENUES			
Tuition and Fees			
Undergraduate Instate	\$14,075,600	\$12,643,959	(\$1,431,641)
Undergraduate Out-of-State	5,155,300	4,762,501	(392,799)
Graduate Instate	2,171,200	2,061,383	(109,817)
Graduate Out-of-State	459,700	415,680	(44,020)
Fees	181,900	161,770	(20,130)
Total Tuition and Fees	\$22,043,700	\$20,045,293	(\$1,998,407)
Government Appropriations			
State Appropriations	\$39,326,800	\$31,452,664	(\$7,874,136)
Unrestricted Gifts			
Private Gifts		\$0	\$0
Indirect Cost Reimbursement			
Admin. cost Reimb. - Financial Aid	\$100,000	\$64,862	(\$35,138)
Grants & Contracts - Indirect Reimb.	152,500	180,016	27,516
Total Indirect Cost Reimbursement	\$252,500	\$244,878	(\$7,622)
Sales & Services of Ed. Activities			
Athletics	\$263,000	\$233,304	(\$29,696)
EAF Support	0	164,733	164,733
English Language Center	120,700	209,296	88,596
Farm Income	80,000	54,021	(25,979)
Fees	291,500	281,123	(10,377)
Horse Sale Revenue	6,000	12,304	6,304
Institutional Foods Lab	35,000	26,926	(8,074)
Total Sales & Services of Ed. Activities	\$796,200	\$981,707	\$185,507
Other Sources			
Auto Registration & Parking Fines	\$202,000	\$181,527	(\$20,473)
Bulk Postage Revenue	50,000	38,733	(11,267)
Child Care Center	127,100	68,094	(59,006)
Continuing Education	80,000	22,479	(57,521)
Facilities Rentals	50,000	49,228	(772)
Foundation Support	30,000	22,500	(7,500)
Foundation Unbudgeted	0	138,906	138,906
Interest Income	650,000	550,671	(99,329)
Library Fees	60,000	37,614	(22,386)
Long Distance Direct Commissions	35,000	16,194	(18,806)
Sale of Surplus Property	18,000	16,450	(1,550)
Trail Blazer Advertising	20,000	21,705	1,705
Vehicle Replacement Revenue	32,000	26,702	(5,298)
Water Analysis	30,000	27,975	(2,025)
Other	41,900	137,939	96,039
Total Other Sources	\$1,426,000	\$1,356,717	(\$69,283)
TOTAL EDUCATIONAL & GENERAL REVENUES	\$63,845,200	\$54,081,259	(\$9,763,941)

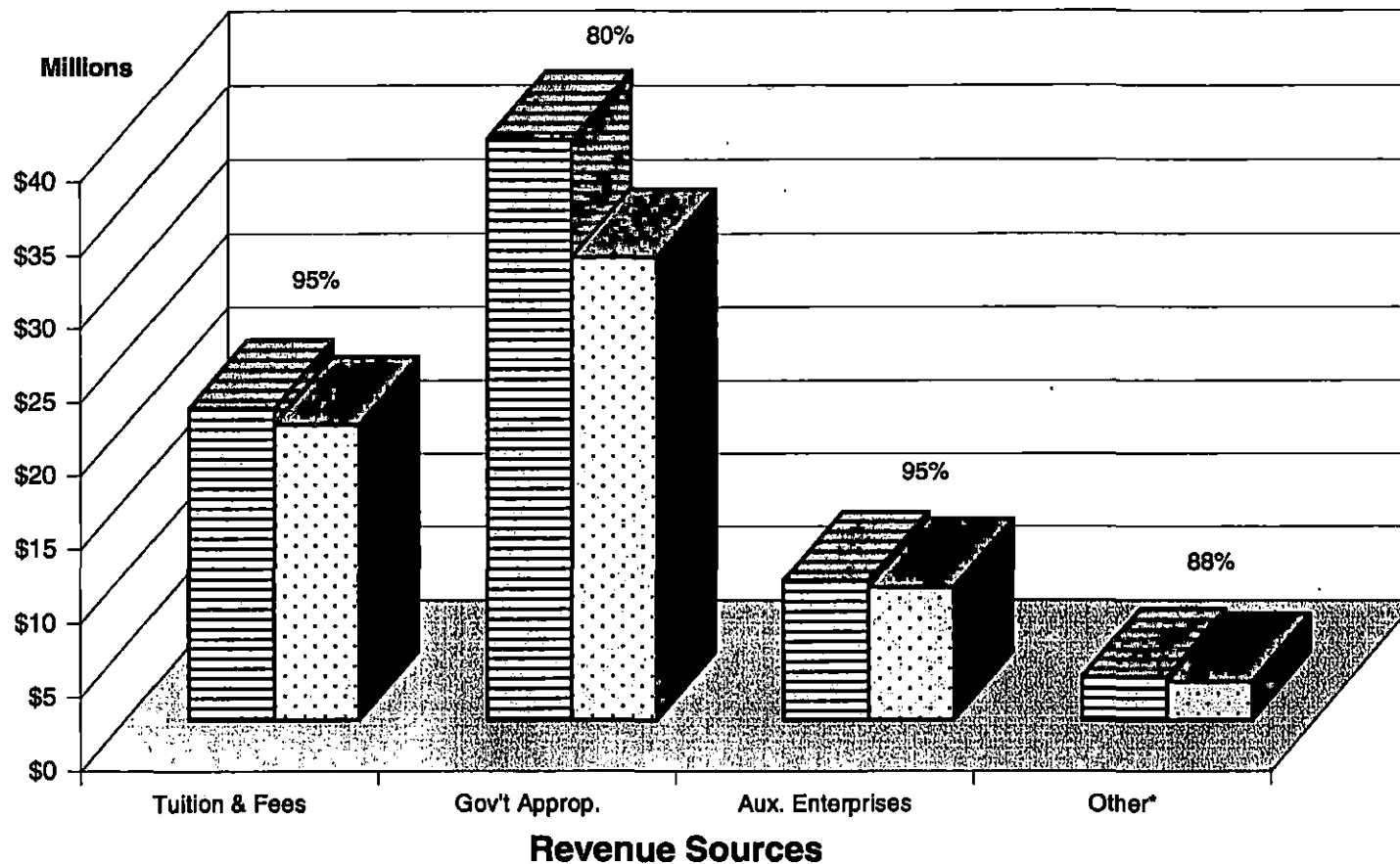
MOREHEAD STATE UNIVERSITY
Auxiliary Enterprises
Statement of Revenues and Expenditures
For the Nine Months Ended March 31, 2000

	Opening Budget	Actual
Auxiliary Enterprises:		
Revenues	\$9,515,900	\$9,014,178
Expenditures	<u>9,752,900</u>	<u>6,202,661</u>
Net Profit (Loss)	<u>(\$237,000)</u>	<u>\$2,811,517</u>
<hr/>		
Housing		
Revenues	\$5,891,300	\$5,520,296
Expenditures	<u>6,193,974</u>	<u>2,632,927</u>
Net Profit (Loss)	<u>(\$302,674)</u>	<u>\$2,887,369</u>
University Store		
Revenues	\$2,825,000	\$2,859,245
Expenditures	<u>2,589,089</u>	<u>2,727,398</u>
Net Profit (Loss)	<u>\$235,911</u>	<u>\$131,847</u>
Food Services		
Revenues	\$590,000	\$479,622
Expenditures	<u>526,486</u>	<u>551,289</u>
Net Profit (Loss)	<u>\$63,514</u>	<u>(\$71,667)</u>
Golf Course		
Revenues	\$180,000	\$132,163
Expenditures	<u>229,063</u>	<u>169,535</u>
Net Profit (Loss)	<u>(\$49,063)</u>	<u>(\$37,372)</u>
Other		
Revenues	\$29,600	\$22,852
Expenditures	<u>214,288</u>	<u>121,512</u>
Net Profit (Loss)	<u>(\$184,688)</u>	<u>(\$98,660)</u>

MOREHEAD STATE UNIVERSITY
Unrestricted Current Funds
Budget Amendments
For the Period January 1, 2000 to March 31, 2000

Description	Opening Budget	Amended Budget As Of 1/1/00	Adjustments	Amended Budget As Of 3/31/00
Revenues and Other Additions				
Tuition and Fees	\$ 22,043,700	\$ 21,186,330	\$ -	\$ 21,186,330
Government Appropriations	39,326,800	39,403,232	23,332	39,426,564
Indirect Cost Reimbursement	252,500	252,500	2,962	255,462
Sales and Services of Ed. Activities	796,200	971,735	84,344	1,056,079
Other Sources	1,426,000	1,571,937	55,284	1,627,221
Budgeted Fund Balance - E&G	3,555,700	4,341,900	(12,320)	4,329,580
Auxiliary Enterprises	9,465,900	9,465,900	9,400	9,475,300
Budgeted Fund Balance - AUX	50,000	759,727	180,000	939,727
Total Revenues and Other Additions	\$ 76,916,800	\$ 77,953,261	\$ 343,002	\$ 78,296,263
Expenditure Authorizations by Division				
Educational & General				
President & Administration	\$ 1,226,291	\$ 1,264,039	\$ 102,503	\$ 1,366,542
University Relations	1,147,193	1,360,036	5,951	1,365,987
Administration & Fiscal Services	10,249,480	11,011,751	65,515	11,077,266
Student Life	10,269,429	10,134,457	62,051	10,196,508
Academic Affairs	34,883,203	35,296,255	119,275	35,415,530
Other	9,388,304	8,366,089	(192,458)	8,173,631
Total Educational & General	\$ 67,163,900	\$ 67,432,627	\$ 162,837	\$ 67,595,464
Auxiliary Enterprises				
Administration & Fiscal Services	\$ 6,730,969	\$ 6,767,516	\$ (746)	\$ 6,766,770
Student Life	722,147	772,934	911	773,845
Other	2,299,784	2,980,184	180,000	3,160,184
Total Auxiliary Enterprises	\$ 9,752,900	\$ 10,520,634	\$ 180,165	\$ 10,700,799
Total Expenditure Authorizations	\$ 76,916,800	\$ 77,953,261	\$ 343,002	\$ 78,296,263

