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Board of Regents, Murray State University

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**MINUTES OF THE QUARTERLY MEETING OF THE BOARD OF REGENTS  
Murray State University  
December 4, 1998**

The Board of Regents of Murray State University met on December 4, 1998, in quarterly session in the Board of Regents Room, Wells Hall, on the campus of Murray State University. The meeting was called to order at 1:30 p.m. by Chair Sid Easley. The Board collectively expressed concern for the families of the students involved in the Hester College fire, especially Michael Minger's family. Regent Wells Lovett gave the invocation.

Upon roll call, the following members were present: Marilyn Buchanan, Olivia Burr, Lori Dial, Todd Earwood, Sid Easley, Beverly Ford, Philip Lanier, Wells Lovett, Elizabeth McCoy and James Rudolph. Absent: Tom Burich.

Others present were: Dr. Kern Alexander, President of the University; Sandra M. Rogers, Secretary to the Board; Tom Denton, Treasurer of the Board and Vice President for Administrative Services; Gary Brockway, Interim Provost and Vice President for Academic Affairs; Don Robertson, Vice president for Student Affairs; John Rall, University Counsel; members of the faculty, staff, students, news media and visitors.

**Agenda**

The following agenda for the meeting was presented:

**AGENDA  
Meeting of the Board of Regents  
Murray State University  
December 4, 1998  
1:30 p.m.**

1. Roll Call
2. Minutes of the Board of Regents Quarterly Meeting held on September 11, 1998 Dr. Alexander
3. Report of the President Dr. Alexander
4. Report of the Chairman Mr. Easley
5. Report of the Treasurer Mr. Denton  
(Financial and Investment Reports for the period of July 1, 1998, through September 30, 1998)
6. Report of the Dean of Admissions and Registrar (December 11, 1998 graduates) Dr. Alexander
7. Personnel Changes Dr. Alexander
  - A. Staff Leaves of Absence Without Pay
  - B. Sabbatical Leave
  - C. Public Service Leave Extended
  - D. Recommendation on Appointment of Associate Attorney
  - E. Military Leave
8. Committee Reports/Recommendations
  - A. Academic Affairs Mr. Lovett
  - B. Athletic Mrs. Ford
  - C. Buildings and Grounds Mr. Burich
  - D. Development/Investments Mr. Lovett
  - E. Equal Opportunity/Affirmative Action Mrs. Burr
  - F. Faculty/Staff Affairs Mr. Lanier

G. Finance/Audit  
 H. Governmental Relations  
 I. Student Life

Mr. Easley  
 Mrs. McCoy  
 Mr. Earwood

9. Appointments to the University Student Appeals Board

Dr. Alexander

Minutes of the Quarterly Meeting of the Board of Regents held on September 11, 1998, approved

Mr. Lanier moved that the Minutes of the quarterly meeting held on September 11, 1998, of the Board of Regents be approved as presented. Mrs. Ford seconded and the motion carried.

Report of the Chair

Chair Easley commended the University on the good comments received by the TAC/ABET Engineering and Technology accreditation team on November 17, 1998. Mr. Easley attended the meetings on behalf of the President, who was in Frankfort meeting with the Governor.

He further commended Dr. James Willis on his book on Arkansas in the Civil War.

Report of the Treasurer

Treasurer Tom Denton presented and reviewed the financial and investment reports for the period of July 1, 1998, through September 30, 1998. Following a brief discussion, Mrs. McCoy moved, seconded by Mr. Lanier, that the Treasurer's Report be accepted. Motion carried.

(See Attachments #1 and #2)

Report of the Dean of Admissions and Registrar

Dr. Rudolph moved that upon the completion of all requirements, individuals recommended by the Dean of Admissions and Records be awarded the respective degrees effective December 11, 1998. Mrs. Burr seconded and the motion carried.

(See Attachment #3)

Personnel Changes, approved

Staff Leaves of Absence Without Pay, approved

Mrs. Dial moved that the Board of Regents, upon the recommendation of the President of the University, approve the Staff Leaves of Absence without Pay as listed below:

<u>Name</u>	<u>Dept.</u>	<u>Effective Date</u>
Alswager, Gerald	Food Services	8/26/98--12/31/98
Buchanan, Kristie	Institutional Planning	12/1/98--6/30/99
Darnell, Claudene	Facilities Management	8/29/98--12/18/98
Higgins, Melissa	University Libraries	9/11/98--10/23/98
Jones, Sarah	Information Systems	11/3/98--11/15/98
Karnes-Denton, Barbara	Food Services	9/1/98--9/13/98
Lax, Barbara	Information Systems	8/1/98--10/31/98
Miner, Angela	Academic Computing	8/26/98--10/5/98
Paschall, Kimberly	Health Services	10/3/98--10/19/98
Powell, LaSenna	Career Services	9/25/98--10/19/98
Prescott, Vicki	Facilities Management	7/30/98--11/20/98
Russell, Sharon	Athletics	10/1/98--1/31/99
Shields, Michael	West KY Expo Center	8/8/98--12/31/98

Mr. Lanier seconded and motion passed.

Sabbatical Leave, approved

Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, approve a sabbatical leave to Coy Harmon, University Libraries, effective 1/1/99--5/31/99, at full salary.

Mrs. Ford seconded and the motion carried.

Public Service Leave of Absence Without Pay, extended

Mrs. McCoy moved that the Board of Regents, upon the recommendation of the President of the University, approve the extension of the Public Service Leave of Absence Without Pay for Viola Miller, Professor, Department of Special Education, effective 1/1/99--12/31/99.

Mrs. Buchanon seconded and the motion carried.

Associate Attorney, Office of General Counsel, appointed

Mrs. Buchanon moved that the Board of Regents, upon the recommendation of the President of the University, approve the appointment of Ms. Teresa Moss Groves as Associate Attorney, Office of General Counsel, effective November 2, 1998, at a fiscal year salary of \$45,000.

Mrs. Ford seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lanier, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

Ms. Groves was introduced.

Military Leave of Absence Without Pay, approved

Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, approve a Military Leave of Absence Without Pay for Dr. Chekita Hall, Assistant Professor of English, for the period August 1, 1998, through May 31, 1999.

Mrs. Buchanon seconded and the motion carried.

Committee Reports

## A. Academic Affairs - Mr. Lovett.

The following recommendations were presented by Mr. Lovett on behalf of the Academic Affairs Committee.

International Cooperative Relationships

Mr. Lovett moved that the Board of Regents, upon the recommendation of the Board of Regents, accept the following list of international cooperative relationships:

Australia	University of Southern Queensland
Belize	University College of Belize
	Belize Teachers College
China	Yunnan Normal University
	Central University of Finance and Economics (Beijing)
Costa Rica	Technological Institute of Costa Rica
England	University of Sunderland
Finland	Tampere University of Technology
France	University of Burgundy
Germany	University of Regensburg
Japan	Kansai University of Foreign Studies
Kenya	Kenyatta University
Korea	Taegu University
	Korea University
	Kyungbuk Women's Foreign Language College (w.E.L.I.)

	Chosen University
	Dongshin University
Panama	IFARHU
Poland	University of Mining and Metallurgy
Russia	Rostov State University

Mrs. McCoy seconded and the motion carried.

Changes in Program Inventory, approved

Mr. Lovett moved that the Board of Regents, upon the recommendation of the President of the University, approve the deletion of the BSB and BAB degrees in Office Systems. Dr. Rudolph seconded and the motion carried.

Mr. Lovett moved that the Board of Regents, upon the recommendation of the President of the University, approve changing the name of the Minor in Computer Data Processing to Minor in Computer Information Systems. Mrs. Ford seconded and the motion carried.

B. Athletic - Mrs. Ford. No report.

C. Buildings and Grounds - Mrs. Ford (in absence of Mr. Burich).

Hopkinsville Facility

President Alexander reviewed the Hopkinsville facility pointing out that Murray State is the west regional comprehensive university in Kentucky and one of our most important locations is Hopkinsville and Christian County. The Governor of the state of Kentucky at the last legislative session said that he wanted our comprehensive universities to be access institutions, that they should provide access throughout their region and that he would facilitate the access by having us to establish centers in the major locations throughout our region. We proposed that in our budget that the Board approved to go to the Council on Postsecondary Education and then subsequently to the legislature during the last session. We were the only regional university that proposed a regional center and we proposed a regional center at Hopkinsville.

Early in the session when the bill was still in the House Appropriations Committee, that provision was deleted by forces unknown to us. With the assistance of Senator Joey Pendleton from Hopkinsville, Speaker of the House Jody Richards, Harry Moberly, chairman of the Appropriations Committee in the House, the provision was reinstated. The legislators and President Alexander met with Governor Patton and he assured Murray State that the facility would be Murray State's, "lock, stock and barrel." The Governor then extended centers to the other regional universities. We are pleased that that Center was approved by the legislature.

The Governor recently came to Hopkinsville and presented a check to the chairman of the Board of Regents at Murray State University for \$6.65 million to establish our new Center at Hopkinsville. Since that time and actually prior to the time of the delivery of this check, we instituted several activities in Hopkinsville. We asked the Community College and the Technical School to work closely with us in planning a new facility. Community leaders were asked to work closely with us in deciding where the site should be located for the new Center in Hopkinsville. President Alexander introduced Mayor Wally Bryan of Hopkinsville and expressed appreciation for his assistance.

Mayor Bryan expressed appreciation for the connection between Hopkinsville and Murray, pointing out that Hopkinsville has been determined to get a four-year university in Hopkinsville. The new MSU building will make the four-year degree program possible in Hopkinsville.

President Alexander introduced Bob Freeman, a businessman, banker, business leader in Fort Campbell and Hopkinsville and President of the Murray State Alumni Association this year. Mr. Freeman helped in planning the Hopkinsville Center.

Mr. Freeman expressed appreciation for the new MSU facility to be built in Hopkinsville.

Dr. Alexander stated that the issue is not simply to go to Hopkinsville or to have more students, our expectation of the Kentucky taxpayer is that we expand access and expand educational opportunities and that we serve the state of Kentucky. Moreover, it's to strengthen the economic development of Kentucky by attracting human capital; not allowing our human capital in which we have made investments to go to other states. Today, 500 students in Hopkinsville go to Austin Peay, south to Tennessee, they'll stay in Clarksville; they will go to Nashville, we will lose that investment that we have made in their elementary and secondary education. The opportunity for Murray State to be in Hopkinsville and to attract those students is an opportunity to prevent the exodus of brain power from Kentucky.

Dr. John Yates, MSU Dean of Continuing Education and Academic Outreach, worked closely with Janet Smith of Hopkinsville Community College and Dennis Parsons of the Technical School to decide what should be in a facility of this type. A survey of students and business leaders in the Hopkinsville area was conducted and the survey indicated the educational needs from the students' perspective and the employers' perspective. MSU has fulfilled the statutory requirements with the needs perspective. Something that we have discovered in this process is that Hopkinsville, Christian County; Montgomery County, Tennessee; and Clarksville is a Standard Metropolitan Statistical Area (SMSA) of 190,000 people, which is a major source of education in Kentucky.

In conducting the survey and looking at the ten-year projections, the results showed that the Hopkinsville campus of Murray State University could enroll 3,000 to 4,000 students in upper-division and graduate programs. It would be a major addition to Murray State University. Murray State University would gain great strength from the synergy between the MSU Hopkinsville campus and the main campus in Murray. It would have buildings based on the needs that we would find as we open these educational programs. A second part of the statutory requirements, the appropriation language, says that we should decide where to locate that facility. We conducted not only the needs assessment but also a review of the economic population transportation patterns, the demographic circumstances of Hopkinsville and Christian County, and we found that the facility should be located where the people are and it should be located where it is most accessible to the people. Now there are good educational advocates in Hopkinsville who viscerally said put it on the Community College campus. We looked at that as a possibility. The Community College is located in the north part of the town and it has a restricted campus in terms of expansion. We looked at the population of traffic patterns, the new bypass Eagle Way goes around to the south. The people are moving to the south. The Hopkinsville Planning Commission, which we have quoted in the report, indicates that the growth is going to be south toward Fort Campbell and toward Clarksville, Montgomery County. The conclusion of this report was that we should have a facility in the south, southwest quadrant of the city and the county. Now, we felt that we should have maximum input from the community, Hopkinsville community, even though this money is given to Murray State, it's a Hopkinsville project for us, it's our campus, our Center.

Regent Elizabeth McCoy of Hopkinsville requested that President Alexander meet with the Planning Commission. Mrs. McCoy informed the Regents that at that meeting Dr. Alexander asked that group for recommendations for individuals to advise us on the site selection process. They submitted a letter to him with people from that group who were willing to serve on the committee and after we received that letter, we agreed with that letter and then expanded it to include a few additional people to be sure the community college was represented as well as the technical school. The recommendation was crystal clear that it should be on the southwest part of our community. Mrs. McCoy pointed out that the new MSU facility in Hopkinsville would not be competing with Hopkinsville Community College by offering duplicate courses they are already offering.

The following individuals served on the Advisory Site Selection Committee: Carl Barnett, Interim President, Hopkinsville Community College; Jim Jury, Superintendent, Christian County Schools; Dennis Parsons, Director, Hopkinsville Technology Center; Wynn Radford, who was recommended by the Planning Commission, an insurance executive; Steve Bourne, Executive Director of the Hopkinsville-Christian County Planning Commission; Don Henderson, Chairman of the Economic Development Council of Hopkinsville; Bob Freeman, businessman, banker and president of the Murray State Alumni Association, we added Bob to the list; Wayne Hunt was on the Planning Commission's list; Percy Belt, a businessman and banker we added to the list; and John Yates, MSU Dean.

The Site Selection Advisory Committee met and considered the evidence and voted unanimously with one abstention. The President of the Community College asked that he be able to communicate back with his Board, which was entirely appropriate, and that this recommendation be enacted by that group. The recommendation reads as follows:

That the new West Regional Postsecondary Education Center of Murray State University be located to the south and/or southwest of the city nearest the population growth center of Christian County and that the site should be large enough to allow for future expansion of educational programs at the upper-division and graduate levels to accommodate at least 3,000 students by the year 2005. Such site should constitute a campus of at least 100 acres with potential for acquisition of additional acreage as the need arises.

Mrs. McCoy moved that the Board of Regents approve the above recommendation. Mr. Lovett seconded and discussion followed.

President Alexander further pointed out that we would hope that this would happen in Paducah and possibly Madisonville and Henderson. Hopkinsville will be the major center because it is the largest and it is one of the major growth areas of Kentucky.

Mayor Bryan pointed out that Hopkinsville is in the top two or three cities in industrial development in Kentucky.

Dr. Alexander stated that the movement back and forth from the central campus to the Murray State campus in Hopkinsville will move us toward becoming a major state university.

Special thanks was expressed to Senator Joey Pendleton, Representative Freed Curd, and Senator Bob Jackson for assisting MSU in securing funding for the facility.

Upon call for the vote, the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lanier, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

President Alexander added that he would like for the Board to consider the Site Selection Advisory Committee as a Standing Advisory Committee of Hopkinsville to work closely with MSU.

Mr. Lovett moved that the Board of Regents, upon the recommendation of the President of the University, appoint the Hopkinsville Site Selection Advisory Committee as a standing committee known as the Murray State University Hopkinsville Campus Permanent Advisory Board to the MSU President and the MSU Board of Regents.

Mr. Earwood seconded and the motion carried.

#### Hester Fire/Proposed Sprinkler Installation

The fire was a great tragedy at Murray State. The University has been recognized as one of the safest campuses in American. Appreciation was expressed to Don Robertson and his staff for the way in which the tragedy was handled. It was the humanity of the community, the humanity that we try to teach at Murray State that bubbled forward at that point.

We educate people to be more humane; to reach the greater levels of perfection of humanity. The fact that humanity reached a state of perfection was extremely important to all of us. We have to now move forward and make our campus safer. Dr. Alexander pointed out that at the time of the Hester fire Murray State University met all fire codes. We have a system that was required and we exceeded all codes. We did not have sprinklers in those buildings. Sprinklers were not required by code or law or regulation in those buildings. Murray State had designed a sprinkler system for all of the residential college buildings and we had requested in our priorities to begin the installation of sprinklers. Those requests are dated prior to the fire. Now we, of course, want to speed that process up and we want all of our high rises to have sprinklers as quickly as possible. The University is asking the Board of Regents today to approve a plan that will allow us to move ahead using our internal monies to get the Request for Proposals (RFPs) out for the sprinklers to start the process.