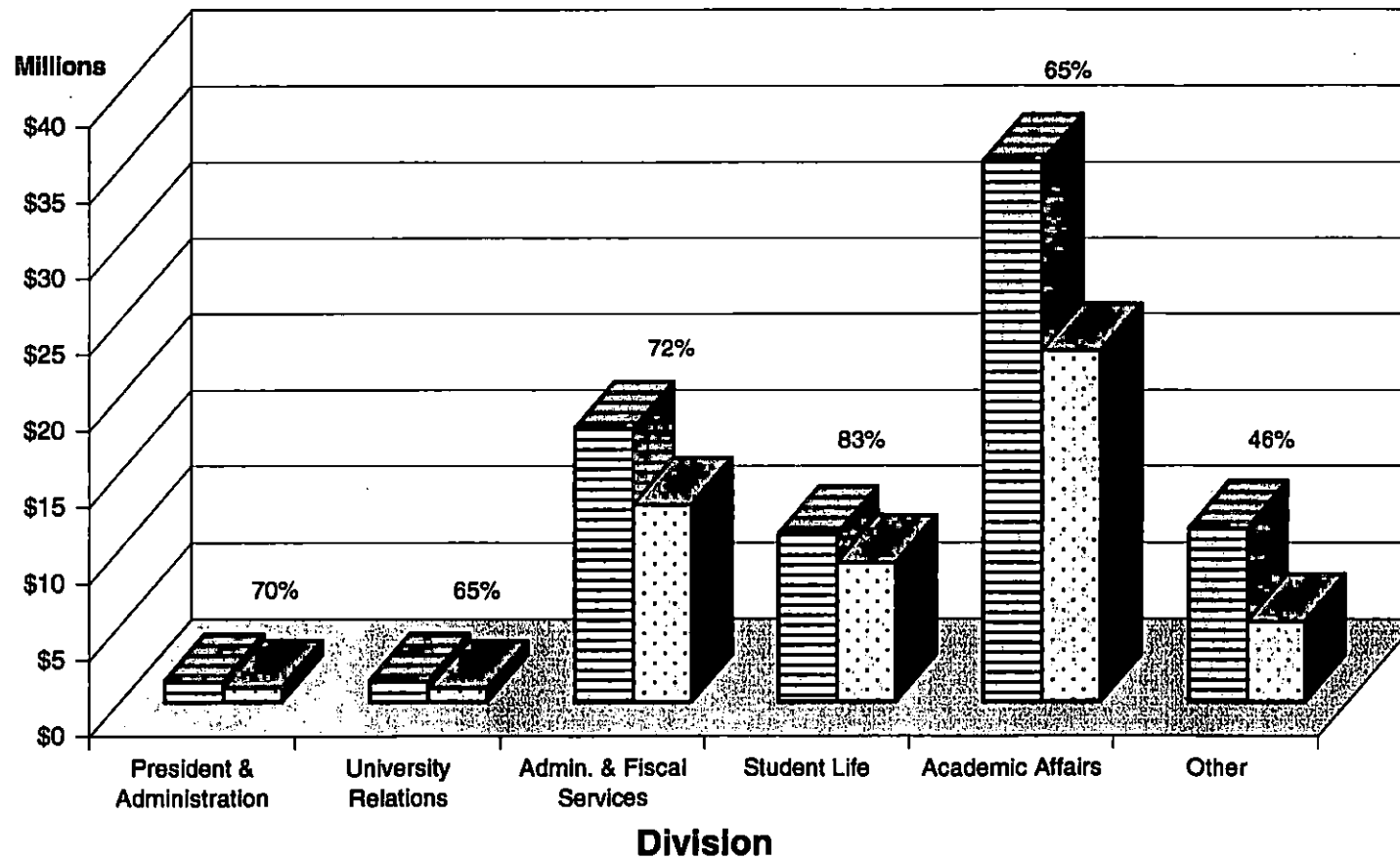
**MOREHEAD STATE UNIVERSITY
UNRESTRICTED CURRENT FUND REVENUES
For the Quarter Ended March 31, 2000**



☐ Projected FY 99-00
 ☐ Actual 03/31/2000

*Excludes Budgeted Fund Balance

**MOREHEAD STATE UNIVERSITY
UNRESTRICTED CURRENT FUND EXPENDITURES
For the Quarter Ended March 31, 2000**

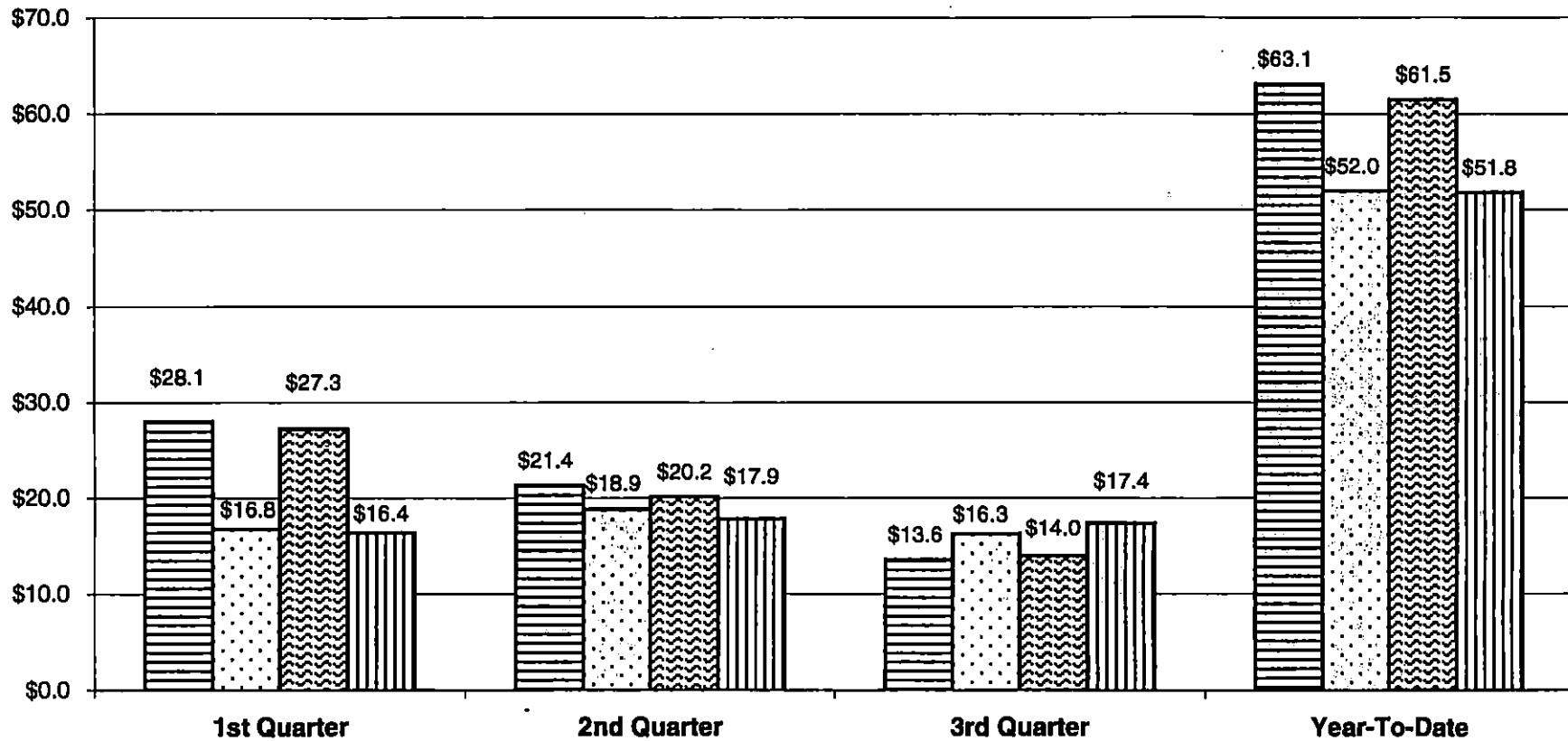


Projected FY 99-00
 Actual 03/31/2000

MOREHEAD STATE UNIVERSITY **REVENUES & EXPENDITURES BY QUARTER** **1999/00 AND 1998/99**

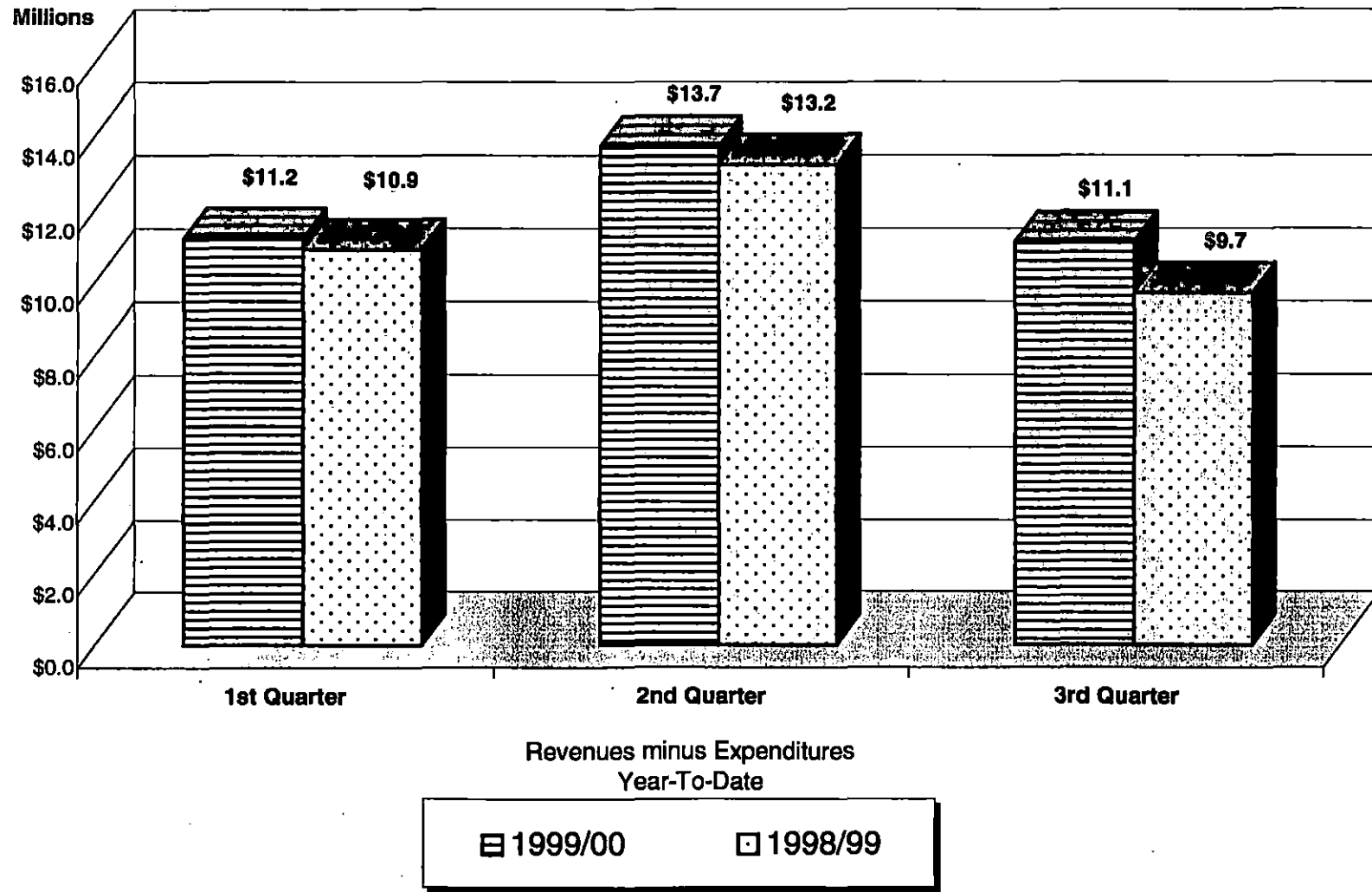
Millions

70



▨ 99/00 Revenues	▨ 99/00 Expenditures
▨ 98/99 Revenues	▨ 98/99 Expenditures

**MOREHEAD STATE UNIVERSITY
CUMULATIVE NET CHANGE IN FUND BALANCE
1999/00 AND 1998/99**



MOREHEAD STATE UNIVERSITY
FY 1999-00 Unrestricted Expenditure Report
For the Period 07/01/1999 to 03/31/2000

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DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
PRESIDENT AND ADMINISTRATION - EDUCATIONAL AND GENERAL							

BOARD OF REGENTS	\$7,890.00	\$2,000.00	\$9,890.00	25.3%	\$6,480.33	\$177.20	\$3,232.47
 PRESIDENT	\$401,342.00	\$68,987.90	\$470,329.90	17.2%	\$348,995.27	\$1,377.62	\$119,957.01
AFFIRMATIVE ACTION	23,771.00	753.98	24,524.98	3.2%	15,505.74	0.00	9,019.24
AMER. DISABILITY ACT	10,000.00	-3,207.50	6,792.50	-32.1%	1,334.70	0.00	5,457.80
CULTURAL DIVERSITY	15,000.00	-734.00	14,266.00	-4.9%	5,910.10	0.00	8,355.90
DEVELOP & ALUMNI REL	704,016.00	55,291.62	759,307.62	7.9%	524,882.19	1,529.50	232,895.93
COMM. DEVELOPMENT	64,272.00	2,158.50	66,430.50	3.4%	46,153.19	10.00	20,267.31
TEACHER EDUCATION	0.00	15,000.00	15,000.00	100.0%	3,727.44	0.00	11,272.56
 Subtotal	\$1,218,401.00	\$138,250.50	\$1,356,651.50	11.3%	\$946,508.63	\$2,917.12	\$407,225.75
 72 TOTAL PRESIDENT AND ADMINISTRATION	\$1,226,291.00	\$140,250.50	\$1,366,541.50	11.4%	\$952,988.96	\$3,094.32	\$410,458.22

MOREHEAD STATE UNIVERSITY
FY 1999-00 Unrestricted Expenditure Report
For the Period 07/01/1999 to 03/31/2000

PAGE: 2

DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
DIVISION OF UNIVERSITY RELATIONS - EDUCATIONAL AND GENERAL							
V/P UNIV RELATIONS	\$321,161.00	\$84,845.62	\$406,006.62	26.4%	\$293,368.74	\$180.00	\$112,457.88
MARKETING SUPPORT	262,873.00	62,070.52	324,943.52	23.6%	173,676.98	95,730.30	55,536.24
UNIV COMMUNICATIONS	221,906.00	23,819.84	245,725.84	10.7%	140,304.43	0.00	105,421.41
WMKY RADIO	341,253.00	48,058.08	389,311.08	14.1%	283,359.57	2,212.94	103,738.57
 TOTAL DIVISION OF UNIVERSITY RELATIONS	 \$1,147,193.00	 \$218,794.06	 \$1,365,987.06	 19.1%	 \$890,709.72	 \$98,123.24	 \$377,154.10

MOREHEAD STATE UNIVERSITY
FY 1999-00 Unrestricted Expenditure Report
For the Period 07/01/1999 to 03/31/2000

PAGE: 3

DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
DIVISION OF ADMINISTRATION & FISCAL SERVICES - EDUCATIONAL AND GENERAL							
VP ADMIN-FISCAL SERV	\$183,654.00	\$-1,917.05	\$181,736.95	-1.0%	\$127,288.62	\$720.00	\$53,728.33
BUDGETS & MNGT INFO	209,523.00	291.58	209,814.58	0.1%	140,610.24	27.60	69,176.74
FISCAL SERVICES	167,737.00	-12,705.73	155,031.27	-7.6%	100,542.78	0.00	54,488.49
ACCESS CARD SERVICES	84,957.00	0.00	84,957.00	0.0%	61,382.22	0.00	23,574.78
ACCT & BUD CONTROL	734,427.00	8,225.90	742,652.90	1.1%	545,420.08	2,450.00	194,782.82
PAYROLL	109,828.00	7,519.45	117,347.45	6.8%	89,861.85	0.00	27,485.60
POST OFFICE	99,594.00	0.00	99,594.00	0.0%	103,348.05	10.00	-3,764.05
SUPPORT SERVICES	260,519.00	5,186.28	265,705.28	2.0%	155,436.45	300.00	109,968.83
FOLK ART CENTER	207,531.00	0.00	207,531.00	0.0%	146,457.92	1,959.20	59,113.88
HUMAN RESOURCES	477,259.00	41,064.03	518,323.03	8.6%	394,642.03	2,971.85	120,709.15
CHILD CARE	127,108.00	7,000.00	134,108.00	5.5%	85,790.89	0.00	48,317.11
INFO TECHNOLOGY	1,134,917.00	85,697.85	1,220,614.85	7.6%	881,414.76	3,953.57	335,246.52
ACADEMIC COMPUTING	461,567.00	-24,865.90	436,701.10	-5.4%	295,030.02	1,293.93	140,377.15
ACAD COMP - IT ALLOC	740,000.00	0.00	740,000.00	0.0%	0.00	0.00	740,000.00
INFO TECH ALLOCATION	-940,000.00	0.00	-940,000.00	0.0%	0.00	0.00	-940,000.00
TECHNOLOGY PROJECTS	527,480.00	255,818.48	783,298.48	48.5%	509,302.71	860.00	273,135.77
TELECOMMUNICATIONS	548,415.00	21,741.44	570,156.44	4.0%	310,368.68	6,926.04	252,861.72
INTERNAL AUDITS	64,226.00	0.00	64,226.00	0.0%	45,778.14	0.00	18,447.86
STAFF CONGRESS	11,866.00	0.00	11,866.00	0.0%	5,585.42	0.00	6,280.58
Subtotal	\$5,210,608.00	\$393,056.33	\$5,603,664.33	7.5%	\$3,998,260.86	\$21,472.19	\$1,583,931.28
PHYSICAL PLANT ADMIN	\$660,124.00	\$9,488.42	\$669,612.42	1.4%	\$511,623.11	\$29,364.72	\$128,624.59
ENGINEERING SERVICES	164,265.00	0.00	164,265.00	0.0%	116,413.37	0.00	47,851.63
BUILDING MAINTENANCE	1,368,128.00	55,374.26	1,423,502.26	4.0%	988,942.15	12,750.00	421,810.11
BUILDING SERVICES	1,814,460.00	-34,354.50	1,780,105.50	-1.9%	1,165,095.84	1,758.44	613,251.22
E&G FACILITY REMODEL	105,070.00	403,940.56	509,010.56	384.4%	248,623.24	25,500.00	234,887.32
E&G FAC REMODEL 1A	0.00	489.00	489.00	100.0%	-6,694.86	0.00	7,183.86
E&G UTILITIES	993,600.00	0.00	993,600.00	0.0%	581,342.59	1,239.00	411,018.41
ENV.HEALTH & SAFETY	108,260.00	0.00	108,260.00	0.0%	74,449.08	1,257.00	32,553.92
GENERAL SERVICES	336,056.00	-28,200.00	307,856.00	-8.4%	199,631.50	0.00	108,224.50
LAND & GROUND MAINT	229,712.00	49,160.76	278,872.76	21.4%	151,004.73	32,099.93	95,768.10
MAINT ALLOCATIONS	-1,800,000.00	0.00	-1,800,000.00	0.0%	0.00	0.00	-1,800,000.00
MOTOR POOL	245,240.00	0.00	245,240.00	0.0%	141,848.86	240.00	103,151.14
PEST CONTROL	25,992.00	1,058.72	27,050.72	4.1%	17,621.26	0.00	9,429.46
POWER PLANT	724,918.00	-14,000.00	710,918.00	-1.9%	498,817.99	19,337.14	192,762.87
RECYCLING PROGRAM	46,047.00	-1,256.02	44,790.98	-2.7%	32,950.42	0.00	11,840.56

MOREHEAD STATE UNIVERSITY
 FY 1999-00 Unrestricted Expenditure Report
 For the Period 07/01/1999 to 03/31/2000

PAGE: 4

DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
COMM. RECYCLING CTR.	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
UPHOLSTERY SHOP	17,000.00	-7,000.00	10,000.00	-41.2%	1,397.00	0.00	8,603.00
WAREHOUSE	0.00	28.00	28.00	100.0%	50,578.15	26,809.42	-77,359.57
Subtotal	\$5,038,872.00	\$434,729.20	\$5,473,601.20	8.6%	\$4,773,644.43	\$150,355.65	\$549,601.12
 TOTAL ADMINISTRATION & FISCAL SERVICES	 \$10,249,480.00	 \$827,785.53	 \$11,077,265.53	 8.1%	 \$8,771,905.29	 \$171,827.84	 \$2,133,532.40

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DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
DIVISION OF STUDENT LIFE - EDUCATIONAL AND GENERAL							
VP STUDENT LIFE	\$262,989.00	\$22,508.50	\$285,497.50	8.6%	\$214,312.64	\$231.25	\$70,953.61
CHEERLEADERS	15,669.00	5,736.34	21,405.34	36.6%	20,271.01	0.00	1,134.33
COUN & HEALTH CENTER	406,817.00	4,884.23	411,701.23	1.2%	309,655.01	30,606.64	71,439.58
ADMISSIONS	664,829.00	39,003.32	703,832.32	5.9%	492,676.90	6,281.45	204,873.97
OFFICE OF FIN AID	511,851.00	28,356.35	540,207.35	5.5%	396,742.97	48.00	143,416.38
GRANTS & SCHOLARSHIP	2,694,892.00	1,730.40	2,696,622.40	0.1%	2,668,324.40	0.00	28,298.00
GRANTS & S/S-HOUSING	117,400.00	0.00	117,400.00	0.0%	107,234.68	0.00	10,165.32
INST WORKSTUDY	314,418.00	-313,114.00	1,304.00	-99.6%	0.00	0.00	1,304.00
TUITION WAIVER	902,000.00	0.00	902,000.00	0.0%	988,084.25	0.00	-86,084.25
MULTICULTURAL ST SER	164,290.00	1,751.42	166,041.42	1.1%	114,348.10	2,075.36	49,617.96
PUBLIC SAFETY	633,278.00	45,819.39	679,097.39	7.2%	479,274.46	2,846.00	196,976.93
STUDENT ACTIVITIES	640,426.00	-102,526.10	537,899.90	-16.0%	389,572.07	0.00	148,327.83
CONFERENCE SERVICES	148,499.00	762.50	149,261.50	0.5%	107,739.70	0.00	41,521.80
STUDENT DEVELOPMENT	104,557.00	-3,176.89	101,380.11	-3.0%	69,699.50	0.00	31,680.61
STUDENT WELLNESS	72,024.00	0.00	72,024.00	0.0%	53,195.65	210.00	18,618.35
DIR OF ATHLETICS	301,206.00	30,032.42	331,238.42	10.0%	220,209.91	81.00	110,947.51
SPORTS INFO DIRECTOR	120,333.00	6,891.00	127,224.00	5.7%	96,465.20	0.00	30,758.80
TRAINER	114,425.00	6,467.77	120,892.77	5.7%	95,004.98	1,836.17	24,051.62
CROSS COUNTRY	142,617.00	-605.90	142,011.10	-0.4%	102,247.42	1,411.20	38,352.48
FOOTBALL	414,169.00	18,538.65	432,707.65	4.5%	324,485.83	0.00	108,221.82
MENS BASEBALL	172,412.00	6,462.00	178,874.00	3.7%	142,133.48	4,734.20	32,006.32
MENS BASKETBALL	350,993.00	63,452.29	414,445.29	18.1%	346,378.95	210.00	67,856.34
GOLF-MEN'S	50,664.00	7,400.00	58,064.00	14.6%	44,709.50	1,055.00	12,299.50
TENNIS	124,061.00	6,497.90	130,558.90	5.2%	109,709.82	315.00	20,534.08
RIFLE	31,173.00	6,120.00	37,293.00	19.6%	31,693.35	0.00	5,599.65
BASKETBALL-WOMEN'S	371,780.00	18,568.26	390,348.26	5.0%	293,215.53	116.11	97,016.62
WOMEN'S SOCCER	89,924.00	8,702.83	98,626.83	9.7%	88,184.70	0.00	10,442.13
SOFTBALL-WOMEN'S	160,024.00	13,880.93	173,904.93	8.7%	140,222.37	5,331.40	28,351.16
VOLLEYBALL-WOMEN'S	171,709.00	2,935.76	174,644.76	1.7%	152,808.51	0.00	21,836.25
TOTAL STUDENT LIFE	\$10,269,429.00	\$-72,920.63	\$10,196,508.37	-0.7%	\$8,598,600.89	\$57,388.78	\$1,540,518.70