Permission is requested to use present resources beginning in May to sprinkle these buildings when they are vacated and then reimburse ourselves from the bond proceeds. Then we will pay the bonds back from other sources later. The other sources are going to have to come from wherever we can get the money.

On behalf of the Buildings and Grounds Committee, Mrs. Ford moved that the Board of Regents, upon the recommendation of the President of the University, adopt the attached Resolution of Official Intent to finance construction of building projects from proceeds of a proposed issue of revenue bonds.

Mrs. Dial seconded and discussion followed.

Mr. Earwood stated that his counterparts at other institutions have contacted several legislators and the Governor regarding the use of student fees to pay for sprinklers, emphasizing that the students should not have the burden of payment for the sprinklers through fees. He expressed appreciation to President Alexander for standing up at the CPE meeting and asking the members if they realized they are going to force the universities to raise student fees because we don't have that kind of money sitting around.

Mr. Earwood pointed out that if the issue gets pushed "underneath the rug," the students are going to be paying for the sprinklers for 25 years.

Dr. Alexander commended Regent Earwood for standing before the Council on Postsecondary Education and presenting a resolution that he had written and had gotten all of the other university student presidents to support. He was eloquent; he almost carried the Council on Postsecondary Education against a predetermined decision. If you could have been there, you would have been proud of one of our scholars. The other universities presidents, even the University of Kentucky, stood up and supported Todd and we were pleased that they followed our lead on that. There is a question as to how these bonds will be paid for and we simply can't pay for this kind of a major outlay without raising student fees, having the students pay for it. It also sets aside some of our other very important initiatives that we've been talking about for some years. That is, we just got the legislature to approve our use of revenue bonds to build a new Richmond College and to build a new Franklin or Clark College. This would move that back years if we don't get help or some sort of assistance.

Upon call for the vote the following voted: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lanier, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

(See Attachment #4)

Mr. Easley requested that the Minutes show that the Finance and Audit Committee joins the Buildings and Grounds Committee in approving the above recommendation.



Authorization of Institutional Match for Education and General Deferred Maintenance

On behalf of the Buildings and Grounds Committee, Mrs. Ford moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached list of Educational and General Deferred Maintenance Projects for 1998-2000 for funding through state bonds with an institutional match from Consolidated Educational Renewal and Replacement (CERR) Funds.

Mrs. Buchanan seconded and the roll was called with the following voting: Mrs. Buchanan, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lanier, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

(See Attachment #5)

Mr. Easley requested that the Minutes show that the Finance and Audit Committee joins the Buildings and Grounds Committee in approving the above recommendation.

Update on College of Education Annex and Carr Health Building

Dr. Dewey Yeatts, Associate Vice President for Facilities Management, presented the update on the College of Education Annex and Carr Health Building.

We've established approximately \$29 million worth of new capital construction projects, two of which are the College of Education Annex that we are proposing to locate on North 16th adjacent to the Special Education Building and the other improvement is the Carr Health Building renovation. Subsequently, we've also got the Hopkinsville project; we've got the Business Building renovation; Carmen Animal Health Technology Building, and the student housing facility. Specifically, on the College of Education building project and the Carmen renovation project, we have established project committees for the purpose of developing our educational specifications and programming of those facilities. We've had a number of meetings. We've had site visits to other similar sites, similar universities, educational facility buildings to help formulate ideas. We have developed our request for proposal for architect engineering consulting services. We are optimistic that that will be advertised soon. The two committees have solicited and incorporated a complete matrix of feedback from not only the College of Education administration, but also department chairs and faculty members. They are seeking advisement from the educational community regarding committee members.

Dr. Alexander pointed out that the Education Annex is a building and not a renovation and it's a facility of some 55,000 square feet, which is a pretty good size facility and will allow us to have all of our College of Education in a College of Education Building. The second part of the plan is to have a \$2 million renovation of Carr Health, which is not a complete renovation of Carr Health, but will allow us to have laboratories, upgrade our classroom facilities and dance studios. We will have those things that we've needed for many years in the Carr Health facility. We've got professors planning the facility with the Dean; the Director of School Services; a school superintendent from Livingston County; Brenda Nix, Director of the Kentucky Academic Technology Education; and others. The University will turn the plans over to an architect soon to start the actual drawings of the new facility.

The other part, Carr Health, has moved along with a committee of faculty and others. Carr Health renovation will cost more per square foot than the new building, about \$123 a square foot, and the Education Annex will cost about \$105 per square foot.

Annexation of the West Farm

For the Buildings and Grounds Committee, Mrs. Ford moved that the Board of Regents, upon the recommendation of the President of the University, approve the attached Resolution and Order concerning the

annexation, into the City of Murray, of the Murray State University Complex known as the West Farm consisting of 281 acres, more or less, located on College Farm Road. Dr. Rudolph seconded and discussion followed.

Dr. Alexander indicated that the annexation would not be of any benefit to the city, but would be to the University because of water, fire and police protection.

Upon call for the vote, the motion carried.

(See Attachment #6)

D. Development/Investments - Mr. Lovett. No report.

E. Equal Opportunity/Affirmative Action - Mrs. Burr.

Reaffirmation of the Affirmative Action Policy and Plan

For the Equal Opportunity/Affirmative Action Committee, Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, reaffirm its commitment to the Murray State University Affirmative Action Policy and plan by approving the attached Resolution and Policy Statement. Mr. Lovett seconded and the motion carried.

(See Attachments #7 and #8)

Council on Postsecondary Education Equal Opportunity Committee Report

President Alexander stated that the University received a good report by the Council on Postsecondary Education by Sherron Jackson, who was the staff member in charge, Chuck Whitehead, the CPE Board member who is chairman of this group, and Wendell Thomas, the lay person on the committee. Mr. Thomas had been to Murray State some years ago and he complimented the university extensively and vigorously about our efforts in this regard and our expansion of equal opportunity.

For the Equal Opportunity/Affirmative Action Committee, Mrs. Burr moved that the Board of Regents accept the Report of the Committee on Equal Opportunities. Mrs. Dial seconded and the motion carried.

(See Attachment #9)

F. Faculty/Staff Affairs - Mr. Lanier.

Mr. Lanier stated that the Faculty/Staff Affairs Committee had a very interesting meeting and the agenda largely related to reports from various and sundry people about efforts to establish some communication channels and activities within the campus. Dr. Alexander and the faculty, the deans, and the heads of the departments recently established a series of informal meetings to facilitate conversation and to discuss matters of interest to the faculty.

Dr. Brockway reported on brown bag lunches hosted by the President with faculty. Dr. Sandi Flynn of the College of Education spoke about what was going on and they both were very positive about the appraisals of the resulting benefits. Dr. Flynn spoke of a College of Science Focus Group which initially was attended by sixteen; later when Dr. Alexander attended in response to invitation, there were some 42 members present and apparently those interchanges went well. The Focus Groups are going to continue in that joint effort between the President, faculty, deans, and department heads to remain in constant and informal communication to deal with current issues.

The Committee had a report from the Faculty Senate through Dr. Ann Landini and Dr. Bill Call. They spoke about frequent areas of comments with regard to communication, academic spending, quality of academic programs, and shared governance. Interim Provost Brockway responded to these at some length, in detail, and was careful in undertaking to respond at the moment to those matters and talking in ways that the administration is eager to cooperate in dealing with those.

The Staff Congress then came forward through Orville Herndon and Keith Skinner and talked in the same vane about concerns that they hear of in the staff. Health Insurance was discussed and appreciation was expressed to Dr. Alexander for his assurances relative to Save Harmless and Equity Enhancement activities concerning affordability. They were interested in the visibility of the President, hoping only that it could be increased. The Committee was very gratified at the detail received and the expressions that came with them.

Regent Jim Rudolph, a member of the Committee, spoke of a recent meeting that he had with members of the faculty simply to discuss ways in which communication might be established securely with and through this particular committee.

The Committee said to those present, that at every quarterly meeting there is going to be a place on the agenda for communication with the Committee in the form of agenda item requests. Mr. Lanier suggested a procedure to follow which would be to make certain the suggested agenda items be forwarded to Sandra Rogers, Secretary of the Board, three weeks prior to the meeting date. She will communicate with the chair and an agenda will be put together to accommodate the subjects. He indicated that he expects strong participation each time from the Faculty Senate and the Staff Congress, as well as from individuals.

Mr. Lanier pointed out that the only commitment made was that at every meeting of the Committee faculty and staff are invited to request time on the agenda.

#### Dr. Roy Peterson Resolution

Mr. Lanier presented the following Board of Regents Resolution for adoption:

#### Board of Regents Resolution

Be it resolved that the Board of Regents of Murray State University notes with regret the death of Dr. Roy Peterson, late Secretary of the Cabinet for Arts, Education, and Humanities. Dr. Peterson's long and continued dedication to higher education in Kentucky affected Murray State University in many ways, direct and indirect, and the Board of Regents and administration of Murray State University remember that with appreciation. In this manner, Murray State University remembers Dr. Roy Peterson a few days after Kentucky's loyal servant was laid to rest under the brilliant sunshine of the Bluegrass country. "There shall be in that rich earth a richer dust concealed."

Further Resolved, that this resolution be spread upon the minutes of the meeting and that a copy be sent to Dr. Peterson's family.

Motion was seconded by Olivia Burr and the motion carried.

The Board recessed at 3:30 p.m.

Mr. Lanier left the meeting to attend a prior commitment.

G. Finance/Audit - Mr. Easley.

#### Audit Reports for 1997-98

The first report was the audit report given to us this morning and all of you were here and heard that report.

Mrs. McCoy moved that the Board of Regents, upon the recommendation of the President of the University, accept the following audited financial reports for 1997-98:

- a) General Financial Statement and Supplemental Schedules
- b) House Bill 622

Mrs. Buchanon seconded and the motion carried.

(See Attachments #10 and #11)

Establishment of Tuition Rates for 1999-2000

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents acknowledge and authorize the attached tuition rates for the 1999-00 year as established by or based upon the Council on Postsecondary Education for Murray State University.

Mrs. Buchanon seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, abstain; Mrs. Ford, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

(See Attachment #12)

Course Fee Extension

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the following changes in course fees, effective 1999-2000:

Extension of Existing Course Fee - AGR 223 - Beginning Artificial Insemination in Cattle - \$150

Change Prefixes, No change in existing fees --  
 FCS 221 to ITD 221 - Design in the Near Environment  
 FCS 356 to ITD 356 - Practical Problems in Interior Design  
 FCS 554 to ITD 554 - Home Interiors III

Dr. Rudolph seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

CPI Information

Mr. Easley stated that the Board decided last year that rather than raising fees individually would tie them to the Consumer Price Index, which is 1.7 percent. Murray State course fees will be increased (rounded to the nearest fifty cents) based upon the Consumer Price Index (CPI) for the twelve months ending June 30, 1998, which is 1.7 percent, in accordance with our policy established last year. Therefore, no action is required.

Authorization of Institutional Match for Education and General Deferred Maintenance

Mr. Easley asked that the record show that the Finance/Audit Committee endorsed the Buildings and Grounds Committee recommendation for approval.

Bond Authorization for Sprinkler System and Housing and Dining Deferred Maintenance

Mr. Easley asked that the record show that the Finance/Audit Committee endorsed the Buildings and Grounds Committee recommendation for approval.

Parking Permit Replacement Fee

For the Finance/Audit Committee, Mr. Easley moved that the Board of Regents, upon the recommendation of the President of the University, approve the fee for the replacement of a parking permit at one-half the price of the original permit retroactive to the 1998-99 academic year.

Mrs. Ford seconded and the roll was called with the following voting: Mrs. Buchanon, yes; Mrs. Burr, yes; Mrs. Dial, yes; Mr. Earwood, yes; Mrs. Ford, yes; Mr. Lovett, yes; Mrs. McCoy, yes; Dr. Rudolph, yes; and Mr. Easley, yes. Motion carried.

H. Governmental Relations - Mrs. McCoy. No report.

I. Student Life - Mr. Earwood.

A lengthy Student Recruitment Report was given by Paul Radke at the Student Life Committee meeting.

Mr. Earwood also expressed appreciation to the community, students, faculty and staff members for assistance during the Hester Fire. Mr. Earwood requested that the Minutes reflect that several of our counterparts, other schools in the Commonwealth, have sent money recently to establish the "Hester Relief Fund." Students at other schools raised money, specifically Western, Eastern, Northern Kentucky who raised over \$1,000, and Southeast Missouri State. Thank you to those students for helping us and we appreciate their monetary support and the letters we received from other schools.

#### Appointments to the University Student Appeals Board

Mrs. Burr moved that the Board of Regents, upon the recommendation of the President of the University, appoint the following faculty and students to the University Student Appeals Board for the terms indicated:

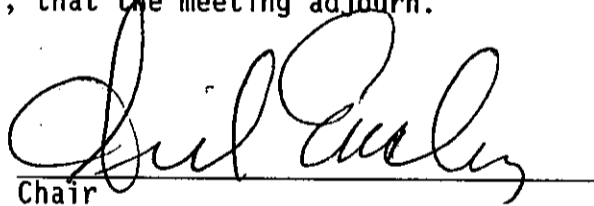
Faculty - Three-year term (1998-2001)  
 Roy Helton, College of Humanistic Studies (reappointment)  
 Kenneth Fairbanks, College of Science

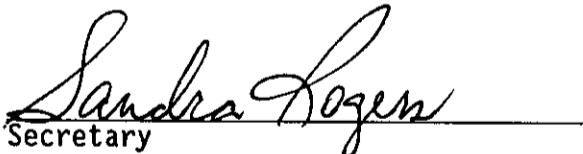
Students - One-year term (1998-1999)  
 Darren Bell  
 Natalie Boldrick  
 Traci Richerson

Mr. Earwood seconded and the motion carried.

#### Meeting Adjourned

There being no further business to come before the Board, Mr. Lovett moved, seconded by Mrs. Dial, that the meeting adjourn. Adjournment was at 4:15 p.m.

  
 Chair

  
 Secretary



# Murray State University

VICE PRESIDENT  
FOR ADMINISTRATIVE SERVICES  
PO BOX 9  
MURRAY KY 42071-0009  
PHONE: (502) 762-3774 FAX: (502) 762-3497  
November 16, 1998

President Kern Alexander  
Members of the Board of Regents  
Murray State University  
Murray, KY 42071

Dear President Alexander and Members of the Board:

Attached is the Financial Report of Murray State University for the period July 1, 1998 through September 30, 1998.

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Thomas W. Denton  
Vice President for  
Administrative Services

maf

*Equal education and employment opportunities M/F/D, AA employer*

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED BALANCE SHEET  
 As of September 30, 1998  
 With Comparative Figures as of September 30, 1997

	1998-99			1997-98
	Educational and General	Auxiliaries	Total	
<b>ASSETS</b>				
Cash and cash equivalents (Note 2)	\$ 20,814,777	\$ 2,271,004	\$ 23,085,781	\$ 21,173,233
Inventories (Note 3)	308,629	627,282	935,911	1,041,550
Prepaid expenses	7,679	-	7,679	3,138
Accounts and loans receivable, net	1,939,697	1,202,379	3,142,076	2,629,728
Interest receivable	426,333	14,811	441,144	399,127
Due from other funds	151,409	-	151,409	148,408
<b>Total assets</b>	<b>\$ 23,648,524</b>	<b>\$ 4,115,476</b>	<b>\$ 27,764,000</b>	<b>\$ 25,395,184</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 275,936	\$ 294	\$ 276,230	\$ 971,848
Accrued expenses	4,772	-	4,772	5,896
Accrued compensated absences	1,250,704	86,440	1,337,144	1,284,194
Health and life insurance liability	771,667	-	771,667	596,408
Racer card liability	-	112,132	112,132	110,378
Deposits	1,928	281,729	283,657	288,307
Deferred revenue	-	-	-	-
Due to other funds	1,430	-	1,430	-
<b>Total liabilities</b>	<b>\$ 2,306,437</b>	<b>\$ 480,595</b>	<b>\$ 2,787,032</b>	<b>\$ 3,257,031</b>
<b>Fund Balance:</b>				
Beginning fund balance - July 1	\$ 10,557,572	\$ 868,386	\$ 11,425,958	\$ 9,718,119
Additions/(deductions) - year to date	10,784,515	2,766,495	13,551,010	12,420,034
<b>Total fund balance</b>	<b>\$ 21,342,087</b>	<b>\$ 3,634,881</b>	<b>\$ 24,976,968</b>	<b>\$ 22,138,153</b>
<b>Total liabilities and fund balance</b>	<b>\$ 23,648,524</b>	<b>\$ 4,115,476</b>	<b>\$ 27,764,000</b>	<b>\$ 25,395,184</b>

MURRAY STATE UNIVERSITY  
**CURRENT UNRESTRICTED FUNDS**  
**NAUDITED SUMMARY OF CHANGES AND ALLOCATIONS IN FUND BALANCE**  
For the Period July 1, 1998 through September 30, 1998  
With Comparative Figures for the Period Ended September 30, 1997

	1998-99			1997-98
	Educational and General	Auxiliaries	Total	
<b>Fund Balance - beginning July 1</b>				
Working capital	\$ 1,815,333	\$ 444,568	\$ 2,259,901	\$ 1,673,794
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	798,371	-	798,371	872,956
Encumbrances	685,729	3,903	689,632	454,858
Carryovers	6,358,139	419,915	6,778,054	5,816,511
<b>Total fund balance - beginning July 1</b>	<b>\$ 10,557,572</b>	<b>\$ 868,386</b>	<b>\$ 11,425,958</b>	<b>\$ 9,718,119</b>
<b>Increase/(decrease) - year to date</b>				
Revenues	\$ 29,526,334	\$ 6,463,151	\$ 35,989,485	\$ 32,008,431
Expenditures	(19,028,612)	(3,273,009)	(22,301,621)	(19,608,924)
Mandatory transfers				
Debt service	-	(346,327)	(346,327)	(316,403)
Loan match	-	-	-	-
Non-Mandatory transfers				
To CERR	(132,460)	\$ -	(132,460)	-
From CERR	341,933	-	341,933	536,238
To plant funds	-	-	-	(210,992)
From plant funds	-	-	-	11,684
To educational and general	77,320	(77,320)	-	-
From educational and general	-	-	-	-
Other changes	-	-	-	-
<b>Total year to date increase/(decrease) in fund balance</b>	<b>\$ 10,784,515</b>	<b>\$ 2,766,495</b>	<b>\$ 13,551,010</b>	<b>\$ 12,420,034</b>
<b>Fund Balance - ending September 30</b>				
Working capital	\$ 2,674,659	\$ 1,844,472	\$ 4,519,131	\$ 4,070,405
Reserve for self insurance	900,000	-	900,000	900,000
Reserve for revenue contingency	798,371	-	798,371	872,956
Encumbrances	1,482,576	16,408	1,498,984	989,967
Carryovers	6,358,139	419,915	6,778,054	5,816,511
Unallocated	9,128,342	1,354,086	10,482,428	9,488,313
<b>Total fund balance - ending September 30</b>	<b>\$ 21,342,087</b>	<b>\$ 3,634,881</b>	<b>\$ 24,976,968</b>	<b>\$ 22,138,152</b>



MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF BUDGET ADJUSTMENTS  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	1998-99		1997-98	
	Original Budget	Adjustments/ Revisions	Current Budget Per Report	Budget Per Report
<b>Revenues</b>				
Educational and General	\$ 75,654,010			
Prior year carryovers (Note 5)		6,167,568		
Prior year encumbrances (Note 5)		685,729		
Budget increases		2,415,081		
Various account adjustments		20,192		
Total Educational and General	<u>\$ 75,654,010</u>	<u>\$ 9,288,570</u>	<u>\$ 84,942,580</u>	<u>\$ 76,003,738</u>
Auxiliary Enterprises	\$ 14,193,256			
Prior year carryovers (Note 5)		630,883		
Prior year encumbrances (Note 5)		3,903		
Budget increases		-		
Various account adjustments		195		
Total Auxiliary Enterprises	<u>\$ 14,193,256</u>	<u>\$ 634,981</u>	<u>\$ 14,828,237</u>	<u>\$ 13,848,088</u>
<b>Total Revenues</b>	<u><u>\$ 89,847,266</u></u>	<u><u>\$ 9,923,551</u></u>	<u><u>\$ 99,770,817</u></u>	<u><u>\$ 89,851,826</u></u>
<b>Expenditures</b>				
Educational and General	\$ 75,654,010			
Prior year carryovers (Note 5)		6,167,568		
Prior year encumbrances (Note 5)		685,729		
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MURRAY STATE UNIVERSTIY  
**CURRENT UNRESTRICTED FUNDS - EDUCATIONAL AND GENERAL**  
**UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES**  
or the Period July 1, 1998 through September 30, 1998  
With Comparative Figures for the Period Ended September 30, 1997

	1998-99			1997-98	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>REVENUES</b>					
Tuition and fees (Note 6)	\$ 25,583,799	\$ 12,901,649	50%	\$ 11,826,214	50%
State appropriation	47,779,300	15,027,500	31%	12,866,300	29%
Indirect cost reimbursement	129,754	41,237	32%	265	0%
Sales and services of educational departments	1,246,807	771,788	62%	590,854	32%
Other sources	3,349,622	784,160	23%	683,742	30%
Prior year carryovers and encumbrances (Note 5)	6,853,297	-	N/A	-	-
<b>Total revenues</b>	<b>\$ 84,942,579</b>	<b>\$ 29,526,334</b>	<b>35%</b>	<b>\$ 25,967,375</b>	<b>34%</b>
<b>EXPENDITURES (Note 7)</b>					
Instruction	\$ 35,393,655	\$ 6,741,541	19%	\$ 6,198,865	20%
Research	1,005,268	201,444	20%	217,854	22%
Public service	3,817,252	913,791	24%	865,275	24%
Academic support	3,487,386	764,219	22%	688,348	23%
Library	2,863,792	1,075,016	38%	1,074,495	40%
Student services	6,424,533	1,508,658	23%	1,315,472	23%
Institutional support	10,623,443	2,386,532	22%	1,856,749	21%
Operation and maintenance of plant	10,904,896	2,235,558	21%	1,655,983	16%
Scholarships	5,730,355	3,201,853	56%	2,672,433	50%
<b>Total expenditures</b>	<b>\$ 80,250,580</b>	<b>\$ 19,028,612</b>	<b>24%</b>	<b>\$ 16,545,474</b>	<b>23%</b>
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>					
Mandatory transfers					
Consolidated educational bond sinking fund	\$ (3,543,183)	\$ -	N/A	\$ -	N/A
Loan fund match	(9,819)	-	N/A	-	N/A
Non-mandatory transfers					
Transfers to CERR (Note 8)	(983,025)	(132,460)	N/A	-	N/A
Transfers from CERR (Note 8)	33,000	341,933	N/A	536,238	N/A
Transfers to unexpended plant fund (Note 8)	-	-	N/A	(190,992)	N/A
Transfers from unexpended plant fund (Note 8)	-	-	N/A	11,684	N/A
Transfers from auxiliaries	77,320	77,320	N/A	77,320	N/A
Transfers to auxiliaries	-	-	N/A	-	N/A
Other transfers - Networking debt	(266,292)	-	N/A	-	N/A
<b>Total transfers and other changes</b>	<b>\$ (4,691,999)</b>	<b>\$ 286,793</b>	<b>N/A</b>	<b>\$ 434,250</b>	<b>N/A</b>
<b>Total expenditures, transfers and other changes</b>	<b>\$ 84,942,579</b>	<b>\$ 18,741,819</b>	<b>22%</b>	<b>\$ 16,111,224</b>	<b>21%</b>
<b>Net change in fund balance</b>		<b>\$ 10,784,515</b>		<b>\$ 9,856,151</b>	

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS - AUXILIARIES  
 UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION, AND OTHER CHANGES  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	1998-99			1997-98	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>REVENUES</b>					
Food services	\$ 4,096,525	\$ 2,162,334	53%	\$ 2,067,889	48%
Housing services	5,722,879	2,389,294	42%	2,332,078	44%
Bookstore	3,202,515	1,455,539	45%	1,337,575	43%
Curriss Center	621,378	74,392	12%	77,118	41%
University parking	400,044	335,461	84%	180,260	77%
Racer card administration	67,510	31,497	47%	33,277	50%
Vending and manual commissions	82,600	14,634	18%	12,859	14%
Prior year carryovers and encumbrances (Note 5)	634,786	-	N/A	-	0%
<b>Total revenues</b>	<b>\$ 14,828,237</b>	<b>\$ 6,463,151</b>	<b>44%</b>	<b>\$ 6,041,056</b>	<b>44%</b>
<b>EXPENDITURES (Note 7)</b>					
Food services	\$ 4,003,768	\$ 602,452	15%	\$ 600,268	15%
Housing services	5,382,099	1,161,508	22%	1,005,759	20%
Bookstore	3,125,195	1,215,453	39%	1,126,865	41%
Curriss Center	605,367	151,231	25%	140,730	23%
University parking	653,936	92,472	14%	134,951	27%
Racer card administration	67,510	22,930	34%	29,370	44%
Vending and manual commissions	184,130	26,963	15%	25,507	15%
<b>Total expenditures</b>	<b>\$ 14,022,005</b>	<b>\$ 3,273,009</b>	<b>23%</b>	<b>\$ 3,063,450</b>	<b>23%</b>
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>					
Mandatory transfers					
Housing and dining bond sinking fund	\$ (728,912)	\$ (346,327)	N/A	\$ (316,403)	N/A
Non-mandatory transfers					
To unexpended plant fund (note 8)	-	-	N/A	(20,000)	N/A
Transfers from unexpended plant fund (Note 8)	-	-	N/A	-	N/A
Transfers to educational and general	(77,320)	(77,320)	N/A	(77,320)	N/A
Transfers from educational and general	-	-	N/A	-	N/A
Other changes	-	-	N/A	-	N/A
<b>Total transfers and other changes</b>	<b>\$ (806,232)</b>	<b>\$ (423,647)</b>	<b>N/A</b>	<b>\$ (413,723)</b>	<b>N/A</b>
<b>Total expenditures, transfers and other changes</b>	<b>\$ 14,828,237</b>	<b>\$ 3,696,656</b>	<b>25%</b>	<b>\$ 3,477,173</b>	<b>25%</b>
<b>Net change in fund balance</b>		<b>\$ 2,766,495</b>		<b>\$ 2,563,883</b>	

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS - AUXILIARIES  
 UNAUDITED SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER CHANGES BY UNIT  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	Food Services	Housing Services	Bookstore	Curris Center	University Parking	Racer Card Admin	Vending and Manual Commissions	Prior Year Carryovers & Encumbrances	Total
<b>1998-99</b>									
<b>REVENUES</b>									
Current Budget	\$ 4,096,525	\$ 5,722,879	\$ 3,202,515	\$ 621,378	\$ 400,044	\$ 67,510	\$ 82,600	\$ 634,786	\$ 14,828,237
Fiscal Year Actual	2,162,334	2,389,294	1,455,539	74,392	335,461	31,497	14,634	-	6,463,151
Actual % Budget	53%	42%	45%	12%	84%	47%	18%	N/A	44%
<b>DISBURSEMENTS</b>									
Current Budget	4,003,768	5,382,099	3,125,195	605,367	653,936	67,510	184,130	-	14,022,005
Fiscal Year Actual	602,452	1,161,508	1,215,453	151,231	92,472	22,930	26,963	-	3,273,009
Actual % Budget	15%	22%	39%	25%	14%	34%	15%	N/A	23%
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>									
	(44,931)	(301,396)	(77,320)	-	-	-	-	-	(423,647)
<b>NET CHANGE IN FUND BALANCE</b>									
	\$ 1,514,951	\$ 926,390	\$ 182,766	\$ (76,639)	\$ 242,989	\$ 8,567	\$ (12,329)	\$ -	\$ 2,766,495
<b>1997-98</b>									
<b>REVENUES</b>									
Fiscal Year Actual	\$ 2,067,889	\$ 2,332,078	\$ 1,337,575	\$ 77,118	\$ 180,260	\$ 33,277	\$ 12,859	\$ -	\$ 6,041,056
Actual % Budget	48%	44%	43%	41%	77%	50%	14%	N/A	44%
<b>DISBURSEMENTS</b>									
Fiscal Year Actual	600,268	1,005,759	1,126,865	140,730	134,951	29,370	25,507	-	3,063,450
Actual % Budget	15%	20%	41%	23%	27%	44	15	N/A	23%
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>									
	(14,400)	(322,003)	(77,320)	-	-	-	-	-	(413,723)
<b>NET CHANGE IN FUND BALANCE</b>									
	\$ 1,453,221	\$ 1,004,316	\$ 133,390	\$ (63,612)	\$ 45,309	\$ 3,907	\$ (12,648)	\$ -	\$ 2,563,883

MURRAY STATE UNIVERSITY  
**CURRENT RESTRICTED FUNDS**  
**UNAUDITED SCHEDULE OF REVENUES BY SOURCE, EXPENDITURES BY FUNCTION AND OTHER CHANGES**  
For the Period July 1, 1998 through September 30, 1998  
with Comparative Figures for the Period Ended September 30, 1997

	1998-99			1997-98	
	Current Budget	Fiscal Year Actual	Actual % Budget	Fiscal Year Actual	Actual % Budget
<b>Revenues</b>					
<b>Federal funds</b>					
Pell	\$ 2,264,189	\$ 2,241,238	99%	\$ 2,020,572	147%
SEOG	152,700	152,700	100%	150,150	48%
Workstudy	544,057	31,923	6%	30,871	6%
Grants and contracts	1,781,203	668,842	38%	736,615	23%
Total federal funds	<u>4,742,149</u>	<u>3,094,703</u>	<u>65%</u>	<u>2,938,208</u>	<u>55%</u>
State grants and contracts	2,704,868	976,552	36%	863,132	39%
Other grants and contracts	179,887	86,101	48%	55,314	30%
Total revenues	<u>\$ 7,626,904</u>	<u>\$ 4,157,356</u>	<u>55%</u>	<u>\$ 3,856,654</u>	<u>50%</u>
<b>Expenditures</b>					
<b>Educational and general</b>					
Instruction	\$ 1,902,245	\$ 387,659	20%	\$ 505,076	26%
Research	1,179,405	300,131	25%	282,616	23%
Public service	529,750	114,258	22%	102,796	20%
Library	3,894	3,894	100%	3,708	100%
Academic support	244,953	153,676	63%	199,869	20%
Student services	723,716	33,810	5%	40,758	6%
Institutional support	4,864	4,864	100%	23,459	98%
Operation and maintenance of plant	1,242,591	-	0%	-	0%
Scholarship and financial aid	1,791,726	3,055,304	171%	2,694,956	131%
Total educational and general	<u>7,623,144</u>	<u>4,053,596</u>	<u>53%</u>	<u>3,853,238</u>	<u>50%</u>
Auxiliary enterprises	<u>3,760</u>	<u>3,760</u>	<u>100%</u>	<u>3,416</u>	<u>100%</u>
Total current restricted expenditures	<u>\$ 7,626,904</u>	<u>\$ 4,057,356</u>	<u>53%</u>	<u>\$ 3,856,654</u>	<u>50%</u>
<b>TRANSFERS IN (OUT) AND OTHER CHANGES</b>					
<b>Non-mandatory transfers</b>					
To unexpended plant	\$ -	\$ (100,000)	N/A	\$ -	N/A
Total transfers and other changes	<u>-</u>	<u>(100,000)</u>	<u>N/A</u>	<u>-</u>	<u>N/A</u>
Total expenditures, transfers and other changes	<u>\$ 7,626,904</u>	<u>\$ 4,157,356</u>	<u>55%</u>	<u>\$ 3,856,654</u>	<u>50%</u>
Net change in fund balance		<u>0</u>		<u>0</u>	