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DIVISION OF ACADEMIC AFFAIRS - EDUCATIONAL AND GENERAL							
EXEC VP ACAD AFFAIRS	\$380,868.00	\$-23,935.00	\$356,933.00	-6.3%	\$234,052.89	\$0.00	\$122,880.11
RETENTION	320,991.00	78,184.75	399,175.75	24.4%	306,491.67	179.09	92,504.99
FACULTY DEVELOPMENT	24,674.00	-12,207.40	12,466.60	-49.5%	6,700.67	100.00	5,665.93
FACULTY SENATE	15,122.00	0.00	15,122.00	0.0%	9,963.07	0.00	5,158.93
INST PLAN, RES & EFF	151,959.00	3,269.80	155,228.80	2.2%	109,815.50	43.20	45,370.10
LIBRARY	2,387,533.00	68,356.97	2,455,889.97	2.9%	1,826,827.56	12,205.05	616,857.36
REGISTRAR	351,658.00	330.00	351,988.00	0.1%	223,994.24	130.00	127,863.76
RES, GRANTS, CONTRACTS	283,437.00	20,816.58	304,253.58	7.3%	225,147.85	528.50	78,577.23
FACULTY RESEARCH	290,000.00	5,236.13	295,236.13	1.8%	145,217.58	382.30	149,636.25
SACS 2000	108,678.00	2,315.60	110,993.60	2.1%	60,878.72	250.00	49,864.88
SUMMER SCHOOLS	1,203,168.00	-339,474.35	863,693.65	-28.2%	5,000.00	0.00	858,693.65
UNDIST INSTRUC SUPP	1,253,670.00	-746,316.85	507,353.15	-59.5%	167,569.04	0.00	339,784.11
Subtotal	\$6,771,758.00	\$-943,423.77	\$5,828,334.23	-13.9%	\$3,321,658.79	\$13,818.14	\$2,492,857.30
CAUDIL C/HUMANITIES	\$203,440.00	\$1,094.08	\$204,534.08	0.5%	\$149,292.84	\$1,614.00	\$53,627.24
ART	636,728.00	97,314.09	734,042.09	15.3%	513,055.35	49.90	220,936.84
ART GALLERY	6,685.00	-432.22	6,252.78	-6.5%	4,130.23	0.00	2,122.55
STUDENT PUBLICATIONS	50,031.00	1,949.57	51,980.57	3.9%	39,544.61	0.00	12,435.96
COMMUNICATIONS	1,366,561.00	88,104.18	1,454,665.18	6.4%	991,175.83	400.00	463,089.35
DP ENG/FOR LANG/PHIL	1,858,992.00	213,857.14	2,072,849.14	11.5%	1,449,492.67	482.88	622,873.59
WRITING CENTER	0.00	4,104.00	4,104.00	100.0%	2,881.55	0.00	1,222.45
DEPT GEO/GOV/HISTORY	1,070,189.00	26,295.26	1,096,484.26	2.5%	739,834.36	847.00	355,802.90
MUSIC	1,398,626.00	97,203.77	1,495,829.77	6.9%	1,009,505.34	4,676.00	481,648.43
UNIVERSITY BAND	38,700.00	4,282.24	42,982.24	11.1%	34,173.26	200.00	8,608.98
Subtotal	\$6,629,952.00	\$533,772.11	\$7,163,724.11	8.1%	\$4,933,086.04	\$8,269.78	\$2,222,368.29
COL BUSINESS, DEAN	\$228,635.00	\$37,295.19	\$265,930.19	16.3%	\$197,591.54	\$1,210.00	\$67,128.65
ACCTG ECON & FINANCE	1,329,849.00	36,383.40	1,366,232.40	2.7%	929,186.08	306.00	436,740.32
INFORMATION SYSTEMS	873,847.00	174,633.03	1,048,480.03	20.0%	742,944.98	0.00	305,535.05
MANAGEMENT & MARKET	967,188.00	1,816.31	969,004.31	0.2%	639,820.69	700.00	328,483.62
VIRTUAL MBA PROGRAM	99,592.00	-669.99	98,922.01	-0.7%	60,439.74	0.00	38,482.27
CENT COM ECON DEV	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
CONT ED & CONF SERV	0.00	0.00	0.00	0.0%	0.00	0.00	0.00

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Subtotal	\$3,499,111.00	\$249,457.94	\$3,748,568.94	7.1%	\$2,569,983.03	\$2,216.00	\$1,176,369.91
COL ED & BE SCI,DEAN	\$93,522.00	\$21,664.61	\$115,186.61	23.2%	\$69,963.11	\$0.00	\$45,223.50
CLEARHOUSE SCH SERV	97,292.00	-21,599.91	75,692.09	-22.2%	5,923.11	0.00	69,768.98
ELEM READ & SPEC ED	1,751,443.00	94,637.97	1,846,080.97	5.4%	1,212,852.97	2,354.32	630,873.68
HPER	905,061.00	142,501.14	1,047,562.14	15.7%	692,112.46	2,241.12	353,208.56
INTRAMURALS	90,796.00	10,991.00	101,787.00	12.1%	68,131.29	921.17	32,734.54
SWIMMING POOL	45,095.00	3,960.00	49,055.00	8.8%	37,266.97	0.00	11,788.03
UNIV WELLNESS CENTER	183,770.00	-320.72	183,449.28	-0.2%	107,218.65	69.20	76,161.43
IN-SERVICE TEACH ED	34,736.00	-10,581.24	24,154.76	-30.5%	15,746.01	135.00	8,273.75
KEDC	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
KERA	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
LEAD. & SECOND. EDUC	1,030,347.00	86,409.80	1,116,756.80	8.4%	735,804.09	291.00	380,661.71
MILITARY SCIENCE	20,952.00	1,769.20	22,721.20	8.4%	17,552.34	0.00	5,168.86
PSYCHOLOGY	680,971.00	169,160.45	850,131.45	24.8%	598,799.73	160.00	251,171.72
SOCIOLOGY	1,118,803.00	73,358.38	1,192,161.38	6.6%	783,855.89	1,000.00	407,305.49
EDUC. SERVICES UNIT	255,325.00	2,954.06	258,279.06	1.2%	172,595.14	312.00	85,371.92
Subtotal	\$6,308,113.00	\$574,904.74	\$6,883,017.74	9.1%	\$4,517,821.76	\$7,483.81	\$2,357,712.17
COLL OF SCI & TECH	\$511,811.00	\$-6,058.20	\$505,752.80	-1.2%	\$326,826.48	\$3,081.09	\$175,845.23
AGRIC & HUMAN SCIENC	811,613.00	66,751.83	878,364.83	8.2%	586,333.24	1,594.20	290,437.39
VET TECH PROGRAM	239,484.00	7,080.69	246,564.69	3.0%	171,039.01	0.00	75,525.68
EQUESTRIAN PROGRAM	48,793.00	4,798.88	53,591.88	9.8%	45,943.48	0.00	7,648.40
UNIVERSITY FARM	232,388.00	1,136.78	233,524.78	0.5%	141,810.84	2,846.60	88,867.34
FARM MAINTENANCE	148,708.00	166.38	148,874.38	0.1%	105,294.39	72.10	43,507.89
BIOLOGY & ENV SCI	1,036,883.00	84,958.74	1,121,841.74	8.2%	760,704.90	497.70	360,639.14
WATER ANALYSIS LAB	20,022.00	9,502.00	29,524.00	47.5%	24,646.05	0.00	4,877.95
CST-MULTI MEDIA CTR	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
HUMAN SCIENCES	0.00	873.83	873.83	100.0%	853.90	0.00	19.93
DIETETICS	10,525.00	3,167.92	13,692.92	30.1%	7,790.00	0.00	5,902.92
IET	774,163.00	66,265.61	840,428.61	8.6%	575,234.81	582.79	264,611.01
MATHEMATICAL SCI	1,103,535.00	59,167.14	1,162,702.14	5.4%	830,871.90	230.75	331,599.49
NURSING-BSN	677,706.00	27,718.78	705,424.78	4.1%	396,729.67	1,139.80	307,555.31
NURSING-ADN	407,178.00	18,263.95	425,441.95	4.5%	279,888.99	602.40	144,950.56
RAD TECH PROGRAM	294,018.00	20,056.00	314,074.00	6.8%	212,134.15	665.40	101,274.45
PHYSICAL SCIENCES	1,263,091.00	27,495.70	1,290,586.70	2.2%	879,755.07	1,969.61	408,862.02
Subtotal	\$7,579,918.00	\$391,346.03	\$7,971,264.03	5.2%	\$5,345,856.88	\$13,282.44	\$2,612,124.71

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INST REG ANL PUB POL	\$950,000.00	\$-23,755.00	\$926,245.00	-2.5%	\$382,096.26	\$23,836.00	\$520,312.74
IRAPP SCHOLARSHIPS	106,550.00	0.00	106,550.00	0.0%	9,325.00	0.00	97,225.00
CORR, RES, TRAINING	96,895.00	-6,880.60	90,014.40	-7.1%	64,188.89	0.00	25,825.51
IRAPP E KY WOMEN LEA	0.00	3,500.00	3,500.00	100.0%	1,187.44	0.00	2,312.56
R&D CTR ST, SC & COM	12,100.00	0.00	12,100.00	0.0%	1,876.32	0.00	10,223.68
Subtotal	\$1,165,545.00	\$-27,135.60	\$1,138,409.40	-2.3%	\$458,673.91	\$23,836.00	\$655,899.49
UG PROGRAMS	\$221,331.00	\$2,583.50	\$223,914.50	1.2%	\$173,124.44	\$856.90	\$49,933.16
GRADUATE PROGRAMS	554,290.00	-418,968.41	135,321.59	-75.6%	93,874.56	216.54	41,230.49
ACAD SUPPORT & ECC	447,920.00	92,793.68	540,713.68	20.7%	377,740.42	1,466.50	161,506.76
ASHLAND EXT CAM CTR	147,981.00	5,616.88	153,597.88	3.8%	93,547.26	129.60	59,921.02
BIG SANDY EX CAM CTR	163,006.00	16,489.00	179,495.00	10.1%	130,652.59	400.00	48,442.41
CONTINUING EDUCATION	173,132.00	270.66	173,402.66	0.2%	92,612.69	651.83	80,138.14
ENGLISH LANGUAGE CTR	123,300.00	52,375.48	175,675.48	42.5%	105,603.72	7,042.00	63,029.76
DISTANCE LEARNING ED	251,970.00	52,641.00	304,611.00	20.9%	229,168.66	0.00	75,442.34
INTERNATIONAL EDUCAT	2,332.00	1,236.60	3,568.60	53.0%	2,687.75	93.00	787.85
HINDMAN DLS	121,704.00	-74.99	121,629.01	-0.1%	76,965.87	300.00	44,363.14
LEES DLS	33,261.00	120.00	33,381.00	0.4%	25,171.84	0.00	8,209.16
LICKING VAL EX CTR	142,286.00	7,381.74	149,667.74	5.2%	105,910.44	715.80	43,041.50
REGIONAL CAMPUS	312,814.00	-105,692.78	207,121.22	-33.8%	109,636.50	12,000.00	85,484.72
WHITESBURG DLS	8,400.00	0.00	8,400.00	0.0%	2,844.85	0.00	5,555.15
CAREER SERVICES	81,677.00	9,386.00	91,063.00	11.5%	72,319.13	0.00	18,743.87
TESTING CENTER	95,806.00	10,037.00	105,843.00	10.5%	73,572.91	237.72	32,032.37
AREA HLTH ED SYSTEM	14,645.00	0.00	14,645.00	0.0%	513.54	0.00	14,131.46
CRITICAL THINK CTR	15,557.00	0.00	15,557.00	0.0%	10,841.42	0.00	4,715.58
HONORS PROGRAM	17,394.00	23,000.00	40,394.00	132.2%	30,832.41	2,029.50	7,532.09
WOMEN'S STUDIES PROG	0.00	4,210.64	4,210.64	100.0%	2,409.89	0.00	1,800.75
Subtotal	\$2,928,806.00	\$-246,594.00	\$2,682,212.00	-8.4%	\$1,810,030.89	\$26,139.39	\$846,041.72
TOTAL ACADEMIC AFFAIRS	\$34,883,203.00	\$532,327.45	\$35,415,530.45	1.5%	\$22,957,111.30	\$95,045.56	\$12,363,373.59