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF REVENUES  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	1998-99	1997-98
<b>EDUCATIONAL AND GENERAL</b>		
Tuition and fees:		
Fall tuition	\$ 10,705,525	\$ 9,915,150
Spring tuition	6,335	8,626
Summer II tuition	669,644	628,284
Summer I tuition	9,225	2,679
Miscellaneous tuition	400	200
Student activity fees	1,002,103	917,040
Other fees	508,417	354,235
Total tuition and fees	\$ 12,901,649	\$ 11,826,214
State appropriations:		
Total state appropriations	\$ 15,027,500	\$ 12,866,300
Indirect cost reimbursements:		
Federal and state indirect cost reimbursements	\$ 41,237	\$ 265
Other indirect cost reimbursements	-	-
Total indirect cost reimbursements	\$ 41,237	\$ 265
Sales and services of educational departments:		
Access workshop	\$ -	\$ -
Archeology service center	1,189	300
Art auction	-	-
Art cash sales	5,306	6,445
Art workshops	-	245
Hancock biological station	864	356
Breathitt veterinary center	50,332	27,390
Chemical services	-	30
Child development center	200	4,600
Clinical services	3,994	4,596
Environmental education workshop	3,018	504
Fall business education conference	-	-
Foreign language service center	-	-
Hong Kong MBA	-	-
Institute for International Studies	115,652	229,171
Jesse Stuart collection	-	-
Journalism workshop	41	9
Keyboard recruiting	-	-
Kentucky Institute of International Studies (KIIS)	414,429	227,701
Learning center	8,515	1,513
MARC service center	387	-
MSU News advertising	(10,460)	5,492
MSU x-ray lab	460	11,180
Music workshops	-	15
Office systems service center	-	58
Pediatric assessment	-	-
Psychology center	338	-
Recording studio	31	25
RSEC	98,523	-
Russian experience	-	-
Safety engineering and health workshop	-	-
School service office	-	-
Shield	54,257	38,336
Summer writing workshop	-	-
Theatre	790	938
TV studio	-	95
University farms	22,365	30,331

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF REVENUES (cont.)  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	1998-99	1997-98
<b>Educational and General (cont.)</b>		
Sales and services of educational departments (cont.):		
Waterfield center	\$ -	\$ 15
Well water testing	1,557	1,509
Total sales and services of educational departments	\$ 771,788	\$ 590,854
 Other Sources:		
Academic computing	\$ 795	\$ 234
Arts and humanistic studies	141	-
Athletics	73,519	52,211
Athletics - concessions	20,005	6,103
Athletics - football playoff	-	-
Athletics - guarantess	-	4,250
Athletics - marketing	-	1,300
Athletic camps -		
Baseball clinic	-	-
Golf	-	5,400
Mens' basketball	3,900	1,755
Ladies' basketball	-	-
Soccer	-	-
Tennis	3,185	(205)
Athletics - NCAA revenue	(1,952)	11,418
Athletics - OVC tournament	-	-
Athletics - programs	3,135	626
Athletics - regional tournaments		
Boys'	-	-
Girls'	-	-
Concessions	-	-
Bad debt expense recovery	11,874	20,305
Black student leadership conference	-	-
Campus lights	-	-
Campus recreation	-	-
Celebrate women	80	-
Center for economic education	1,238	487
Central stores	450	162
Chemistry breakage fees	82	98
Community education	-	45
Conferences and workshops	86,242	46,997
Consolidated educational revenue interest	285,755	259,811
Fixed Price Contract Residuals	-	21,873
Cooperative education and placement	3,143	2,440
Counseling and testing	5,363	5,148
Festival of champions	2,808	203
Graphic arts technology	416	401
Hazardous materials training	15,377	18,709
International student orientation	1,830	1,705
Intramurals	1,812	855
Kentucky honors roundtable	-	-
KLEPFT supplemental	1,783	-
Library - census microfilm	-	71
Library - copy service	9,519	10,408
Library - fines	1,921	1,983
Library - inter library loan	196	184
Library - other	3,175	1,028
West Kentucky livestock and exposition center	2,095	7,450
Madrigal dinner	-	-
Magic silver show	-	15
Meal management luncheons	-	-
Music recital	920	1,087
National student exchange	100	-

MURRAY STATE UNIVERSITY  
 CURRENT UNRESTRICTED FUNDS  
 UNAUDITED SCHEDULE OF REVENUES (cont.)  
 For the Period July 1, 1998 through September 30, 1998  
 With Comparative Figures for the Period Ended September 30, 1997

	1998-99	1997-98
<b>Educational and General (cont.)</b>		
Other Sources (cont.):		
Nursing continuing education	\$ 120	\$ -
Operating fund interest	56,905	42,037
Other	(3,350)	28,574
Perkins loan recovery	-	-
Post office box rental	125	1,688
Post office contract	1,333	1,333
Printing	8,084	9,362
Psychology copy account	-	-
Quad state band festival	1,696	15
Recycling program	448	1,267
Regensburg exchange	80,424	72,666
Rentals	5,812	979
Rodeo	-	-
ROTC equipment	-	-
Sale of surplus property	10,378	6,671
Senior breakfast	-	-
Special education technology center	127	-
Stocker calves project	-	-
String prep program	3,270	3,616
Student government association	1,837	1,147
Summer challenge	-	-
Summer chess camp	-	-
Summer computer science workshop	260	-
Summer orientation	17,115	15,044
Super Saturdays	40	(245)
Technology center	-	1,650
Telecommunications commission	51,900	5,381
Welcome back program	100	-
Wellness center	-	-
West Kentucky environmental education consortium	-	-
Wickliffe Mounds gift shop	1,699	2,105
Wickliffe Mounds research center	5,717	5,895
WQTV advertising	1,213	-
Young authors camp	-	-
Total other sources	<u>\$ 784,160</u>	<u>\$ 683,742</u>
<b>Total educational and general</b>	<u><b>\$ 29,526,334</b></u>	<u><b>\$ 25,967,375</b></u>
 <b>AUXILIARY ENTERPRISES</b>		
Food services	\$ 2,162,334	\$ 2,067,889
Housing services	2,389,294	2,332,078
Bookstore	1,455,539	1,337,575
Carris center	74,392	77,118
University parking - fines	37,555	32,490
University parking - permits	295,825	145,325
University parking - other	2,081	2,445
Racer card administration	31,497	33,277
Vending and manual commissions	14,634	12,859
<b>Total auxiliary enterprises</b>	<u><b>\$ 6,463,151</b></u>	<u><b>\$ 6,041,056</b></u>
<b>Total current unrestricted revenues</b>	<u><b>\$ 35,989,485</b></u>	<u><b>\$ 32,008,431</b></u>



MURRAY STATE UNIVERSITY  
 PLANT FUNDS  
 UNAUDITED BALANCE SHEET  
 As of September 30, 1998  
 With Comparative Figures As of September 30, 1997

	1998-99				Total	1997-98
	Unexpended Plant	Renewal And Replacement	Retirement Of Indebtedness	Investment In Plant		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,936,595	\$ 3,260,203	\$ 40,784	\$ -	\$ 5,237,582	\$ 5,996,927
Investments	-	-	4,772,917	-	4,772,917	4,266,101
Interest receivable	9,272	32,890	103,868	-	146,030	158,433
Accounts receivable	-	-	-	-	-	-
Discount on bonds	21,149	-	-	374,843	395,992	444,904
Premium on bonds	-	-	-	(3,616)	(3,616)	(5,166)
Due from other funds	1,430	1,075,000	-	-	1,076,430	1,075,000
Assets held by Foundation	-	-	-	592,278	592,278	342,278
Property, plant and equipment	-	-	-	191,842,771	191,842,771	162,771,420
<b>Total assets</b>	<b>\$ 1,968,446</b>	<b>\$ 4,368,093</b>	<b>\$ 4,917,569</b>	<b>\$ 192,806,276</b>	<b>\$ 204,060,384</b>	<b>\$ 175,049,897</b>
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Interest payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Due to other funds	359,205	-	-	-	359,205	130,897
Notes payable	-	-	-	543,109	543,109	400,000
Bonds payable	-	-	-	22,281,427	22,281,427	28,899,710
Obligations capital leases	-	-	-	2,494,855	2,494,855	123,741
Other obligations	-	-	-	-	-	-
<b>Total liabilities</b>	<b>\$ 359,205</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 25,319,391</b>	<b>\$ 25,678,596</b>	<b>\$ 29,554,348</b>
<b>Fund Balance</b>						
Beginning fund balance - July 1	\$ 2,488,782	\$ 4,538,408	\$ 4,372,965	\$ 166,630,849	\$ 178,031,004	\$ 143,997,365
Additions/(deductions) - YTD	(879,541)	(170,315)	544,604	856,036	350,784	1,498,184
<b>Total fund balance</b>	<b>\$ 1,609,241</b>	<b>\$ 4,368,093</b>	<b>\$ 4,917,569</b>	<b>\$ 167,486,885</b>	<b>\$ 178,381,788</b>	<b>\$ 145,495,549</b>
<b>Total liabilities and fund balance</b>	<b>\$ 1,968,446</b>	<b>\$ 4,368,093</b>	<b>\$ 4,917,569</b>	<b>\$ 192,806,276</b>	<b>\$ 204,060,384</b>	<b>\$ 175,049,897</b>

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED STATEMENT OF CHANGES IN FUND BALANCE  
As of September 30, 1998  
With Comparative Figures As of September 30, 1997

	1998-99				Total	1997-98
	Unexpended Plant	Renewal and Replacement	Retirement of Indebtedness	Investment in Plant		
<b>REVENUES AND OTHER ADDITIONS:</b>						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-	-	-
Equipment	-	-	-	973,209	973,209	97,129
Improvements other than buildings	-	-	-	-	-	-
Land	-	-	-	-	-	-
Library books	-	-	-	753,220	753,220	786,271
Donated assets	-	-	-	-	-	29,700
Retirement of indebtedness	-	-	-	-	-	525,000
Emergency fire repair funds	-	-	-	-	-	-
Interest income	12,370	34,484	56,199	-	103,053	111,011
Unrealized gain on investments	-	5,251	4,437	-	9,688	(576)
Proceeds from Bonds	-	-	-	-	-	-
Cost of Bond Issuance	-	-	-	-	-	-
Forgiveness of indebtedness	-	-	-	-	-	-
Reduction in lease obligations	-	-	-	-	-	-
Other additions	-	-	-	-	-	20,952
<b>Total revenues and other additions</b>	<b>\$ 12,370</b>	<b>\$ 39,735</b>	<b>\$ 60,636</b>	<b>\$ 1,726,429</b>	<b>\$ 1,839,170</b>	<b>\$ 1,569,487</b>
<b>EXPENDITURES AND DEDUCTIONS:</b>						
Buildings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction in progress	991,911	-	-	-	991,911	186,312
Equipment	-	-	-	400,533	400,533	-
Library books	-	-	-	468,208	468,208	5,478
Other assets (leases)	-	-	-	-	-	-
State Funds	-	-	-	-	-	-
Debt increase from refunding	-	-	-	-	-	-
Retirement of indebtedness	-	-	-	-	-	525,000
Interest on indebtedness	-	-	(137,641)	-	(137,641)	(213,411)
New bond/note indebtedness	-	-	-	-	-	-
Bond discount amortization	-	-	-	1,652	1,652	-
Other deductions	-	577	-	-	577	1,104
<b>Total expenditures and deductions</b>	<b>\$ 991,911</b>	<b>\$ 577</b>	<b>\$ (137,641)</b>	<b>\$ 870,393</b>	<b>\$ 1,725,240</b>	<b>\$ 504,483</b>
<b>TRANSFERS AMONG FUNDS:</b>						
Mandatory:						
Bond principal and interest	\$ -	\$ -	\$ 346,327	\$ -	\$ 346,327	\$ 740,403
Nonmandatory:						
Transfer from unrestricted current to unexpended plant	-	-	-	-	-	210,992
Transfer from restricted current to unexpended plant	100,000	-	-	-	100,000	29,707
Transfer from unexpended plant to unrestricted current	-	-	-	-	-	-
Transfer from restricted current to renewal and replacement	-	-	-	-	-	(11,684)
Transfer from unrestricted current to renewal and replacement	-	132,460	-	-	132,460	-
Transfer to retirement of indebtedness	-	-	-	-	-	-
Transfer from renewal and replacement to unrestricted current	-	(341,933)	-	-	(341,933)	(536,238)
<b>Total transfers</b>	<b>\$ 100,000</b>	<b>\$ (209,473)</b>	<b>\$ 346,327</b>	<b>\$ -</b>	<b>\$ 236,854</b>	<b>\$ 433,180</b>
<b>Net increase(decrease) - YTD</b>	<b>\$ (879,541)</b>	<b>\$ (170,315)</b>	<b>\$ 544,604</b>	<b>\$ 856,036</b>	<b>\$ 350,784</b>	<b>\$ 1,498,184</b>
<b>Fund balance - beginning July 1</b>	<b>\$ 2,488,782</b>	<b>\$ 4,538,408</b>	<b>\$ 4,372,965</b>	<b>\$ 166,630,849</b>	<b>\$ 178,031,004</b>	<b>\$ 143,997,365</b>
<b>Total fund balance - ending September 30, 1998</b>	<b>\$ 1,609,241</b>	<b>\$ 4,368,093</b>	<b>\$ 4,917,569</b>	<b>\$ 167,486,885</b>	<b>\$ 178,381,788</b>	<b>\$ 145,495,549</b>

MURRAY STATE UNIVERSITY  
 PLANT FUNDS  
 UNAUDITED UNEXPENDED REVENUES AND EXPENDITURES  
 For the Period July 1, 1998 through September 30, 1998

	Revised Budget	Fiscal Year To Date	Project Year To Date	Encumbrances	Balance Available
<b>REVENUES</b>					
Revenue bond proceeds	\$ 5,936,140	\$ -	\$ 5,896,217	\$ -	\$ 39,923
Local funds	4,689,713	-	3,587,248	-	1,102,465
Investment income	918,020	12,370	1,525,206	-	(607,186)
Other State funds	2,559,555	-	2,755,974	-	(196,419)
Federal funds	995,320	-	995,320	-	-
Private funds	712,600	100,000	812,600	-	(100,000)
Other	-	-	16,582	-	(16,582)
State appropriations	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 15,811,348</b>	<b>\$ 112,370</b>	<b>\$ 15,589,147</b>	<b>\$ -</b>	<b>\$ 222,201</b>
<b>EXPENDITURES</b>					
Architect & engineering fees	\$ 1,486,342	\$ 22,373	\$ 1,184,802	\$ 434,346	\$ (132,806)
General construction	11,967,821	885,223	9,976,104	872,741	1,118,976
Movable equipment/furniture	521,298	-	154,815	-	366,483
Land/right of way	1,316,909	-	1,313,409	-	3,500
Legal & administrative costs	92,981	-	78,571	10,766	3,644
Transfer for debt service	-	-	-	-	-
Miscellaneous expense	23,500	-	15,124	-	8,376
Agency labor	133,208	31,411	81,181	-	52,027
Agency materials	385,534	52,904	386,879	-	(1,345)
Arbitrage rebate transfer	-	-	163,249	-	(163,249)
Contingency	115,000	-	-	-	115,000
<b>Total Expenditures</b>	<b>\$ 16,042,593</b>	<b>\$ 991,911</b>	<b>\$ 13,354,134</b>	<b>\$ 1,317,853</b>	<b>\$ 1,370,606</b>
<b>Net Increase (Decrease)</b>	<b>\$ (231,245)</b>	<b>\$ (879,541)</b>	<b>\$ 2,235,013</b>	<b>\$ (1,317,853)</b>	<b>\$ (1,148,405)</b>

MURRAY STATE UNIVERSITY  
PLANT FUNDS  
UNAUDITED SCHEDULE OF UNEXPENDED REVENUES AND EXPENDITURES  
For the Period July 1, 1998 through September 30, 1998