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OTHER - EDUCATIONAL AND GENERAL							

ACCRUED LEAVE ADJUST	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	\$0.00
ASHLAND CTR FACILITY	103,400.00	0.00	103,400.00	0.0%	83,815.40	0.00	19,584.60
BIG SANDY CTR FAC.	203,938.00	0.00	203,938.00	0.0%	115,543.77	0.00	88,394.23
LICKING VAL CTR FAC	63,131.00	0.00	63,131.00	0.0%	55,638.36	0.00	7,492.64
CREDIT UNION	0.00	0.00	0.00	0.0%	-11.88	0.00	11.88
FAC/STAFF BENEFITS	979,131.00	-44,346.65	934,784.35	-4.5%	319,695.06	0.00	615,089.29
UNDIS ACAD SUPPORT	103,800.00	0.00	103,800.00	0.0%	0.00	0.00	103,800.00
UNDIS INSTITU SUPP	859,874.00	-188,584.83	671,289.17	-21.9%	520,499.84	47,651.55	103,137.78
E & G DEBT SERVICE	2,700,400.00	0.00	2,700,400.00	0.0%	1,046,667.65	0.00	1,653,732.35
MANDATORY TRANSFERS	1,281,646.00	20,891.00	1,302,537.00	1.6%	1,014,147.49	0.00	288,389.51
NON-MANDATORY TRANS	3,092,984.00	-1,002,632.18	2,090,351.82	-32.4%	492,271.06	0.00	1,598,080.76
 TOTAL OTHER	 \$9,388,304.00	 \$-1,214,672.66	 \$8,173,631.34	 -12.9%	 \$3,648,266.75	 \$47,651.55	 \$4,477,713.04
08 TOTAL EDUCATIONAL & GENERAL	\$67,163,900.00	\$431,564.25	\$67,595,464.25	0.6%	\$45,819,582.91	\$473,131.29	\$21,302,750.05

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DIVISION OF ADMINISTRATION & FISCAL SERVICES - AUXILIARY ENTERPRISES							
AUX FACILITY REMODEL	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	\$0.00
HOUSING LAUNDRY	12,000.00	-10,000.00	2,000.00	-83.3%	2,000.00	0.00	0.00
HOUSING TELECOMM	467,021.00	0.00	467,021.00	0.0%	301,605.24	2,140.38	163,275.38
RES HALL-BLDG SRVS	0.00	0.00	0.00	0.0%	0.00	0.00	0.00
RESIDENCE HALL-O&M	864,576.00	0.00	864,576.00	0.0%	512,046.95	43,666.85	308,862.20
AUX MAINT & IT ALLOC	2,000,000.00	0.00	2,000,000.00	0.0%	0.00	0.00	2,000,000.00
STUDENT FAM HOU-O&M	143,890.00	0.00	143,890.00	0.0%	77,562.52	0.00	66,327.48
FOOD SERVICES	60,725.00	19,000.00	79,725.00	31.3%	41,520.20	0.00	38,204.80
VENDING & CONCESSION	245,196.00	0.00	245,196.00	0.0%	158,944.24	12,275.54	73,976.22
SNACK VENDING	100,359.00	0.00	100,359.00	0.0%	60,098.90	0.00	40,260.10
GOLF COURSE	160,113.00	29,327.00	189,440.00	18.3%	153,761.66	0.00	35,678.34
UNIV CTR-O&M	88,000.00	0.00	88,000.00	0.0%	41,652.84	0.00	46,347.16
UNIVERSITY STORE	2,589,089.00	-2,526.35	2,586,562.65	-0.1%	2,727,397.98	797.00	-141,632.33
18 TOTAL ADMINISTRATION & FISCAL SERVICES	\$6,730,969.00	\$35,800.65	\$6,766,769.65	0.5%	\$4,076,590.53	\$58,879.77	\$2,631,299.35

MOREHEAD STATE UNIVERSITY
FY 1999-00 Unrestricted Expenditure Report
For the Period 07/01/1999 to 03/31/2000

PAGE: 11

DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
DIVISION OF STUDENT LIFE - AUXILIARY ENTERPRISES							
STUDENT HOUSING ADM	\$595,859.00	\$58,304.88	\$654,163.88	9.8%	\$435,120.88	\$1,304.97	\$217,738.03
UNIV CTR-BLDG SRVS	97,288.00	1,435.00	98,723.00	1.5%	70,006.22	1,832.70	26,884.08
RECREATION ROOM	29,000.00	-8,041.78	20,958.22	-27.7%	9,852.72	0.00	11,105.50
 TOTAL STUDENT LIFE	 \$722,147.00	 \$51,698.10	 \$773,845.10	 7.2%	 \$514,979.82	 \$3,137.67	 \$255,727.61

MOREHEAD STATE UNIVERSITY
FY 1999-00 Unrestricted Expenditure Report
For the Period 07/01/1999 to 03/31/2000

PAGE: 12

DESCRIPTION	OPENING BUDGET	ADJUSTMENTS	AMENDED BUDGET	PERCENT CHANGE	EXPENDITURES	ENCUMBRANCES	AVAILABLE BALANCE
OTHER - AUXILIARY ENTERPRISES -----							
ACCRUED LEAVE ADJUST	\$0.00	\$0.00	\$0.00	0.0%	\$0.00	\$0.00	\$0.00
HOUSING DEBT SERVICE	2,110,628.00	0.00	2,110,628.00	0.0%	1,304,561.92	0.00	806,066.08
AUXILIARY DEBT SER.	189,156.00	180,400.00	369,556.00	95.4%	306,498.70	0.00	63,057.30
HOUSING TRANSFERS	0.00	680,000.00	680,000.00	100.0%	30.00	0.00	679,970.00
 TOTAL OTHER	 \$2,299,784.00	 \$860,400.00	 \$3,160,184.00	 37.4%	 \$1,611,090.62	 \$0.00	 \$1,549,093.38
TOTAL AUXILIARY ENTERPRISES	\$9,752,900.00	\$947,898.75	\$10,700,798.75	9.7%	\$6,202,660.97	\$62,017.44	\$4,436,120.34
TOTAL UNIVERSITY	\$76,916,800.00	\$1,379,463.00	\$78,296,263.00	1.8%	\$52,022,243.88	\$535,148.73	\$25,738,870.39

MOREHEAD STATE UNIVERSITY
Budget Transfers Greater Than \$200,000
For the Period January 1, 2000 to March 31, 2000

From: Division/ Budget Unit	To: Division/ Budget Unit	Amount	Description
None.			

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period January 1, 2000 to March 31, 2000

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
I Equipment Purchases Greater than \$50,000			
Document Imaging Systems	\$ 110,000	March, 2000	Completed
Residence Halls Furnishings:			
Alumni Tower	412,000		In Progress
Cartmell Hall	588,000		Scheduled
Telephone Switch Replacement	1,200,000		In Design
Voice Messaging System Replacement	255,000	January, 2000	Completed
	<u>\$ 2,565,000</u>		
II Capital Construction Projects/ Land Acquisitions Greater than \$200,000			
Deferred Maintenance and Government Mandates Pool (\$1,400,000 State Matching Funds)			
Roof Replacements (LB, RA, HM, SSC)	\$ 650,000	March, 2000	Completed
Elevator Upgrades/Installation (RH, LC, CY)	350,000		In Design
Fire Alarm Upgrades/Replacement	150,000		In Progress
Mechanical System Replacements (AA, ADUC)	250,000		In Progress
Window Replacement (BM)	150,000		Scheduled
Window Replacement (CB)	300,000		In Progress
Window Replacement (LC)	150,000		In Design
Dam Restoration	800,000		In Design
	<u>\$ 2,800,000</u>		
Gas Fired Boiler Installation	\$ 380,000		Scheduled
Lakewood Terrace Family Housing Complex	\$ 4,000,000		Scheduled
MSU Network Project Phase IV (FY 99/00)	\$ 208,900		In Progress

MOREHEAD STATE UNIVERSITY
Capital Outlay Status Report
Agency Funds
For the Period January 1, 2000 to March 31, 2000

	<u>Estimated Project Scope</u>	<u>Completion Date</u>	<u>Project Status</u>
Protect Investment in Plant - Auxiliary Facilities			
Structural Repairs - Floor & Ceiling Tile, Doors/Locks, Wall Repairs (AT, CH)	\$ 801,000		In Progress
Elevator Repairs/Upgrades (ME, MW, AT)	249,000	March, 2000	Completed
Mechanical Repairs/Replacements - Cooling Tower, Fan Coils (MT, CO)	220,000		In Progress
	<u>\$ 1,270,000</u>		
Residence Halls - Sprinkler Installation & Other Fire Safety Projects			
Project II - 2000	\$ 1,580,000		In Progress
Project III - 2001	1,566,000		Scheduled
Project IV - 2002	464,000		Scheduled
Project V - 2003	812,000		Scheduled
	<u>\$ 4,422,000</u>		
	<u><u>\$ 13,080,900</u></u>		

CONTRACTS FOR BANKING SERVICES

BOR (VII-B-4)

June 9, 2000

Background:

The University is required by KRS Chapters 41 and 164A to designate depository banks for all funds collected. The method of selection of the banks is set forth in the Kentucky Model Procurement Code, KRS Chapter 45A.

Using the guidelines for competitive bidding of contracts in KRS Chapter 45A, bids for banking services were requested. As a result of that process, contracts were issued to Firststar Bank (formerly Trans Financial Bank) in Morehead for the main campus banking services, Firststar Bank in Prestonsburg for the banking services of the Big Sandy Extended Campus Center, and to the Commercial Bank in West Liberty for the Licking Valley Extended Campus Center.

These contracts covered the period from July 1, 1997, to June 30, 1998, with options to renew the contracts for four additional one-year periods. The services rendered have been in compliance with the terms of the contracts.

Bids were also requested for banking services for the Ashland Extended Campus Center. However, no bids were received from the Ashland banks. In the absence of the ability to establish a contract, the University requested bids for establishing a money market account for the Ashland Extended Campus Center. An account was established at the National City Bank for a one-year period beginning July 1, 1998, with the option to extend the account for three additional one-year periods.

Recommendation:

That the Board exercise the option to renew the banking services contracts for the period July 1, 2000 – June 30, 2001, with Firststar Bank of Morehead for the main campus banking, Firststar Bank of Prestonsburg for the Big Sandy Extended Campus Center banking, and the Commercial Bank of West Liberty for the Licking Valley Extended Campus Center, and that the Board exercise the option to continue the money market account at National City Bank for the Ashland Extended Campus Center.