	Allotments			Expenditures			Outstanding Encumbrances	Balance 9/30/98
	Prior to July 1, 1998	Received 1998-99	Total	Prior to July 1, 1998	Expenditures 1998-99	Total		
100 Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
131 Land acquisitions	1,379,890	-	1,379,890	1,372,746	-	1,372,746	-	7,144
400 Con ed series G clearing	-	-	-	83,542	-	83,542	-	(83,542)
405 Renovate Old Fine Arts building	4,025,000	-	4,025,000	3,979,967	3,031	3,982,998	56,461	(14,459)
410 National Boy Scout Museum phase IV	36,814	-	36,814	36,814	-	36,814	-	-
500 Project 48 bonds clearing	-	-	-	172,368	-	172,368	-	(172,368)
600 Project 50 bonds clearing	-	-	-	26,020	-	26,020	-	(26,020)
626 E & G fire horn upgrade	43,500	-	43,500	12,278	1,318	13,596	-	29,904
641 Woods Hall renovation	510,000	-	510,000	395,331	-	395,331	-	114,669
706 Equine Instruction Facility	575,000	-	575,000	115,841	385,830	501,671	401,205	(327,876)
717 Fine Arts fire damage cleanup	1,530,000	-	1,530,000	1,518,277	-	1,518,277	40,766	(29,043)
725 Blackburn Science research modernization	2,221,883	-	2,221,883	2,107,339	-	2,107,339	-	114,544
727 Parking lot modifications 16th and Hamilton	123,464	-	123,464	123,464	-	123,464	-	-
728 Winslow Cafeteria renovation	750,000	-	750,000	743,790	-	743,790	-	6,210
730 BVC building system improvements	133,726	(7,383)	126,343	126,343	-	126,343	-	-
732 Doyle Fine Arts elevator renovation	221,150	-	221,150	215,151	-	215,151	-	5,999
737 Quadrangle lighting replacement	100,000	-	100,000	82,787	-	82,787	-	17,213
738 Fine Arts complex improvements	50,000	-	50,000	-	-	-	-	50,000
743 Motor pool diesel tank	24,000	-	24,000	21,309	-	21,309	-	2,691
744 Central plant fuel tank	70,000	-	70,000	62,454	-	62,454	-	7,546
810 Campus backbone network	1,500,000	-	1,500,000	345,555	-	345,555	14,945	1,139,500
818 E & G smoke detectors	321,000	-	321,000	159,731	25,142	184,873	30,731	105,396
821 High voltage oil switch	690,000	-	690,000	110,277	403,047	513,324	180,366	(3,690)
847 Upgrade legal library	67,751	34,985	102,736	102,736	-	102,736	-	-
850 Fine Arts equipment & furnishings	155,868	-	155,868	139,386	-	139,386	-	16,482
851 Curris Center roof renovations	5,000	-	5,000	1,526	-	1,526	-	3,474
853 Stewart Stadium elevator renovation	132,700	-	132,700	215	2,788	3,003	125,055	4,642
854 Elizabeth College elevator renovation	77,000	-	77,000	40,173	31,698	71,871	-	5,129
855 Faculty Hall emergency generator	67,000	-	67,000	57,564	3,550	61,114	1,050	4,836
856 Expo center replace boiler	148,700	-	148,700	138,899	6,404	145,303	-	3,397
857 Expo center exterior trim	147,000	-	147,000	76,224	40,559	116,783	13,613	16,604
858 Pogue Library skylight retrofit	5,000	-	5,000	-	219	219	-	4,781
859 Stewart Stadium entrance gates	40,000	-	40,000	-	-	-	-	40,000
860 West farm fence	37,600	-	37,600	37,322	-	37,322	-	278
861 Woods Hall renovation	124,600	-	124,600	59,551	80,209	139,760	-	(15,160)
862 Carr Health pool renovations	37,000	-	37,000	-	-	-	-	37,000
863 E & G repair/replace fire doors	25,000	-	25,000	-	-	-	-	25,000
864 BVC - fire alarm expansion	6,600	-	6,600	3,617	619	4,236	-	2,364
865 West Farm shop storage	100,000	-	100,000	-	-	-	-	100,000
866 BVC HVAC repair modification	5,000	-	5,000	-	4,002	4,002	-	998
867 Hart College elevator modification	85,000	-	85,000	166	-	166	-	84,834
868 Elizabeth College replace fire alarm	6,500	-	6,500	-	3,495	3,495	-	3,005
869 Curris Center UST removal/replacement	25,000	-	25,000	-	-	-	-	25,000
870 BVC paving and parking lot repairs	80,000	-	80,000	-	-	-	-	80,000
930 Pullen Farm Greenhouse	-	100,000	100,000	-	-	-	-	100,000
<b>Total</b>	<b>\$ 15,683,746</b>	<b>\$ 127,502</b>	<b>\$ 15,811,348</b>	<b>\$ 12,468,763</b>	<b>\$ 991,911</b>	<b>\$ 13,460,674</b>	<b>\$ 864,192</b>	<b>\$ 1,396,182</b>

MURRAY STATE UNIVERSITY  
NOTES TO FINANCIAL REPORT  
For the Period July 1, 1998 through September 30, 1998

**Note 1. Summary of Significant Accounting Policies**

*Accounting Basis*

The annual financial statements of Murray State University are prepared on an accrual basis of accounting except for depreciation on physical plant and equipment.

Tuition and fee revenues for a semester are recognized upon recording the receivable, normally before or shortly after the semester begins. Revenues of summer school academic terms are reported in the fiscal year in which the programs predominately fall. Therefore, deferred tuition revenues are recorded for terms which have not begun at year-end. State appropriations revenues are recognized upon receipt.

Expenditures are generally recognized, for interim reporting, in the period expended rather than the period incurred. Some liability accounts on the Balance Sheet are not adjusted until year-end, at which time all expenditures are accrued.

*Fund Accounting*

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

All gains and losses arising from the sale, collection or other disposition of investments and other non-cash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

**Note 2. Deposits and Investments**

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. At the state, the University's accounts are pooled with other agencies of the state. These state pooled deposits are substantially covered by Federal depository insurance or by collateral held by the state in the state's name. The investments of the University not held in the state investment pool are insured or registered, or are held by the University or by an agent in the University's name. Effective for the quarter ending September 30, 1997, bond sinking fund investments, held by the trustee, will be stated at market value.

**Note 3. Inventories**

Inventories are stated at the lower of cost, using first-in-first-out valuation, or market.

MURRAY STATE UNIVERSITY  
 NOTES TO FINANCIAL REPORT (cont.)  
 For the Period July 1, 1998 through September 30, 1998

**Note 4. Murray State University Foundation, Inc.**

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive, invest, and expend funds for the enhancement and improvement of the University.

The Foundation prepares and issues its own financial statements.

**Note 5. Prior Year Carryovers and Encumbrances**

Budget Revisions for Prior Year Carryovers and Prior Year Encumbrance Carryovers are based on actual balances brought forward to date from fiscal year 1997/98.

**Note 6. Tuition and Fees and Scholarships**

Incentive Grants of \$696,300 have been included as both tuition and as scholarship expenditures.

**Note 7. Unrestricted Expenditures**

In addition to expenditures, outstanding encumbrances as of September 30, 1998 are \$1,482,576 for Educational and General and \$16,408 for Auxiliary Enterprises.

**Note 8. Non-Mandatory Transfers from/(to) Plant Funds**

	<u>Unrestricted Educational and General</u>	<u>Unrestricted Auxiliaries</u>	<u>Restricted Educational and General</u>
<b>I. Transfer from Consolidated Educational Renewal and Replacement Fund:</b>			
a. 6/30 CERR balances in renovation accounts	\$ 308,933	\$ -	\$ -
b. Woods hall renovation	33,000	-	-
	<u>\$ 341,933</u>	<u>\$ -</u>	<u>\$ -</u>
<b>II. Transfer to Consolidated Educational Renewal and Replacement Fund:</b>			
a. Interest earned on CERR	\$ 129,435	\$ -	\$ -
a. Woods hall roof and lobby repair	3,025	-	-
	<u>\$ 132,460</u>	<u>\$ -</u>	<u>\$ -</u>
<b>III. Transfers to Unexpended Plant Fund:</b>			
a. Pullen farm greenhouse	\$ -	\$ -	\$ 100,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>



**Murray State University**

# **Investment Report**

FOR THE PERIOD

July 1, 1998 - September 30, 1998

**SUBMITTED TO  
THE PRESIDENT  
AND  
BOARD OF REGENTS**

December 4, 1998



## **Murray State University**

VICE PRESIDENT  
FOR ADMINISTRATIVE SERVICES  
PO BOX 9  
MURRAY KY 42071-0009  
PHONE: (502) 762-3774 FAX: (502) 762-3497

November 16, 1998

President Kern Alexander  
Members of the Board of Regents  
Murray, KY 42071

Attached is the Investment Report of Murray State University for the period July 1, 1998 through September 30, 1998.

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Thomas W. Denton  
Vice president for  
Administrative Services

maf



MURRAY STATE UNIVERSITY  
**SUMMARY OF INVESTMENT EARNINGS BY FUND**  
 For the Period July 1, 1998 through September 30, 1998

	Current Funds	Endowment Funds	Plant Funds	Total
Investment Earnings to Date	<u>\$ 389,440</u>	<u>\$ 32,272</u>	<u>\$ 135,300</u>	<u>557,012</u>
Composite Interest Rates	<u>6.87%</u>	<u>5.58%</u>	<u>7.28%</u>	<u>6.89%</u>

MURRAY STATE UNIVERSITY  
SUMMARY OF INVESTMENT EARNINGS  
BY FUND AND FUND ACCOUNTS  
or the Period July 1, 1998 through September 30, 1998  
With Comparative Figures for Period Ended September 30, 1997

	Earnings To Date 1998-99	Earnings To Date 1997-98
<b>CURRENT FUNDS</b>		
Local Bank Accounts Interest (Peoples 1st Bank)	\$ 98,964	\$ 85,167
Consolidated Educational Revenue Fund (Frankfort)	285,755	259,811
Housing and Dining Revenue Fund (Frankfort)	4,721	12,575
	<u>\$ 389,440</u>	<u>\$ 357,553</u>
<b>ENDOWMENT FUNDS</b>		
Endowed Chair for Ecosystems Studies	\$ 14,250	\$ 14,469
Smith Scholarship Endowment	13,863	12,299
Other Endowment Funds	4,159	3,687
	<u>\$ 32,272</u>	<u>\$ 30,455</u>
<b>PLANT FUNDS</b>		
Consolidated Educational Renewal and Replacement (Frankfort)	\$ 48,241	\$ 21,402
Unexpended Plant (Frankfort)		
Series G Bonds - Capital Construction Clearing	7,718	6,454
Series H Bonds - Capital Construction Clearing	308	150
Retirement of Indebtedness (Trustee-PNC Bank)		
Consolidated Educational Bond Reserve Sinking Fund	57,583	57,588
Consolidated Educational Series G Arbitrage Rebate Fund	11	8
Housing and Dining Bond Reserve Sinking Fund	10,473	11,418
Housing and Dining Repair and Maintenance Fund	10,966	10,294
	<u>\$ 135,300</u>	<u>\$ 107,314</u>

MURRAY STATE UNIVERSITY  
**CURRENT FUNDS**  
**SCHEDULE OF INVESTMENT ACTIVITIES**  
For the Period July 1, 1998 through September 30, 1998

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1998-99 Earnings
<b>EDUCATIONAL AND GENERAL</b>						
<u>Interest on Local Bank Accounts (Note 4)</u>						
Peoples First of Calloway County		continuous		Daily rate per overnight Peoples First Bank balances		\$ 98,964
Total Local Bank Accounts interest earnings to date						<u>\$ 98,964</u>
<u>Consolidated Educational Revenue Fund (Frankfort)</u>						
State Investment Pool	09/30/98	365 days	92 days	8.420% \$	12,726,698	\$ 285,755
Total Consolidated Educational Revenue Fund interest earnings to date						<u>\$ 285,755</u>
Total Current Funds Educational and General interest earnings to date						<u>\$ 384,719</u>
<b>AUXILIARY ENTERPRISES</b>						
<u>Housing and Dining Revenue Fund (Frankfort)</u>						
State Investment Pool	09/30/98	365 days	92 days	5.310% \$	715,926	\$ 4,721
Total Housing and Dining Revenue Fund interest earnings to date						<u>\$ 4,721</u>
Total Auxiliary Enterprises interest earnings to date						<u>\$ 4,721</u>
Total Current Funds interest earnings to date						<u>\$ 389,440</u>

MURRAY STATE UNIVERSITY  
**ENDOWMENT FUNDS**  
**SCHEDULE OF INVESTMENT ACTIVITIES**  
For the Period July 1, 1998 through September 30, 1998

Type of Investment	Maturity	Term	Days Interest Earned	Effective Yield	Market Value at 9/30/98	1998-99 Earnings
<b>ENDOWED CHAIR FOR ECOSYSTEMS STUDIES (Note 7)</b>						
Certificate of Deposit	11/13/98	365 days	92 days	5.800%	\$ 300,000	\$ 4,438
Certificate of Deposit	11/13/98	365 days	92 days	5.750%	300,000	4,300
Certificate of Deposit	11/13/98	365 days	92 days	5.610%	195,000	2,551
Foundation Investment Pool - Estimated	12/31/97	365 days	92 days	5.340%	220,000	2,961
Total Endowed Chair interest earnings to date						<u>\$ 14,250</u>

**SMITH SCHOLARSHIP ENDOWMENT (Note 7)**

Investment	Market Value at 9/30/98	1998-99 Earnings
Foundation Investment Pool	Estimated 5.500% \$ 1,000,000	\$ 13,863
Total earnings on Smith Endowment		<u>\$ 13,863</u>

**OTHER ENDOWMENT FUNDS**

Investment	Market Value at 9/30/98	1998-99 Earnings
Foundation Investment Pool	Estimated 5.500% \$ 300,000	\$ 4,159
Total Other Endowment Funds		<u>\$ 4,159</u>
Total Endowment Funds earnings to date		<u>\$ 32,272</u>

MURRAY STATE UNIVERSITY  
**PLANT FUNDS**  
**SCHEDULE OF INVESTMENT ACTIVITIES**  
For the Period July 1, 1998 through September 30, 1998

Type of Investment	Maturity	Term	Days Interest Earned	Fiscal YTD Annualized Yield	Fiscal YTD Average Balance	1998-99 Earnings
<b>CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)</b>						
State Investment Pool	09/30/98	365 days	92 days	8.580%	\$ 2,248,556	\$ 48,241
Total Consolidated Educational Renewal and Replacement interest earnings to date						\$ 48,241
<b>UNEXPENDED PLANT FUND</b>						
<u>Series G Bonds - Capital Construction Clearing - Frankfort (Note 9)</u>						
State Investment Pool	09/30/98	365 days	92 days	8.430%	\$ 366,317	\$ 7,718
Total Series G interest earnings to date						\$ 7,718
<u>Series H Bonds - Capital Construction Clearing - Frankfort (Note 10)</u>						
Bond Proceeds Pool	09/30/98	365 days	92 days	8.97%	\$ 4,705	\$ 308
Total Series H interest earning to date						\$ 308
Total Unexpended Plant Fund interest earnings to date						\$ 8,026
<b>RETIREMENT OF INDEBTEDNESS FUND - Invested by Trustee</b>						
					Market Value at 09/30/98	
<u>Consolidated Educational Bond Reserve Sinking Fund (Note 11)</u>						
Money Market Securities	09/30/98	365 days	92 days	Various	\$ 140	\$ 2
Repurchase Agreement	07/01/04	10 years	92 days	6.500%	\$ 3,543,480	\$ 57,581
Total Consolidated Educational Bond Reserve Sinking Fund interest earnings to date						\$ 57,583
<u>Consolidated Educational Series G Arbitrage Rebate Fund</u>						
Money Market Securities	09/30/98	365 days	92 days	Various	\$ 663	\$ 11
Total Consolidated Educational Series G Arbitrage Fund interest earnings to date						\$ 11
					Yield to Maturity	
<u>Housing and Dining Bond Reserve Sinking Fund (Note 12)</u>						
PNC managed account	09/30/98	365 days	92 days	5.600%	\$ 732,411	\$ 10,473
Total Housing and Dining Bond Reserve Sinking Fund interest earnings to date						\$ 10,473
<u>Housing and Dining Repair and Maintenance Reserve Fund (Note 13)</u>						
PNC managed account	09/30/98	365 days	92 days	5.600%	\$ 794,242	\$ 10,966
Total Housing and Dining Repair and Maintenance Reserve Fund interest earnings to date						\$ 10,966
Total Retirement of Indebtedness Fund interest earnings to date						\$ 79,033
Total Plant Funds interest earnings to date						\$ 135,300

MURRAY STATE UNIVERSITY  
NOTES TO INVESTMENT REPORT  
For the Period July 1, 1998 through September 30, 1998

Note 1. **BASIS OF REVENUE RECOGNITION**

Accrual basis accounting is used to recognize interest earnings on the Investment Report.

Note 2. **INVESTMENT POLICIES AND PROCEDURES**

**POLICIES**

Scope: This investment policy applies to activities of the University with regard to investing the financial assets of all funds, including those maintained by:

- I. the Commonwealth of Kentucky's treasury,
- II. local depositories, and
- III. external trustees and investment managers.

Written procedures will indicate which funds are covered under each of the previously mentioned investment structures.

Goals: Consistent with state statutes and administrative regulations, the goals of the University's investment program are:

- \* preservation and maintenance of the real purchasing power of the principal in the portfolios,
- \* maintenance of sufficient liquidity to meet normal and foreseeable expenditures, and
- \* attainment of the greatest possible dollar return to the University while observing statutory and policy constraints.

Investment Objective: The investment objective is to produce a yield that when compared to the current marketplace, would be described as competitive by investment managers.

Strategy: The University's investment strategy is designed to match the life of the assets with the date liability occurs.

Delegation of Authority:

General: The treasurer is responsible for investment decisions and activities, under the direction of the Board of Regents. The Treasurer shall develop and maintain written administrative procedures for the operation of the investment program, consistent with these policies. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person shall engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Treasurer. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate investment personnel.

Bond Funds: With regard to bond funds, the investment/reinvestment (on instruments authorized by the bond indenture and resolutions) by the trustee(s) shall be directed from time to time by the Treasurer.

Minimal Non-Cash Investment Transactions: In order to correct stock transfer errors or dispose of small non-cash investments, the Treasurer is authorized to sell or otherwise dispose of items less than \$10,000 without specific resolution from the Board of Regents.

Note 2. INVESTMENT POLICIES AND PROCEDURES (cont.)

Reporting: The Treasurer and the Vice President for Administrative Services shall submit quarterly investment reports to the President and Board of Regents. These reports will include investment data for investment securities held at the end of the reporting period.

PROCEDURES

Specific investment procedures are contained within the full "Investment Policies and Procedures" as approved by the Board of Regents on May 14, 1994.

Note 3. DEPOSITS AND INVESTMENTS

The University currently uses commercial banks and the Commonwealth of Kentucky for its depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the bank in the University's name. University funds deposited with the State Treasurer are pooled with funds from other state agencies. These state Pooled deposits are substantially covered by federal depository insurance or by the collateral held by the bank in the state's name. The investments of the University not held by the state investment pool are insured, registered, or held by the University or by an agent of the University.

Below is a summary of the investments held by the University:

	<u>Carrying Amount</u>	<u>Carrying Amount</u>
U. S. Government Securities	\$ 5,070,133	\$ 5,547,032
Stocks	-	-
Certificates of Deposit	795,000	755,000
Money Maret Securities	803	1,095
Subtotal	<u>\$ 5,865,936</u>	<u>\$ 6,303,127</u>
Investment in State Investment Pool	\$ 16,062,202	\$ 18,945,349
MSU Foundation Pool	<u>\$ 1,520,000</u>	<u>\$ 1,433,271</u>
Total Investments	<u><u>\$ 23,448,138</u></u>	<u><u>\$ 26,681,747</u></u>

Note 4. CURRENT FUNDS - LOCAL BANK ACCOUNT

Effective June 1, 1997, the University entered into a new banking contract with Peoples First of Calloway County (Union Planters Bank), interest earnings are based on 127% of the overnight federal funds rate.

Interest earnings may be expended in Current Fund.

Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB)

This fund was created, as result of the trust indenture established when the first Consolidated Educational Building Revenue Bonds were sold in the 1960's, as a depository of tuition and fees in order to provide funds to service the principal and interest debt requirements of each series of aforementioned bonds. The fund also supports the Educational and General Funds operations.

**Note 5. CONSOLIDATED EDUCATIONAL BUILDING AND REVENUE BOND FUND (CEBRB) (cont.)**

The Commonwealth of Kentucky Office of Financial Management and Economic Analysis invests available funds of the CEBRB in the State's university investment pool.

All interest earnings are transferred to Consolidated Educational Renewal and Replacement (CERR) at the end of each quarter according to the Board's approval for renewal and replacement projects.

**Note 6. AUXILIARY FUNDS - HOUSING AND DINING REVENUE FUND**

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in the 1960's as a depository of all auxiliary income in order to provide funds to service the principal and interest debt requirement of each series of aforementioned bonds. The fund also supports the Auxiliary Fund operations.

**Note 7. ENDOWMENT FUND INVESTMENTS**

**ENDOWED CHAIR**

During 1987, the University was awarded \$500,000 by the Commonwealth of Kentucky for an Endowed Chair for Eco-Systems Studies. University discretion, within the Board Policy, is used to invest these funds. Ten percent of the total earnings are returned to the Endowment investment pool. Ninety percent of the earnings are transferred to the Restricted Fund (Endowed Chair Grant) for program expenditures.

**SMITH ENDOWMENT**

During the fourth quarter of fiscal year 1991-92 and the first three quarters of fiscal year 1992-93, the University received proceeds, in excess of \$750,000, from the Laura Smith estate for the Smith Endowment. The majority of the proceeds were deposited with the Murray State University Foundation for investment in the investment pool.

For the quarter ended September 30, 1998, actual information was not available for the Foundation investments. Therefore, the amount presented in this report are based on estimates.

**Note 8. CONSOLIDATED EDUCATIONAL RENEWAL AND REPLACEMENT (CERR)**

As established by the Board of Regents in March 1982, CERR provides a plant fund sub-group so that funds transferred from CEBRB could be accumulated for future projects of repair and renovation.

The University invests the proceeds in the same manner as CEBRB in Note 5.

Interest earnings remain within the fund for future projects.

**Note 9. UNEXPENDED PLANT FUNDS - SERIES G REVENUE BOND**

This capital construction clearing account holds the proceeds from the University's Series G bond sale until such time as they are needed for specific capital construction projects.

The University issued \$14,785,000 in Series G revenue bonds dated December 1, 1987. The proceeds are to be used to pay costs of repair, renovation, construction or addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

The University invests the proceeds in the same manner as CEBRB in Note 5.

Interest earnings on Series G can be spent on the Industry and Technology Building project or any other Educational and General project the Board and State approves.



**Note 10. UNEXPENDED PLANT FUNDS - SERIES H REVENUE BOND**

This capital construction clearing account holds the proceeds from the University's Series H bond sale until such time as they are needed for specific capital construction projects.

The University issued \$4,625,000 in Series H revenue bonds dated March 1, 1992. The proceeds are to be used to pay costs of repair, renovation, construction of addition to buildings on the campus of Murray State University that are and shall be a part of the Consolidated Educational Building Project. This project was established and created by the Board of Regents on April 20, 1961.

The Commonwealth of Kentucky invests the proceeds in a pooled account with other state agency bond proceeds.

Interest earnings on Series H can be spent on the renovation of the Old Fine Arts Building and the Underground Steam and Condensate Lines as approved by the Board and State.

**Note 11. RETIREMENT OF INDEBTEDNESS - CONSOLIDATED EDUCATIONAL SINKING FUND (CESF)**

This fund was created, as a result of the first trust indenture established when the Consolidated Educational Building and Revenue bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on all related CEBRB bonds. The amount of interest earned is part of the formula for annual funding of CERR projects. (See Note 5)

Interest earnings are used to reduce the amount of semi-annual debt service transferred from University Unrestricted Educational and General Fund to this sinking fund. Bond requirements mandate a minimum reserve of \$3,543,480.

**Note 12. RETIREMENT OF INDEBTEDNESS - HOUSING AND DINING SINKING FUND**

This fund was created, as a result of the trust indenture established when the first Housing and Dining System Revenue Bonds were sold in the 1960's, to provide a sinking fund to pay debt principal and interest expense on related Housing and Dining Revenue Bonds.

Interest earnings are retained in the fund for future use. Bond requirements mandate a minimum reserve of \$720,154.

**Note 13. HOUSING AND DINING REPAIR AND MAINTENANCE RESERVE FUND**

This fund was created, as a result of the establishment of the trust indenture in Note 5, to provide a fund to pay for extraordinary repairs, not paid from the Auxiliary Fund, to the Housing and Dining System buildings.

Interest earnings are retained in the fund for future use. The use is determined by Board of Regents resolution and the indentures. Bond requirements mandate a minimum reserve of \$550,000.

Murray State University Board Report  
Undergraduate Degrees Conferred  
December 18, 1998

ATTACHMENT #3

**Associate of Arts**

Total: 6

Carolyn Sue Cole  
Stephanie Ann Holland  
Rita K. Cook Robinson  
Chanda Ray Scott  
Carol Solmon  
Steven Lynn Todd

Tina Jean Murphy  
Maria A. Peter  
Bryan Lee Peters  
Andrea Szemeredy  
Samuel Paul Watson  
Wendy Dey Wilder

**Associate of Science**

Total: 6

Robert Jason Conner  
Corryne Dunlap Foster  
Joseph D. Key  
Terry W. McCallon  
Sally A. Robertson  
Kara Joy Sizemore

**Bachelor of Science**

Total: 175

Brian L. Addington  
Barbara J. Alexander  
Salah M. Almutairi  
David C. Alsip  
Laura Ann Alvey  
Dana Robb Armstrong  
Tammy A. Armstrong  
Kevin Wayne Arnett  
Anissa Ervin Asher  
Jason Bradley Barnett  
Micheal Logan Barnhart  
Melissa D. Barrett  
Alexander Barya Bazirake  
Andrew Daniel Belcher  
Erin J. Besand  
JaDon Lamonte' Black  
Amy Jean Blanton  
Sheila M. Bogle  
Laura Ann Bohanon  
Sabrina Larissa Bouknight  
Gregory Bowie  
Leslie Boyd  
Robert John Bradley  
Anita Kay Brewer  
Shannon C. Brumbaugh  
Jacob Michael Burgess  
Suzan Grace Butler  
Joy Nicole Cabral  
Grace L. Cain-Applying  
Andrew Carlsen  
Jeffrey Todd Carneal  
Kristal Klankey Carpenter  
Seth Neal Carson  
Tracy Gail Cissell  
Brian J. Clark  
Timothy Wayne Clark

**Associate of Science in Vocational Technical Education**

Total: 2

Wanda Kay Jetton  
Roy T. Kenady

**Bachelor of Arts**

Total: 27

Alan Bearman  
Justin R. Beebe  
Amy Brooke Benefiel  
Melissa Anne Brown  
Mandy Lee Byrd  
Deborah Ann Carbon  
Jessica Erin Coleman  
Chrystal Dawn Dalby  
Gwendolyn Y. Dyas  
Angela Gooder  
Patricia Wallis Gray  
Diana Haggan  
Nicholas Paul Jones  
Jason Wade Kanipe  
Kelly M. Kochert  
Jennifer J. Mabry  
Paige Christiane Madigan  
Christy L. Mattingly  
Joy Beth Mattingly  
Julie Stritzel McSwain  
Jennifer Noelle Mullen

**Murray State University Board Report**  
**Undergraduate Degrees Conferred**  
**December 18, 1998**

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Scott Charles Coleman  
Vanessa Conner  
Michael P. Conway  
Brandon Bruce Copeland  
Jennifer Michelle Council  
Robert Howard Craig  
Amber Leigh Crice  
Debbra L. D'Angelo  
Duane Wesley Dew  
Justin A. Disselkamp  
Elizabeth Dory Wilson Dodd  
Matthew W. Dossett  
Vanessa Gwen Dowdy  
Chaney Marie Driskill  
Holly Ann Rothrock Dunning  
Micah Beth Earnest  
James W. Eason  
Nancy Carol Elledge  
Andrew B. Evans  
Jake W. Fisher  
Melissa White Fletcher  
Andrew Stewart Foley  
Colleen Marie Forrett  
Elizabeth Humphrey Fowler  
Julie Michelle Fox  
Thomas Ryan Franks  
James Victor Fulton III  
Angela Manning Fuqua  
Samantha Milton Gaddie  
Keith M. Gallagher  
Kerry E. Galloway  
Jennifer D. Gentry  
William David Gunning  
Kent Wade Hackstadt  
Lorrie Ham  
Amy Elizabeth Hanor  
Jill Renee Heilig  
Christie JoAnn Henderson  
Rhonda Michelle Henderson  
Misty Renee Henson  
Matthew L. Higdon  
Thomas L. Holloman  
Aaron Jason Holman  
Sara Beth Holmes  
Randall William Jackson

Derek M. Janquart  
Kelly Christian Johnson  
La Tesha Nicole Joiner  
Aimee Jones  
Kelly M. Joy  
Melinda Keller  
Brad J. Kelly  
Megan Catherine Kelly  
Thomas Wesley Kemp  
Dennis E. Kesmodel  
Janeen Marie Klaproth  
Scott R. Krieb  
Andrew C. Lampkins  
Charles K. Lampley  
Sean Thomas Lane  
Michelle Lenberger  
Dhomyne LaJuan Lightfoot  
Andrew William Link  
Damian Allen Loveless  
Bernadette Miyo Martin  
Lynne Ashley Martin  
Robert Alan Martin  
Beth Lynn Mauger  
Dee B. McClay  
Eric B. McDowell  
William Jeremy McKeel  
Daimon M. McNew  
Clay McNichols  
Trina Leigh Riley Merrick  
Allison Lea Mikovits  
Angela D. Miller  
Joe Cullen Monroe Jr.  
Andrew Morzillo  
Quannah Muncy  
Keith L. Murt Jr.  
Yoshiya Nakamura  
Robert S. Nelson  
Sarah Lee Oliver  
Eric Michael Osborne  
Sheletia Nichole Owen  
Barbara Bannister P'Poole  
Robert R. Peebles  
Noel James Perkins  
Debbie S. Pfannerstill  
Johnny M. Phillips

**Murray State University Board Report**  
**Undergraduate Degrees Conferred**  
**December 18, 1998**

Misty Leigh Pierceall  
Carrie Rebecca Rainwater  
Lance Davis Ricketts  
Misty Dawn Rodgers  
Kristofer Rommel  
Richard L. Rose  
Shane Kelsey Rosentreter  
Jason Ray Russell  
Annie R. Savas  
Bradley Alan Sears  
Sonya M. Shockley  
John Robert Simanowitz Jr.  
Amy Elizabeth Simpson  
Angela Coley Smith  
Kenneth C. Snarr  
Susan Carol Snow  
Tammy Mae Spratt  
Sean W. Sprouse  
Jonathan Dodd Stanley  
Leshia Dawn Starks  
Valerie M. Steele  
Melissa C. Stokes  
Mary A. Story  
David Ross Stubblefield  
Phillip Kurt Sutton  
Jason A. Swinny  
Christopher Dean Testerman  
Anjeanette D. Thomas  
Daniel Thompson  
David K. Thurman  
Rodriguez S. Todd  
Jennifer Elizabeth Tucker  
William Scott Tudor  
David Mitchell Tynes  
Travonda Vaughn  
Amber Marie Walker  
Shelly J. Weatherford  
Christopher N. Weber  
Gene C. Whitaker  
John Mark Whittaker  
Margaret Dee-Anne Williams  
Albert Benjamin Wilson  
Andrea Penelope Wilson  
Sharon L. Wilson  
Cheri L. Winters