**2000/2001 OPERATING BUDGET
AND FEE SCHEDULE**

**BOR (VII-B-5)
June 9, 2000**

Background:

The recommended 2000/2001 Operating Budget reflects Morehead State University's renewed strategic planning efforts to support the Council on Postsecondary Education's *2020 Vision: An Agenda for Kentucky's System of Postsecondary Education*. A budget workshop was held on April 20, 2000 with the Board of Regents. A preliminary budget was presented and discussed with an ad hoc Budget Committee. In addition, an open forum on the preliminary budget was held for all faculty and staff on May 10, 2000.

The parameters for management of the 2000/2001 Operating Budget and the related reporting requirements are specified in the Budget Adoption Resolution on pages A-6 and A-7 of the separately bound Operating Budget.

Analysis – Operating Budget:

The Council envisions a Commonwealth of Kentucky which has significantly more educated citizens, globally competitive businesses and industries, and scholars and practitioners who are among the best in the world. To achieve the vision by 2020, the Council adopted the Action Agenda 1999-2004. For Kentucky to reach national averages in college-going, retention, and graduation rates by 2020, an additional 80,000 undergraduates will be needed (a 50 percent increase).

In order to achieve this goal, the Council set intermediate enrollment, retention, and graduation goals for each public post-secondary education institution.

The recommended budget reflects the institutional priority of enrollment to achieve the Council's goals for Morehead State University. In the Fall of 1999, we experienced a 1.5 percent decline in undergraduate headcount enrollment to 6,641 students. The Council has established undergraduate headcount enrollment goals for MoSU of 7,000 by 2002 and 7,100 by 2004. To increase nonresident enrollment, the Board approved a new in-state tuition policy for students from contiguous out-of-state counties on September 17, 1999. The 2000-2001 operating budget incorporates this new policy.

The recommended operating budget is based on an undergraduate headcount enrollment of 6,665 students and a total headcount enrollment of 8,200, a slight increase from the Fall 1999 actual headcount enrollment of 8,171. However, the projected enrollment of 8,200 students is a 2.4 percent decline from the budgeted Fall 1999 headcount enrollment of 8,400 students. In order to achieve the projected headcount, we must enroll approximately 180 more first-time freshmen and/or increase our retention rates. Occupancy in the residence halls is projected at 3,040, an increase of approximately 3.1 percent from the budgeted occupancy for Fall 1999.

The proposed 2000/2001 Operating Budget totals **\$81,284,100** and reflects an increase of \$4,367,300, or 5.68 percent, from the 1999/2000 opening budget. The proposed net operating revenue increases are summarized below:

Tuition and Fees	(\$245,500)
State Appropriations (Operating & Debt Service)	999,400
Indirect & Administrative Cost Recovery	47,500
Sales & Services of Ed. Activities	64,200
Other Sources	(65,600)
Fund Balance – E&G	1,836,800
Auxiliary Enterprises	569,400
Fund Balance – Aux	<u>1,161,100</u>
Total	<u>\$4,367,300</u>

State Appropriations

The 2000 General Assembly appropriated significant non-recurring funds to Morehead State University for the 2000-2002 biennium. The University will receive \$10 million in the second year of the biennium for the Renovation of the Adron Doran University Center - Phase I project. The University also has the opportunity to match \$2.872 million from the Regional University Excellence Trust Fund Endowment Program with private funds to create and/or enhance various endowments. In addition, the University will also receive \$1.625 million for major deferred maintenance projects, subject to a \$1 for \$1 institutional match.

The state operating appropriation to MoSU will increase by \$1,561,300 to \$38,187,700. This increase includes the direct appropriation of \$200,000 for our agricultural programs and \$95,200 for our nursing and allied health services programs. We previously received these funds indirectly through other agencies.

Our direct state appropriation also includes \$905,800 for the University's program of distinction, the Instituté for Regional Analysis and Public Policy (IRAPP).. Pursuant to the Council's guidelines, the University must match these funds \$1 for \$1 from either the reallocation of existing funds or with external grants and contracts.

In accordance with the financial plan for IRAPP, the 2000/2001 operating budget reflects the recurring reallocation of \$478,300. The reallocation is comprised primarily of personnel and scholarship funds. The 2000/2001 financial plan includes matching \$150,000 of the \$905,800 designated state appropriations with university reserves to increase the Endowment for the Program of Distinction by a total of \$300,000. The Institutional Building Endowment and the Endowment for the Program of Distinction were created during 1998/1999. As of June 30, 2001, these two endowments will total at least \$3,449,600.

MoSU will also receive \$2,138,500 from the Commonwealth for debt service on Consolidated Educational Bonds. This represents a \$561,900, or a 20.81 percent, decrease from the 1999/2000 appropriation and is a result of a change by the Commonwealth in the debt service funding policy. Beginning with the 1998/2000 biennium, debt service on State authorized projects

is no longer passed on to the applicable institution. As a result, neither the debt service requirements nor the funds appropriated for the new Licking Valley Extended Campus Center facility will be passed on to the University.

Salary Increase Pool

As in the past, the President endeavored to establish the enhancement of faculty and staff compensation as a budget priority. As a result of the projected decline in budgeted headcount enrollment, a significant reallocation of funds was necessary to provide a 2.35 percent salary increase pool, which totals approximately \$926,400.

Strategic Initiatives

Due to fiscal constraints, a limited number of strategic initiatives, which were submitted through the University's Planning Committee, are recommended to be funded at this time. The strategic initiatives that have been funded include: a swim lift for disabled individuals, a new UHF radio system for Public Safety, additional operating funds for Americans with Disabilities Act related issues, computer-based closed-circuit television to enhance security in parking areas, additional operating funds for Affirmative Action programming, replacement of projectors in Lappin Hall, and partial funding of the Eagle One Card program.

Athletics

The proposed operating budget for intercollegiate athletics is in compliance with the Board's May 5, 1989 Resolution on Intercollegiate Athletics which stipulates that athletic revenues must equal at least 33 1/3 percent of athletic expenditures. In addition, the proposed operating budget also adheres to the resolution's requirement that general fund contributions to athletics not exceed 3.6 percent of the educational and general budget.

The 2000/2001 fiscal year is the fifth and final year of the MoSU Athletics Ad Hoc Long Range Planning Committee's plan to distribute football scholarship funds to other athletic programs. The remaining \$55,022 of football scholarships have been reallocated in the recommended 2000/2001 Operating Budget. The 5-year plan aggressively moves the University's athletic programs toward compliance with Title IX Federal Regulations.

Fund Balance

As detailed on the following page, \$6,603,600 has been budgeted from unrestricted fund balance to fund capital projects and operating expenditures:

Budgeted Fund Balance:

Capital Projects / Investments

IRAPP - Endowment Match	\$ 150,000
Strategic Initiatives	248,700
Capital Construction Projects	1,267,500
(Includes \$482,000 carry forward for current projects)	
Deferred Maintenance & Gov't Mandates Pools	
1998/2000 Match	700,000
2000/2002 Match	562,500
Housing Furniture	
1999/2000	412,100
2000/2001	590,000
Technology Projects	565,200
(Includes \$262,200 carry forward for current projects)	
Other	200,200
Total	<u>\$ 4,696,200</u>

Operating

IRAPP Operating Carryforwards:

1998/1999	\$ 477,100
1999/2000	448,900
Operating Carryforward	250,000
Vacancy Savings	220,000
Grants Cash Match	100,000
KTRS / KERS Sick Leave Credit (for Retirees)	100,000
Fixed-Term Programmers	76,800
Recruitment Expenditures	69,100
Other	165,500
Total	<u>1,907,400</u>

Total Budgeted Fund Balance

\$ 6,603,600**Analysis – Fee Schedule:**

A comprehensive review of University fees is conducted annually and recommended changes are presented to the Board for approval. The recommended 2000/2001 Fee Schedule is presented on pages C-1 through C-17 of the Operating Budget.

In accordance with 13 KAR 2:050, the Council on Postsecondary Education determines tuition for all students enrolled in Kentucky public postsecondary institutions. On April 12, 1999, the Council delegated this authority to the governing boards of each institution. On September 17, 1999, the Morehead State University Board of Regents approved tuition and mandatory fees for 2000/2001 and 2001/2002 and approved the new instate tuition rate for students from out-of-state contiguous counties. The two goals for the next biennium are: (1) increased nonresident enrollment, and (2) continued access to higher education for the citizens of our service region.

The approved rates reflect a three percent increase in tuition rates and mandatory student fees for each year of the 2000-2002 biennium. The 2000/2001 tuition and mandatory fees per semester for a full-time, resident student is \$1,255. The Student Activity and Services Fee (which is included in the aforementioned amount) for a full-time student follows:

Student Activity Fee	\$85.00
Athletics	50.00
Student Health Services	35.00
Computer Fee	20.00
Technology Fee	15.00
Wellness Center	<u>10.00</u>
Total	<u>\$215.00</u>

Student Housing

Morehead State University and other public postsecondary institutions have initiated multi-year plans to install sprinkler systems and upgrade other fire safety systems in student residence halls. These initiatives are primarily the result of a tragic fire at Murray State University in September 1998. As presented on page C-2 of the Fee Schedule, a \$46 surcharge is recommended to fund two of the five phases of the Fire Safety projects. This surcharge amount reflects an \$11 increase from the 1999/2000 surcharge of \$35 per semester.

The University has also identified other residence hall improvement projects including a housing furniture replacement program. In addition to the Fire Safety Surcharge increase, an average 5.79 percent increase, or approximately \$49 per semester, is recommended for all residence halls to assist in funding these initiatives and to reduce the recurring educational and general subsidy.

Recommendation:

That the Board approve the recommended 2000/2001 Operating Budget which totals \$81,284,100 and the 2000/2001 Fee Schedule.

2000/2001 PERSONNEL ROSTER**June 9, 2000****Background:**

The 2000/2001 Personnel Roster, presented with this agenda as a separately bound document, contains a listing of the recommended authorized positions as of July 1, 2000. Funding for each position listed in the roster has been provided for in the proposed 2000/2001 Operating Budget.

The personnel roster is organized by division, with exempt (salary) and non-exempt (hourly) positions listed separately. The following information is shown for each position:

Position ID number
 Employee currently holding the position
 Position title
 Appointment status if not a regular, full-time appointment
 Recommended 2000/2001 salary for the position
 Current salary for the position
 Contract months for exempt employees

Analysis:

A total of 970.27 full-time equivalent (FTE) positions are recommended for the fiscal year ended June 30, 2001. A comparison of the recommended 2000/2001 position strength by employee classification to the 1999/2000 opening and amended authorizations follows:

	Opening 1999/2000	Amended 1999/2000	Recommended 2000/2001
Faculty	345.25	344.25	342.75
Exempt Staff	281.97	292.97	292.97
Non-Exempt Staff	<u>340.97</u> <u>968.19</u>	<u>338.05</u> <u>975.27</u>	<u>334.55</u> <u>970.27</u>

A 2 percent general salary increase pool has been included in the 2000/2001 Opening Budget. In addition, \$139,800 for promotions, position reclassifications and career ladder salary adjustments has been included in the 2000/2001 Opening Budget resulting in a total salary increase pool of 2.35 percent.

Faculty and Librarians

A 2 percent general salary increase pool was distributed to faculty and librarians based on performance. Pursuant to the faculty merit system, faculty and librarians must meet minimum expectations to receive any salary increase. In addition to the 2 percent general salary increase pool, a total of 21 faculty promotions are included in the 2000/2001 Operating Budget and 2000/2001 Personnel Roster.

Exempt and Non-Exempt Staff

A 2 percent general salary increase pool for exempt and non-exempt staff is also included in the proposed 2000/2001 Operating Budget. Staff members are eligible for a 1.33 percent across-the-board salary increase and additional salary increases from a .67 percent merit pool.