Rebecca W. Wood  
Sylvia K. Woody  
Bryan Lee Workman  
Kelly J. Wysocki

**Bachelor of Science in Agriculture**

**Total: 29**

Richard Alderson  
Douglas A. Bell  
Amy Sloan Benson  
Robert David Brown  
Clinton R. Corlew  
Melissa Ann Cornwell  
Jason S. Ebelhar  
Margaret Linn Foust  
Michelle L. Francis  
April French  
Jeremy W. French  
Rebecka A. Friedrich-Wacker  
Terry Fuqua  
Melanie Danise Hanks  
George M. Henshaw  
Michael Wayne Hughes Jr.  
Daniel G. Johnson  
Beau M. Jones  
Joseph L. Kissel  
Rachel Rene Little  
Jonathan Morris  
Katherine Elizabeth Page  
Chad Payne  
Paul Allen Sheckell  
Allan Ray Smith  
Davin J. Smith  
Kirk Allen Vessel  
Joseph J. Watson  
Benjamin Christian Werner

**Bachelor of Science in Business**

**Total: 39**

Mary Catherine Allen  
Ki-Dong Bae  
Timothy L. Bohannon  
Matthew Brenda  
Walter Thomas Burnley  
Eric D. Chavez  
Lucas L. Cherry

Murray State University Board Report

Undergraduate Degrees Conferred

December 18, 1998

Richelle Yvonne Cissell  
 Meredith Davenport  
 Cory R. Davis  
 Jana Marie Devine  
 Charles W. Diehl III  
 Pamela Whitlow Duncan  
 Sara Grey Fitts  
 Marquette DeVaughn Foster  
 Kathryn K. Fox  
 Lucus Landon Lee Grace  
 Stacey Lynn Griffey  
 Jessica Sue Hammonds  
 Matthew A. Hilbrecht  
 Harry Lee Holliday  
 Roy Heath Keller  
 Mark Christopher Kindred  
 Damon Justin Lee  
 Gregory D. Linville  
 Danielle S. McElwain  
 Mikki Rene McLeary  
 John Derrick McMillen  
 Keith Paul Melton Jr.  
 Michael Bryan O'Malley  
 Chad H. Roberts  
 Evgeniy G. Rura  
 Jennifer Rhodes Smith  
 Taminara Soesono  
 Amy Lynette Solomon  
 Eric Daniel Sweeney  
 Bridgette Lynne Taylor  
 Ann Marie Thomas  
 James Darryl Workman

**Bachelor of Science in Vocational Technical Education**

Total: 1

Jimmy Dale Arnold

**Bachelor of Science in Nursing**

Total: 29

Gina Denise Baker  
 Wendy Stewart Barnhart  
 Therese C. Bennett  
 Sandra Webb Brown  
 Lori Ann Windsor Callihan  
 Tina M. Crews  
 Robin Lynn Day

Jennie Lynn Draffen  
 Loretta J. Elder  
 Mario R. Gomez  
 Rachel Dvonne Hall  
 Angela DeGraaf Hardesty  
 Tara Dray Henderson  
 Melissa Ann Johnson  
 Jennifer Ann Kimbell  
 Amy Shea King  
 Brent M. McDuffie  
 Dawn E. Mitchell  
 Shelly Rae Motley  
 Kimberlee J. Nave  
 Ragan Carol Norwood  
 Sherry Stanley Richardson  
 Tina Marie Richardson  
 Laura Renee Shirel  
 April Diane Shoffner  
 Mary Clemency Sisto  
 Ginger R. Stevens  
 Tara Williams  
 M. Susan Wurth

**Bachelor of Independent Studies**

Total: 2

Jacqueline F. Kennedy  
 Edward A. Minton

**Bachelor of Arts in Business**

Total:

Selena Kay Alderman  
 Christie Rae Collins  
 Veronica Goulko  
 Jennifer Lee Haworth  
 Lisa Ann Schindler  
 Yourong Zou

**Bachelor of Social Work**

Total: 18

Deborah Elaine Allcock  
 Sandra Lynn Baker  
 Kristal Ann Berkbigler  
 Rae Anne Maddox Carroll  
 Yoronda Marie Caudle  
 Carolyn Charlene Corder  
 Shannon Maria Eckels

**Murray State University Board Report**  
**Undergraduate Degrees Conferred**  
**December 18, 1998**

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Elizabeth Leigh Harris  
Gayle A. Johnston  
Lora S. Land  
Jennifer A. Mayes  
Tena R. Phillips  
Valerie J. Thweatt  
Peggy S. Wadsworth  
Christine L. Wendel  
Wendy Whitaker Wilson  
Rebecca Jo Wise  
Athina Xakis

**Total Number of Degrees Conferred : 340**

Murray State University Board Report

Graduate Degrees Conferred

December 11, 1998

**Master of Arts in Education**

Total: 26

Sherri Lynn Bazzell  
Alison Elaine Brown  
Christy Jan Cadwell  
L. Kathleen Carver  
Deborah Lyons Castile  
Ellen Bennett Crady  
Teresa Annette Craft  
John H. Deboe Jr.  
Kelli Lee Eastwood  
Marilyn Sloan Felts  
Stephanie N. Gordon  
Tammy Jane Greenwell  
Michelle Wynn Kern  
Jeri Kaye Kramer  
Mary Elizabeth Lambert  
Sharon Annette Shelby Lancaster  
Anne Marie Lutterman  
Deborah K. Pearce  
Joan Craft Radford  
Greta Leigh Ruoff  
Joan Clair Sims  
Kellye Jo Steele  
Alan Graham Tucker  
Jennifer Ann Tucker  
Anne Marie Whitis  
Kathleen Kiser Wilkinson

Paul Anthony Newby

Yogi Sidharta  
Wendi Walser Smith  
Stephen Ross Wawrin

**Master of Arts in Teaching**

Total: 2

Penny Lynn Bellamey  
Nancy Denise Sanders

**Master of Science**

Total: 64

Adam Henry Alexander  
John Anthony  
Matthew Santford Baker  
Christopher Michael Beiring  
Phillip Elliott Blount Sr  
Debra Ann Hockett Bowyer  
Karen Ann Brinkley  
Amy Lyn Bub  
Lateefah Baseemah Bush  
Jennifer Lynn Carneal  
Apichai Chetawatee  
Chun-Chung Choi  
Wai Tat Choy  
John Wilson Clark  
Daniel Nelson Cramer  
Kathleen Yvonne Cureton  
Randell Milton Dawson II  
Joseph Patrick Deady  
Casandra D. Dorris  
Richard Kevin Dowdy  
Amy Anne Draper  
Lisa Elaine Duncan  
Torey Kelvin Earle  
John Philip Eaton  
Michael Clay Evans  
Curtis Zachary Gant  
Lawrence Thomas Garrity  
Eric John Gressman  
Matthew Allen Griffin

**Master of Business Administration**

Total: 16

Maki Aizawa  
Chester Murrah Cunningham  
Anne M. Denissen  
Thomas Matthew Durbin  
Gerri Gail Glover  
Takahiro Hasegawa  
Alexander Helm  
Robert G. Hester Jr.  
Sai-Hong A. Lo  
Meredith Ann Major  
Riza Dwiputranto Marjadi  
Amy Lee McClure

Murray State University Board Report  
Graduate Degrees Conferred  
December 11, 1998

Thomas Andrew Harraghy  
David T. Hart  
Tara Hargett Hendren  
Duane Andrew Hoge  
Jeanie Ann Holladay  
Irene Sullivan Howard  
Matthew Jonathan Hutchison  
Jonathan A. Jacobi  
Tonya L. James  
Kittiphan Khumsap  
Shawn Renee Lamb  
Pamela Binkley Lessenberry  
David Mark Lewis Jr.  
Larry Wayne Lord  
Timothy Lee Maharrey  
Bundit Manoongkulachai  
May R. Mason  
Kelley McClure  
Lou Jane Miller  
Kimberli K. Moore  
Ryan Patrick Morrow  
Preecha Roongsug  
Thomas Mason Russell-Tutty  
Salem Lee Sharp  
Connie Jo Skinner  
Debra Kipling Smith  
Gregory Pierce Stallworth  
Kularb Vonmepon  
Marjorie J. Wagner  
David Eric Weatherly  
Timothy Kraig Welsh  
Kelly Dawn Workman  
Nattawoot Worrawatthamrong  
David Adam Yastremski  
Howard Michael Zahner

Shu-chen Hsu  
Linda A. Metcalf  
Jarrett K. Nantz  
Virginia L. Oldham  
Ahmad Ali Sharif  
Aaron Sullivan

**Master of Public Administration**

Total: 6

Phillip Lynn Castleberry  
Holly Daniele Coleman  
Brenda Sue Frantz  
Dale Clymer Jackson  
Troy Roberson Jones  
Ardyuth Netithanakul

**Master of Science in Nursing**

Total: 8

Vickey Sue Boonstra  
Dana Michaela Brown-Manley  
Nancy Catherine Cook  
Debra K. Gibbs  
Michael Chad Odle  
Laurie LaRae Roberts  
Tamara Michelle Robertson  
Brenda Anne Stephens

**Master of Arts**

Total: 11

Ali Al-Kahtani  
Carlton E. Bumphis  
Patricia Lynn Dowd  
Patricia Teasley Frazer  
Rebecca Todd Garvin



Murray State University Board Report  
Graduate Degrees Conferred  
December 11, 1998

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**Total Number of Degrees Conferred : 133**

RESOLUTION OF OFFICIAL INTENT OF THE BOARD OF REGENTS OF THE  
MURRAY STATE UNIVERSITY TO FINANCE CONSTRUCTION OF A  
BUILDING PROJECT FROM PROCEEDS OF A PROPOSED ISSUE OF  
REVENUE BONDS

WHEREAS, Treasury Regulations §1.150-2 (the "Reimbursement Regulations"), issued pursuant to §150 of the Internal Revenue Code of 1986, as amended, (the "Code") prescribes certain requirements by which proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of "bonds" under §150 of the Code ("Obligations") used to reimburse advances made for Capital Expenditures (as hereinafter defined) paid before the issuance of such Obligations may be deemed "spent" for purposes of §§ 103 and 141 to 150 of the Code therefore, not further subject to any other requirements or restrictions under those sections of the Code; and

WHEREAS, such Reimbursement Regulations require that the Borrower (as hereinafter defined) make a Declaration of Official Intent (as hereinafter defined) to reimburse any Capital Expenditure paid prior to the issuance of the Obligations intended to fund such Capital Expenditure and require that such Declaration of Official Intent be made no later than sixty (60) days after payment of the Capital Expenditure and further require that the Allocation (as hereinafter defined) of the proceeds of such Obligations to reimburse such Capital Expenditures paid on the date the property acquired with the Capital Expenditure was placed in service, except that any such Allocation must be made no later than three years after such Capital Expenditure was paid; and

WHEREAS, Murray State University (the "Borrower") wishes to ensure compliance with the Reimbursement Regulations;

NOW, THEREFORE, be it resolved as follows by the Board of Regents of Murray State University as follows:

SECTION 1. Definitions. The following definitions apply to the terms used herein:

"*Allocation*" means written evidence that proceeds of the Obligations issued subsequent to the payment of a Capital Expenditure are to effect the reimbursement of the Borrower for such payments.

"*Borrower*" means Murray State University.

"*Capital Expenditures*" means any expense for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as costs of issuing Reimbursement Bonds.

"*Declaration of Official Intent*" means a written declaration that the Borrower intends to fund a Capital Expenditure with an issue of Reimbursement Bonds and reasonably expects to be reimbursed from the proceeds of such an issue.

"Reimbursement" means the restoration to the Borrower of money temporarily advanced from other funds of the Borrower to pay for Capital Expenditures before the issuance of Obligations intended to fund such Capital Expenditures. "To reimburse" means to make such a restoration.

"Reimbursement Bonds" means Obligations that are issued to reimburse the Borrower for Capital Expenditures previously paid by or for the Borrower.

"Reimbursement Regulations" means Treasury Regulations §1.150-2 and any amendments thereto or superseding regulation, whether in proposed, temporary or final form, as applicable, prescribing conditions under which the proceeds of Obligations when allocated or applied to a reimbursement will be treated as "spent" for purposes of §§103 and 141 to 150 of the Code.

SECTION 2. Declaration of Official Intent.

(a) The Borrower declares that it reasonably expects that the Capital Expenditures described in Section (b), which will be paid prior to the issuance of any Obligations intended to fund such Capital Expenditures, will be reimbursed with the proceeds of Obligations, representing a borrowing by the Borrower in the maximum principal amount for such reimbursements, funding of a debt service reserve and payment of costs of issuance of approximately \$5,600,000; and

(b) The Capital Expenditures to be reimbursed are to be used for the renovation and improvement of the buildings and appurtenant facilities comprising the Borrower's housing and dining system.

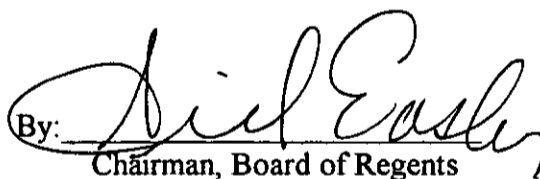
SECTION 3. Reasonable Expectations. The Borrower does not expect any other funds (including the money advanced to make the Capital Expenditures that are to be reimbursed), to be reserved, allocated on a long-term basis, or otherwise set aside by the Borrower or any other entity affiliated with the Borrower, with respect to the Capital Expenditures described in 2(b).

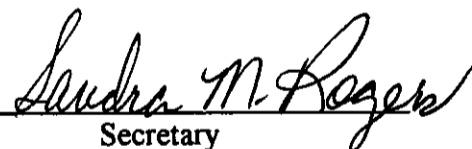
SECTION 4. Effective Date. This Resolution shall be effective from and after its date of adoption.

Adopted at a duly convened meeting of the Board of Regents of Murray State University on the 4<sup>th</sup> day of December, 1998.

MURRAY STATE UNIVERSITY

Attest:

By:   
Chairman, Board of Regents

By:   
Secretary

CERTIFICATE

I, the undersigned Secretary of the Board of Regents of Murray State University, certify that the foregoing is a true and correct copy of a Resolution passed at a duly convened meeting of the Board of Regents of Murray State University held on the 4th day of December, 1998, at which a quorum was present, and that said Resolution has not been amended, modified, revoked or repealed and is now in full force and effect, all as appears from the official records of the Board of Regents of Murray State University in my custody and under my control.

4th Witness my hand as Secretary of the Board of Regents of Murray State University this day of December, 1998.