In addition to the general salary increase pool, staff members may receive salary increments through position reclassifications and, in limited circumstances, career ladder programs. Twelve exempt staff members and 15 non-exempt staff members will receive salary adjustments as a result of reclassifications and 4 exempt staff members and 3 non-exempt staff members will receive salary adjustments as a result of fulfilling career ladder requirements.

Recommendation:

That the Board approve the 2000/2001 Personnel Roster.

**FINANCING FOR THE MICROCOMPUTER
LEASE/PURCHASE PROGRAM**

**BOR (VII-B-7)
June 9, 2000**

Background:

On September 17, 1993, the Board authorized the issuance of debt to support the University's microcomputer acquisition program. The authorization covered the five-year period ending June 30, 1998. The debt level for the program was not to exceed \$600,000 per fiscal year or a total of \$3,000,000 for the five-year period.

On June 2, 1998, the Board authorized the issuance of debt to begin the second, five-year acquisition cycle for the program. The debt authorization remained at the same level as the first five-year cycle and was for the period of July 1, 1998 – June 30, 2003.

The Board approved an amendment to the debt authorization for the second five-year acquisition cycle on June 4, 1999. The debt authorization was changed to not exceed \$850,000 per fiscal year or a total of \$3,400,000 for the four-year period beginning on July 1, 1999. The change allowed the University to move to a four-year replacement cycle for the microcomputers.

Analysis:

The University has financing available at attractive interest rates through the Commonwealth of Kentucky Master Lease Program. The Master Lease Program was used to finance the microcomputer acquisitions for years six and seven of the program and also to refinance the principal balances of the notes for years three, four and five at lower interest rates. Funds acquired through the Master Lease Program are provided by GE Capital Public Finance. Budgetary resources have been allocated for the existing microcomputer lease/purchase notes, as well as the additional debt planned for the 2000-2001 acquisitions.

Reimbursement Resolution:

It is likely that the University will have to pay the vendors for some or all of the microcomputers for the 2000-2001 fiscal year before the lease/purchase notes can be closed. The microcomputer lease/purchase notes cannot be closed until all units have been received from the vendor. Historically, the vendor has shipped the computers as they have been manufactured. Invoices for earlier shipments may therefore become due for payment before all units ordered have been received.

In addition, the sale of the Housing and Dining System Revenue Bonds, Series N and O may delay the closing of the loan. The bonds will have more market availability if they are

qualified for purchase by banks. In order for the bonds to be bank-qualified, the University cannot issue more than \$10 million in tax-free interest debt in the calendar year 2000. The combined total of the debt incurred with the bonds and the lease/purchase notes will exceed that limit. However, the Series O refunding bonds will be sold only if a favorable interest rate is obtained. If the Series O bonds do not sell, the bank qualification limit will not be a factor in closing the lease/purchase notes.

Since the loan closing may not coincide with the date vendors are due payment, the University may have to pay invoices and obtain reimbursement from the lease/purchase notes when the loan is closed. Arbitrage rebate regulations require that the Board declare its intent to obtain a reimbursement from loan proceeds by adopting a reimbursement resolution.

Recommendation:

That the Board authorize the University staff to secure financing for the continuation of the microcomputer acquisition program from GE Capital Public Finance in an amount not to exceed \$850,000 for the 2000-2001 fiscal year, and that the Board adopt the following reimbursement resolution:

Section 1. Recitals.

- (a) The Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the Regulations) dealing with the issuance of obligations, all or a portion of the proceeds of which are to be used to reimburse Morehead State University (the University) for project expenditures made by the University prior to the date of the issuance of the obligations.
- (b) The Regulations generally require that the University make a declaration of its official intent to reimburse itself for such prior expenditures out of the proceeds of a subsequently issued borrowing, that the borrowing occur and the reimbursement allocation be made from the proceeds of such borrowing within 18 months of the payment of the expenditure or, if longer, within 18 months of the date the project is placed in service or abandoned but in no event more than three years after the expenditure is paid, and that the expenditure be a capital expenditure.
- (b) The University has determined that it is necessary and in the best interests of the University to acquire certain microcomputers described on Schedule A hereto (the Equipment). The University intends to finance all or a portion of such equipment cost through the entering into of a lease-purchase agreement the interest on which is intended to be excludable from the gross income of the recipient for federal income tax purposes (the Lease). The University expects to make expenditures for costs relating to the Equipment after the date of this resolution (or has made such expenditure no longer than 60 days prior to the date of this resolution) and prior to the entering into of such Lease.

Section 2. Official Intent Declaration.

The University reasonably expects to reimburse the expenditures it will make or has made in the last 60 days for costs of the acquisition of Equipment out of the proceeds of the Lease to be incurred by the University in a maximum principal amount of \$850,000 after the date of payment of all or a portion of such acquisition costs. All reimbursed expenditures shall be capital expenditures as defined in Section 1.150-1 of the Regulations.

Section 3. Reimbursement Allocations.

The University's financial officer shall be responsible for making a written reimbursement allocation described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the Lease to reimburse the source of temporary financing used by the University to make payment of the prior costs of the equipment. Each allocation shall be evidenced by an entry on the official books and records of the University maintained for the Lease, shall specifically identify the actual prior expenditure being reimbursed or, in the case of reimbursement of a fund or account in accordance with Section 1.150-2, the fund or account from which the expenditure was paid. Such allocation shall be made within 30 days of the issuance of the Lease.

EASEMENTS GRANTED BY MSU**June 9, 2000****Background:**

The following easement has been granted by Morehead State University:

Granted To	Date	Location	Purpose
Morehead Utility Plant Board	05/12/00	Vicinity of Henry Ward Place cul-de-sac	Placement of a new water tank and water lines.

PERSONAL SERVICE CONTRACTS

BOR (VII-B-9)

June 9, 2000

Background:

The attached list of personal service contracts represents all such contracts issued with amounts greater than \$10,000 between March 2, 2000 and May 18, 2000.

PERSONAL SERVICE CONTRACTS

March 2, 2000 through May 18, 2000

Individual/Firm	Contract Description	Contract Beginning Date	Contract Ending Date	Contract Amount	Method of Selection
Education Development Center Newton, MA	Provide training on environmental approaches to prevention emphasizing coalitions and science based methods.	May 16, 2000	June 30, 2000	\$ 17,474.00	Reference

**MOREHEAD STATE UNIVERSITY
BOARD OF REGENTS
STUDENT LIFE AND EXTERNAL RELATIONS COMMITTEE**

June 9, 2000

9:30 a.m., Riggle Room, Adron Doran University Center, Morehead, Kentucky

AGENDA

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. APPROVE MINUTES OF NOVEMBER 12, 1999**
- IV. REPORTS**
 - A. *Report of Major Gifts Since November 12, 1999, Through May 26, 2000***
 - B. *Report of Private Giving Since July 1, 1999, Through May 26, 2000***
 - C. *Report on Endowments Matched With State Funds***
- V. OTHER BUSINESS**
- VI. ADJOURNMENT**

Reports are indicated by italics'

MINUTES

STUDENT LIFE AND EXTERNAL RELATIONS COMMITTEE

Friday, November 12, 1999

The Student Life and External Relations Committee met at 9 a.m. on Friday, November 12, 1999, in the Riggle Room of the Adron Doran University Center in Morehead, Kentucky. Chair Charles Rhodes presided.

The following members were present: Regents Madge Baird, Gene Caudill, Lynne Fitzgerald, Brandon Fraley, Sylvia Lovely, and Charles Rhodes.

Mr. Caudill moved, seconded by Dr. Fitzgerald, that the Committee approve the minutes of the September 17, 1999, meeting as distributed. The motion carried.

RECOMMENDATION: That the Board of Regents accept the six new endowments totaling \$665,000 and authorize the President to make application to the Council on Postsecondary Education to have the endowments matched on a dollar-for-dollar basis by the Regional University Excellence Trust Fund.

(List of Endowments and additional background information attached to these minutes and marked V-C-1)

Mr. Keith Kappes, Vice President for University Relations, and Dr. William Higginbotham, Special Assistant to the President and CEO of the MSU Foundation, Inc., presented a report on the endowments proposed for state matching funds. Mr. Kappes noted that the Adron Doran Endowment for Educational Leadership should be changed to \$282,628 and, further, that the name of the Martin Endowment for Human Physiology be changed to Kathy Goins Martin Endowment for Human Physiology. Mr. Kappes explained the process to qualify for the state matching funds.

MOTION: Mr. Seaton moved, seconded by Dr. Fitzgerald, that the Board accept the six new endowments totaling \$665,000 and authorize the President to make application to the Council on Postsecondary Education to have these and all future match-eligible endowments matched on a dollar-for-dollar basis from the Regional University Excellence Trust Fund.

VOTE: The motion carried.

Dr. Higginbotham reported on private gifts since September 17, 1999. The Morehead State University Foundation, Inc. has received and/or recorded \$447,190.81 in private gifts since September 17, 1999. This includes the final installment of the Curtis estate of \$372,038.48 and other contributions of \$75,152.33.

Dr. Higginbotham informed the committee of the new members of the Board of Trustees of the Foundation:

Greg Johnson
Robert Neff
Virginia Fox
Dennis Spiegel
Michael L. Barker
Greg D. Palmer
Jean Hale
Dr. James S. Davis
Glenn D. Leveridge
G. Chad Perry III
Elmer Smith
David Bolt
James H. Booth
Dr. J. David Richardson
Frank T. Welch
Robert L. Coleman

Dr. Eaglin stated that with the expanded Board, the MSU Foundation will be in better position to meet the challenge of raising more than \$5 million during the next four or five years in order to take advantage of the state matching funds.

Dr. Higginbotham invited the members of the Board of Regents to attend a social gathering with the MSU Foundation, Inc. Board on December 10 at Sheltowee Country Club. An invitation will be sent to all Board members.

Two newly appointed staff members were introduced: Dr. Jerry Martin, Assistant Dean for Development and Planned Giving Officer, and Ms. Jami Hornbuckle, Institutional Marketing Director.

Ms. Lovely stated that in talking with MSU alumni, one of the issues most often mentioned is using golf as an opportunity to raise money. She suggested that the staff look at the possibility of expanding the University's involvement in golf, perhaps similar to what the University of Kentucky and other universities have recently done. Lengthy discussion followed.

Ms. Lovely moved that the administration determine the feasibility of the University becoming more involved in the golf industry and to report the findings of all options at the next Board meeting. The motion was seconded by Ms. Baird and unanimously carried.

There being no further business to conduct, Ms. Baird moved, seconded by Mr. Caudill, to adjourn at 9:30 a.m. The motion carried.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Carol Johnson".

Carol Johnson, Secretary
Board of Regents

**REPORT OF MAJOR GIFTS SINCE
NOVEMBER 12, 1999, THROUGH MAY 26, 2000**

**BOR (VII-C-1)
JUNE 9, 2000**

The following is a list of gifts of \$10,000 or more that have been received and/or recorded since November 12, 1999, on behalf of the University in accordance with terms of the operating agreement between Morehead State University and the MSU Foundation, Inc.

<u>Amount</u>	<u>Donor(s)</u>	<u>Type or Purpose</u>
\$10,000	Del Bellew	Endowed Professorship
\$10,000	Gregory D. Palmer	Golf Scholarships
\$13,024	Thomas R. Curtis Estate	Scholarships
\$13,769	Anonymous	Gift-in-Kind (equipment)
\$15,000	Willie Blair	EAF Baseball Fund
\$25,000	James H. Booth	Research
\$25,000	Kruth Microwave Electronics Co.	Gift-in-Kind (equipment)
\$25,000	Robert L. Coleman	Endowed Professorship
\$25,000	Student Government Association	Graduate Fellowship
\$67,500	Mountain Telephone Corporation	Financial Aid
\$119,300	Lucille C. Little	Endowed Professorship
\$274,700	Lucille C. Little	Endowed Professorship
<hr/>		
\$623,293		

**REPORT OF PRIVATE GIVING SINCE
JULY 1, 1999 THROUGH MAY 26, 2000**

**BOR (VII-C-2)
JUNE 9, 2000**

Private gifts to Morehead State University totaled \$1,103,978 for this period.

**ENDOWMENTS MATCHED
WITH STATE FUNDS**

**BOR (VII-C-3)
June 9, 2000**

Background:

The 1997 Higher Education Reform Act created the **Regional University Excellence Trust Fund (RUETF)** for the purpose of establishing Programs of Distinction and for providing state matching funds in response to private support of endowed chairs, endowed professorships, endowed graduate fellowships and other endowments for comprehensive mission support at the six regional universities. The 1998 General Assembly appropriated \$10 million to the fund to match eligible endowment gifts during the 1998-2000 biennium of which \$1.475 million was designated for Morehead State University. The 2000 General Assembly appropriated an additional \$20 million to the fund, of which \$2,872,000 was earmarked for Morehead State University. As a result, the University is eligible for \$4,347,000 in state matching funds in the period ending June 30, 2002. These funds are in addition to the Institutional-Building Endowment (\$1.73 million) and the Program of Distinction Endowment (\$1.42 million) which the Board of Regents approved in 1999. Both endowments were created through a 1:1 match of state funds to institutional funds.

Thirteen academic endowments totaling \$1,267,115 have been created in the MSU Foundation, Inc., as the result of new gifts and gift pledges solicited for the purpose of qualifying for state matching funds, also on a 1:1 basis. The new endowments, combined with state matching funds, added \$2,534,230 to the University's existing endowment of \$8 million. The new endowments include:

Mick Barker Endowment for Industrial Education.....	\$ 25,000
To provide partial funding of graduate fellowships in industrial education and technology in the College of Science and Technology.	
Bertha Mills Booth Endowment for Business Research.....	125,000
To supplement institutional and external funding of applied research in regional economic development in the College of Business.	
Dr. C. Louise Caudill Endowment for Allied Health Professions.....	125,300
To support a professorship in allied health professions in the College of Science and Technology.	
Robert L. Coleman Endowment for Science Enhancement.....	125,000
To support a professorship in biology in the College of Science and Technology.	

2,925,000

500,000

Major James Scott DeHart Endowment.....	25,000
To provide partial funding of graduate fellowships on a rotating basis among the four colleges.	
Adron Doran Endowment for Educational Leadership.....	306,815
To support a professorship in the College of Education and Behavioral Sciences.	
Geoscience Endowment.....	50,000
To supplement institutional funding of instructional and research travel for faculty members and students in geoscience in the College of Science and Technology.	
Buckner & Sally S. Hinkle Endowment for Humanities... ..	130,000
To provide partial funding of visiting professorships in the Caudill College of Humanities.	
Kathy Goins Martin Endowment for Human Physiology... ..	25,000
To provide partial funding of graduate fellowships in human physiology in the College of Education and Behavioral Sciences.	
Gary North Endowment for Traditional Music... ..	25,000
To provide partial funding of a professorship in traditional music in the Caudill College of Humanities.	
Charles M. Rhodes Endowment for Science Fellowships... ..	100,000
To support graduate fellowships in biology with preference to African American students in the College of Science and Technology.	
Ruth Boggs Shannon & E. L. Shannon Endowment for Education... ..	180,000
To support a professorship in elementary education in the College of Education and Behavioral Sciences.	
Larry Stephenson SGA Endowment... ..	25,000
To provide partial funding of a graduate fellowship rotating among the four colleges of the University.	

TOTAL \$1,267,115

**EXTENSION OF CONTRACT WITH
KELLEY, GALLOWAY, AND COMPANY
FOR FISCAL YEAR 1999-2000 AUDIT**

**BOR (VII-D-1)
June 9, 2000**

Background:

KRS 164A.570 requires an annual audit to be conducted for all universities in the state system. The bylaws of the Morehead State University Board of Regents provide that the Audit Committee will review, evaluate, and recommend to the full Board a public accounting firm to perform the audit service. The accounting firm shall have been selected by a request for proposal process and engaged by issuing a personal services contract to the firm.

In February 1996, the University requested proposals from qualified public accounting firms to conduct the required audits. As a result of that process, the Audit Committee recommended and the Board appointed, the firm of Kelley, Galloway and Company, CPAs of Ashland, Kentucky to provide the audit services. The contract that was negotiated with the firm was for the fiscal year ended June 30, 1996, with options to renew the contract for four additional one-year periods. The audit fee for extension periods will be the fee quoted for the original contract adjusted by the Consumer Price Index.

The services rendered by Kelley, Galloway, and Company for the 1998-99 fiscal year were satisfactory and in compliance with the terms of the contract. The fee for the audit contract for the 1999-2000 fiscal year will be \$45,000. This represents a 3% increase from the 1998-99 contract.

Recommendation:

That the Board approve the extension of the contract with Kelley, Galloway and Company, CPAs to perform audit services for the 1999-2000 fiscal year.

**MINIMUM SCOPE OF THE
ANNUAL AUDIT**

**BOR (VII-D-2)
June 9, 2000**

Background:

The University is required to have an annual audit conducted of its financial activities. The bylaws of the Board of Regents specify that the Audit Committee will review, evaluate, advise and recommend to the full Board the minimum scope of the annual audit.

The Associate Vice President for Fiscal Services and the Director of Accounting and Budgetary Control, have outlined the scope of the audit that will comply with all local, state, and federal audit requirements. A summary of the audit scope is attached.

Recommendation:

That the Board approve the minimum scope of the University's audit for the year ending June 30, 2000.

**MOREHEAD STATE UNIVERSITY
MINIMUM SCOPE OF THE ANNUAL AUDIT
FOR THE YEAR ENDING JUNE 30, 2000**

June 9, 2000

This document outlines the minimum scope of the annual audit of Morehead State University (MSU), and any applicable related entities, to be conducted by the University's auditors (the Firm) for the year ending June 30, 2000. Additional audit requirements and procedures may be added as situations warrant.

Internal Controls

The audit will include a review and evaluation of the existing internal control structure. The evaluation will provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data for certain periods of the year.

General Purpose Financial Statements

The Firm will perform an audit of and issue its independent auditor's report on the balance sheet of MSU as of June 30, 2000 and the statements of changes in fund balances and current funds revenues, expenditures and other changes for the year then ending. The audit will be performed in accordance with generally accepted auditing standards and those principles and compliance requirements of the various accounting and auditing agencies, prescribed industry standards and governmental laws and regulations. The report will also include an independent auditor's report on supplemental information covering those supplemental schedules suggested to be reported on by the AICPA Audit Guide *Audits of Colleges and Universities*.

Federal Awards Programs

The audit will include reporting on MSU's compliance with laws and regulations and the provisions of contracts and grant agreements and its internal controls as required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The audit of MSU's Federal Awards Programs will be performed in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, the Single Audit Act Amendments of 1996, and OMB Circular A-133.

The audit will include a review and evaluation of the internal control structure to provide a basis for reliance thereon in determining the nature, timing and extent of selective audit tests to be applied to recorded transactions and data for certain periods of the year. The audit will include tests of the accounting records of MSU and other procedures considered necessary by the Firm to enable the expression of an opinion and to render the required Single Audit Act reports.

Intercollegiate Athletics Department

The Firm will perform certain agreed-upon procedures and issue a separate report covering the limited examination of the Intercollegiate Athletics Department and its related booster organization, for the year ending June 30, 2000. These procedures will be performed in accordance with the *NCAA Financial Audit Guidelines*, dated April 1989, or any subsequent revisions.

Corporation for Public Broadcasting (CPB)

The Firm will issue its independent auditor's report on the financial statements of WMKY for the year ending June 30, 2000. The audit will be performed in accordance with generally accepted auditing standards and the *Public Telecommunications Audit Guide and Requirements* as they relate to the CPB Annual Financial Report for the year ending June 30, 2000.

Compliance Report Under KRS 164A.550 to 164A.630

The Firm will also issue a separate letter covering its study of MSU's internal accounting controls and administrative control procedures considered relevant to the criteria established by the Commonwealth of Kentucky Finance and Administration Cabinet as set forth in the Cabinet's *Minimum Audit Scope for Compliance*, dated August, 1983, or any subsequent revisions.

Kentucky Folk Art Center, Inc

The Kentucky Folk Art Center, Inc. is a corporation affiliated with the University as defined in KRS 164A.610. As such, the financial statements of the Kentucky Folk Art Center, Inc. will be included in the scope of the audit, as appropriate.

Management Letter

As required by generally accepted auditing standards (*Statement on Auditing Standards No. 60*), the Firm will prepare a letter of reportable conditions noted during the audit related to inherent weaknesses of controls, procedures, policies or noncompliance with governmental laws or regulations and suggest possible improvements. The Firm will comment and discuss those or other matters with the Associate Vice President for Fiscal Services, the Director of Accounting and Budgetary Control, Internal Auditor, the Vice President for Administration and Fiscal Services, the President and the University Board of Regents. The Firm also will submit ideas or observations that will help achieve the University's objectives or improve efficiency in operations. As required by the Commonwealth of Kentucky Auditor of Public Accounts, all such matters conveyed to management will be documented in writing to be forwarded to the Auditor of Public Accounts.

Recommendations to management will be in the format prescribed by the Auditor of Public Accounts. The Firm will document the resolution status of prior year recommendations.

Closing Package

In accordance with the directive from the Commonwealth of Kentucky Auditor of Public Accounts, the Firm will provide a copy of the comprehensive financial statements and management letter to the Auditor of Public Accounts. In addition, a report issued under *Codification of Statements on Auditing Standards* AU 623.11 through 623.17 applicable to the "closing package" furnished by the University to the Finance and Administration Cabinet will be provided to the Auditor of Public Accounts by September 30, 2000. If requested by the Auditor of Public Accounts and approved by the University, all working papers prepared by the audit team will be made available for review.

Audit of Subsequent Events

In accordance with the directive from the Auditor of Public Accounts, the Firm will update the audit procedures related to events subsequent to June 30, 2000 from the last day of field work (projected for late September, 2000) to a date to be directed by the Auditor of Public Accounts. The Firm will report the results of these updated procedures in a separate letter, which shall be delivered to the Auditor of Public Accounts no later than the date to be designated.

Timing of Reports

1. Two copies of the audit report and management letter will be forwarded to the Auditor of Public Accounts no later than September 30, 2000. If desired, the Auditor of Public Accounts will be allowed access to all working papers in connection with this audit.
2. The report on MSU's financial statements is required to be delivered to the University by September 30, 2000.
3. The Firm will provide to the Auditor of Public Accounts by September 30, 2000 a confirmation of whether Agency Revenue Fund Receipts (per FAC Report 2151) and expenditures and transfers out for the General Fund and Agency Revenue Fund (per FAC Report 2120), were included in populations considered in the June 30, 2000 audit.
4. The Firm will provide a representation letter by September 30, 2000 to the Auditor of Public Accounts stating that the Firm is in compliance with generally accepted auditing standards and *Government Auditing Standards* concerning continuing education requirements, independence and peer review.
5. The Firm will notify the Auditor of Public Accounts of matters which come to its attention which may have a significant impact on the Commonwealth's financial statement.