*Sandra M. Rogers*  
Secretary

MURRAY STATE UNIVERSITY  
1998/2000 CAPITAL PROJECTS RECOMMENDATION  
DEFERRED MAINTENANCE AND GOVERNMENT MANDATES  
EDUCATIONAL AND GENERAL (E & G) FACILITIES

<u>PROJECTS (in priority order)</u>	<u>ESTIMATED COST</u>
1. Life Safety: E & G Pool Project < \$400,000.00	
a) Installation of fire suppression sprinkler systems:	
1. Applied Science	225,000
2. Blackburn Science	300,000
3. Pogue Library	107,000
4. Doyle Fine Arts	<u>301,000</u>
	933,000
b) Fire alarm/smoke detection equipment upgrades for the above-listed buildings	<u>145,000</u> \$1,078,000
2. CFC Compliance: E & G Chillers Replacement	\$ 897,000
<p>This project provides for compliance with environmental laws pertaining to chlorofluorocarbons (CFC's) within the chiller machine refrigerants located at our Central Heating and Cooling Plant facility. It also addresses the replacement of three (3) 1200-ton chillers.</p>	
3. Deferred Maintenance: E & G Pool < \$400,000.00	\$1,967,000
a) <u>Applied Science Building</u> (general repair of interior and exterior doors and windows including moderate painting)	30,000
b) <u>Woods Hall</u> (a new roof, electrical system upgrades, air conditioning, and general renovations)	830,000
c) <u>Industrial Education Building</u> (general upgrades to the electrical distribution system as well as moderate renovations/modernization)	256,000
d) <u>Business Building</u> (general painting and repairs to existing doors and windows)	11,000
e) <u>Facilities Management Building</u> (roof repairs)	15,000

f) <u>Home Management Department/Applied Science Building</u> (moderate upgrades to the heating, ventilation, and air condition system distribution)	35,000
g) <u>Carr Health</u> (roof repair, mechanical (HVAC) system repair, and refinishing of the three gymnasium wood floors)	36,000
h) <u>Cutchin Field House</u> (repair and correction of significant storm water drainage problems)	70,000
i) <u>Ordway Hall</u> (upgrade of existing electrical service)	25,000
j) <u>Blackburn Science</u> (upgrade of existing Mechanic (HVAC) systems)	37,000
k) <u>Lovett Auditorium</u> (interior and exterior painting and repair and/or replacement of certain doors and windows in the Auditorium)	166,000
l) <u>Pogue Library</u> (upgrade of the existing building electrical system)	33,000
m) <u>Lowry Center</u> (upgrade of the existing building mechanical (HVAC) systems)	10,000
n) <u>Wilson Hall</u> (roof replacement)	80,000
o) <u>Oakhurst</u> (structural repairs to existing chimney)	21,000
p) <u>Central Plant Building</u> (upgrade of existing mechanical equipment--pumps motors controls, etc.)	60,000
q) <u>National Scouting Museum</u> (upgrade of existing mechanical (HVAC) equipment and systems)	58,000
r) <u>Wells Hall</u> (upgrade of the existing electrical and mechanical (HVAC) system, repair and/or replacement of certain doors and windows, and interior and exterior painting)	55,000

s) <u>Wrather Museum</u> (upgrade of the existing mechanical (HVAC) system)	7,000	
t) <u>Mason Hall</u> (upgrade of the existing mechanical (HVAC) system)	50,000	
u) <u>Howton Building</u> (repair and/or removal of a brick retaining wall adjacent to the front entrance)	15,000	
v) <u>Sparks Hall</u> (upgrade of the mechanical (HVAC) system, repair and/or replacement of certain doors and windows, and moderate interior and exterior painting)	32,000	
w) <u>General Services Building</u> (upgrade of the mechanical (HVAC) systems)	11,000	
x) <u>Public Safety Building</u> (roof replacement, repair and/or replacement of certain doors and windows, and moderate interior and exterior painting)	24,000	
		<hr/>
TOTAL		<u>\$3,942,000</u>

RESOLUTION AND ORDER

WHEREAS, Murray State University operates, in conjunction with its Department of Agriculture, a Complex known as the West Farm, consisting of 281 acres, more or less, located on College Farm Road, and

WHEREAS, pursuant to KRS 164A.575(7), the Board of Regents has the authority to dispose of the real property on which the Complex is located, and

WHEREAS, it is believed that annexation of this Complex into the City of Murray, Kentucky, will be of benefit to the University.

WHEREAS, the State Finance and Administration Cabinet has indicated it consents to the annexation referred to here, and

NOW, THEREFORE, BE IT RESOLVED the Board of Regents of Murray State University consents to proceeding with annexation of the aforesaid property by the City of Murray pursuant to statute for use in accordance with law and with the understanding that the University will continue to use said property in a manner consistent with its educational mission.

THIS, the \_\_\_\_ day of December, 1998.

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Sid Easley, Chairman  
Board of Regents  
Murray State University

Certification

I, Sandra M. Rogers, Secretary of the Board of Regents of Murray State University, hereby certify that the above resolution was adopted by the Board of Regents at its meeting held on December 4, 1998.

Witness my hand and seal, this the \_\_\_\_ day of \_\_\_\_\_, 1998.

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Sandra M. Rogers, Secretary  
Board of Regents  
Murray State University  
Murray, KY 42071



RESOLUTION

WHEREAS, MURRAY STATE UNIVERSITY is committed to Affirmative Action and has been so committed since the initial Affirmative Action Compliance Program of 1976, and

WHEREAS, MURRAY STATE UNIVERSITY wishes to reconfirm its commitment to Affirmative Action,

NOW, THEREFORE, be it resolved that it is the policy of Murray State University to advocate freedom from discrimination in its operation and administration of its programs, services, and employment practices, and

NOW THEREFORE, be it resolved that continued good faith efforts to eliminate discrimination are vital to the welfare of Murray State University, and

BE IT FURTHER RESOLVED that the University community be apprised of this dedication to the ideals of Affirmative Action as expressed by the Carnegie Council, including but not limited to:

. . . actions to eliminate discrimination: creation of more adequate pools of talent, active searches for talent wherever it exists, revision of policies and practices that permitted or abetted discrimination, commitment to the development of a staff whose composition does not reflect the impacts of discrimination, provision of judicial processes to hear complaints, and the making of decisions without improper regard for sex, race, or ethnic origin.

Reaffirmed: \_\_\_\_\_  
Murray State University Board of Regents      Date

## AFFIRMATIVE ACTION POLICY

Murray State University formally declares its commitment to all laws mandating affirmative action and equal opportunity regulations together with all valid state and federal regulations enacted pursuant thereto. The policy of Murray State University is to guarantee freedom from discrimination in its operation and administration of its programs, services, and employment practices; in its relationships with students, faculty, and staff; and in its interactions with the community which it serves.

Murray State University endorses the intent of all federal and state laws created to prohibit discrimination. Murray State University does not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or the provision of services and provides, upon request, reasonable accommodation including auxiliary aids and services necessary to afford individuals with disabilities and equal opportunity to participate in all programs and activities.

The policy of Affirmative Action is an on-going commitment. The policy of affirmative action is limited in that the achievement of its objective removes the necessity of its existence. Murray State University is committed to achieving the goals that have been established and published in the Murray State University Affirmative Action Plan adopted by the MSU Board of Regents in May 1985. It should also be known that this Affirmative Action Plan is an official policy of Murray State University.

Functions in connection with the evaluation and monitoring of the Affirmative Action Program of Murray State University have been assigned to the Affirmative Action Committee by the President of the University. To this end, the Committee should have access to all records and on-going processes necessary to effectuate its responsibility. A description of the composition and specific duties of the Affirmative Action Committee is found in Policy VI. H., University Governance System.

Persons who wish to inspect the MSU Affirmative Action Plan or who seek other information concerning the Affirmative Action Program of Murray State should contact the Director of Equal Opportunity, Murray State University, Murray, KY 42071.

Reaffirmed: \_\_\_\_\_

Murray State University Board of Regents

\_\_\_\_\_ Date



Office of Equal Opportunity

**Committee on Equal Opportunities Visit to Murray State  
Summary and Recommendations  
June 8, 1998  
Presented to BOR on December 4, 1998**

**Background:**

At the July 21, 1997, meeting the Council on Postsecondary Education adopted the 1997-2002 *Kentucky Plan for Equal Opportunities in Postsecondary Education*. With the implementation of the new plan the criteria for determining institutional success was changed to the concept of "continuous progress." Continuous progress means that an institution shows an increase in the number of students or employees over the previous year in each category of objectives.

The Committee on Equal Opportunity is responsible for overseeing the implementation of the 1997-2002 *Kentucky Plan for Equal Opportunities in Postsecondary Education* (commonly referred to as the *Kentucky Plan*). One responsibility of this committee is to conduct campus visits. The purpose of the campus visits is to hear from members of the campus community about the success of the implementation of the *Kentucky Plan* and its implementation on campus.

On June 8, 1998, the CEO visited Murray State University. Details of the final report made to the CPE as Agenda Item C-8 on November 9, 1998, are attached for your review. Listed below are a few highlights of the observations made by the CEO following their visit:

**Areas of Strength: (Paraphrased)**

- A Board committed to access and equity of underrepresented minorities, particularly resident African American students.
- A strong program for recruitment and retention of African American and white students to graduation and a faculty which includes African American representation.
- Hiring process which ensures consideration of diversity when filling major positions by interfacing with the search committees to create an awareness of issues and initiative related to The Kentucky Plan and the MSU Affirmative Action Plan.
- The committee was pleased with the level of satisfaction expressed by students regarding the commitment of the university to making the campus environment conducive to learning and to meeting their need for interaction with the larger student body.

**Recommendations: (Paraphrased)**

- Consider participating in the Southern Regional Education Board Compact for Faculty Diversity program to help create a larger pool of minorities with Ph.D's to fill faculty positions.
- Develop initiatives to foster a sense of community for minority faculty and staff within the greater Murray community.

*Murray State University is an equal education and employment opportunity, M/F/D, AA employer.*

**Information:**

The Committee on Equal Opportunity (CEO) is responsible for overseeing the implementation of *The 1997-2002 Kentucky Plan for Equal Opportunities in Postsecondary Education (The Kentucky Plan)*.

The CEO visits campuses to hear from members of the campus community (the process is not meant to be a scientific, empirical data-gathering exercise) about the success of *The Kentucky Plan* implementation on campus. During spring and summer of 1998, the CEO visited Murray State University (Attachment A), Morehead State University (Attachment B), and Western Kentucky University (Attachment C). CEO members and the respective institution have reviewed site visit reports.

Members of the Committee indicated that the institutional effort and the level of priority given to achieving the goals and objectives set forth by *The Kentucky Plan* were encouraging. The focus of the Committee was not the number of programs or amount of dollars expended, but rather, how successful they were in providing access and equal opportunity. The institutions are committed to ensuring that the campus experiences of minorities are as rich and rewarding as the experiences of majority students.

**Recommendations to the Committee on Equal Opportunities**

- The CEO should look at allowing institutions to admit some out-of-state students under a legacy-type policy. It should review the issue of reciprocity agreements and their effects on institutions not benefiting from these agreements. Is there a substantial out-migration of African American students?
- The CEO should investigate the merit of "non-legacy" type students from other states who add to diversity and therefore educational value.
- The CEO should investigate the possibility of additional state funding to provide more opportunity for the comprehensive universities to increase the number of students in the Ph.D. programs at the doctoral institutions (to fill positions at their institutions). An existing program that can assist is the Southern Regional Education Board Compact for Faculty Diversity (Kentucky currently funds two scholarships per year). This program could be expanded to allow each regional university and the KCTCS to identify candidates who would attend the University of Kentucky or the University of Louisville to complete the doctorate and then be available to fill positions at the sending institution. This program also accommodates dissertation year completions as well. An additional \$200,000 per year would provide the needed support for one student at each institution.

- The CEO should clarify the definition of "minority" as it relates to implementation of *The Kentucky Plan* (where a student or employment objective is measured).

The Committee made a number of observations and recommendations to each institution. A summary of selected observations and recommendations follow.

### **Murray State University**

- MuSU has a strong support program for recruitment and retention of African American and white students and recruitment and retention of African American faculty.
- Minority and majority students expressed a high level of satisfaction regarding the commitment of the university to making the campus environment conducive to learning and to meeting their need for interaction with the larger student body (social, recreational, and programmatic).
- The university should be more active in helping to focus greater attention on reducing tensions, creating a more hospitable living environment, and fostering a sense of community for minority faculty and staff within the greater Murray community.
- The university should explore the possibility of working with the CPE and the two doctoral institutions to identify students to participate in the Southern Regional Education Board Compact for Faculty Diversity program to help create a larger pool of minorities with PhD's to fill faculty positions.

### **Morehead State University**

- MoSU has a strong commitment to implementing innovative programs to recruit and retain African American and white students to graduation and to better coordination of similar program activities within departments across the campus.
- MoSU has developed and implemented the president's leadership program specifically for freshmen to encourage students to actively participate in campus leadership.
- The university should develop additional orientation sessions to more fully inform its constituents of the priorities, amounts, and uses of funds designated for minority student programs and focus the efforts of those programs to fully realize their potential.
- MoSU should move rapidly and with efficacy to initiate efforts to develop better communications among its African American faculty and professional staff.
- The university should explore opportunities to work with the CPE and the two doctoral institutions to identify students to participate in the Southern Regional Education Board Compact for Faculty Diversity program to help create a larger pool of minorities with PhD's to fill faculty positions.

## **Western Kentucky University**

- WKU has a strong commitment to implementing successful programs for recruitment and retention of African American and white students to graduation.
- The university has created and implemented a four-day freshman transition program designed to expose students to campus programs, adjustment procedures, counseling facilities, and academic and social guidance.
- There seemed to be a lack of concern among the president's cabinet that the university's most visible ambassadors, "the Spirit Masters," have no representation from minority groups (especially African Americans).
- There appear to be continued decreases in funding for the Minority Affairs programs while increasing the responsibility of that office for student retention efforts.
- The university should focus more attention on the relationship between the university and the Bowling Green community (local police, employment, and living environment).
- The university should immediately address representation of African Americans in the Spirit Masters Program, evaluate the apparent estrangement between students in the honors program and the general population, and implement more diversity training programs for faculty, staff, and students.
- The university should explore opportunities to work with the CPE and the two doctoral institutions to identify students to participate in the Southern Regional Education Board Compact for Faculty Diversity program to help create a larger pool of minorities with PhD's to fill faculty positions.

Staff Preparation by Sherron Jackson

**COMMITTEE ON EQUAL OPPORTUNITIES  
VISIT TO MURRAY STATE UNIVERSITY  
SUMMARY AND RECOMMENDATIONS  
JUNE 8, 1998**

As a result of the campus visit to Murray State University in June 1998, the Committee on Equal Opportunities (CEO) identified areas of strength and weakness on the campus that impact activities which support the objectives of *1997-2002 The Kentucky Plan for Equal Opportunities in Higher Education (The Kentucky Plan)*.

**Areas of Strength**

1. A board committed to access and equity of underrepresented minorities, specifically Kentucky resident African American students, and a general university-wide awareness of the difficulties and concerns faced by underrepresented populations on campus.
2. A strong support program for recruitment and retention of African American and white students to graduation and a faculty whose make-up includes approximately 17 African Americans with seven tenured and four on tenure track (in 1993, at the time of the last campus visit there were 14 African American faculty at MuSU).
3. A process through which the university's Affirmative Action Committee ensures consideration of diversity when filling major positions by interfacing with search committees to create an awareness of issues and initiatives related to *The Kentucky Plan* and the MuSU Affirmative Action Plan.
4. An articulate and diverse group of students who apparently have made major steps toward learning to adjust to each other and are working toward creating a university community supportive of the total student population.
5. An institution whose philosophy, when developing its residential college format, placed a high priority on the impact of major policy development and implementation in minority and underrepresented students.
6. An institution that attempts to accommodate the social, recreational, and programmatic needs of the minority student community into the general programming process.
7. The committee was pleased with the level of satisfaction expressed by students regarding the commitment of the university to making the campus environment conducive to learning and to meeting their need for interaction with the larger student body.

**Areas of Concern or Weakness**

1. The president's cabinet lacks representation from the minority community, possibly resulting in a lack of understanding/perspective of the impact of policies on minority students, faculty, and staff prior to their implementation.
2. A minority student body with divergent views of the university community, the support programs, and opportunities afforded African American and white students.
3. A general awareness of the problems and concerns faced by the minorities in the Murray community external to the campus without success implementing programs or activities to overcome those problems or make the community respond to the concerns.

## RECOMMENDATIONS

1. The university should be more active in helping to focus greater attention on reducing tensions, creating a more hospitable living environment, and fostering a sense of community for minority faculty and staff within the greater Murray community.
2. The university should intensify its efforts to increase the level of retention of underrepresented minority students, particularly African Americans. This effort may prove to be more successful through an enhancement of the staff and budgetary support for the Office of African American Student Services and Ethnic Services which is responsible for targeting these populations and providing programming to address retention efforts.
3. The university should intensify its efforts to diversify the faculty and staff. This could be accomplished by identification of promising junior faculty or professionals to participate in intensive training or education programs. The university should explore the possibility of working with the CPE and the two doctoral institutions to identify students to participate in the Southern Regional Education Board Compact for Faculty Diversity program to help create a larger pool of minorities with PhD's to fill faculty positions.
4. The CEO noted the lack of presence/representation of African American staff among the president's cabinet and urges the president to invite the Director of the Office of Equal Opportunity to cabinet meetings as a regular participant.

The supporting information for these areas of strength/weakness and for the recommendations is included in the attached detailed description of the CEO June 8, 1998, visit to Murray State University.



**Campus Visit to  
MURRAY STATE UNIVERSITY  
Committee on Equal Opportunities  
Council on Postsecondary Education  
June 8, 1998**

## **OVERVIEW**

The Council on Postsecondary Education Committee on Equal Opportunities (CEO) is responsible for overseeing the implementation of the general commitments, the specific objectives (goals) for each institution, and a requirement for annual evaluations of institutional progress toward those objectives as identified in *The Kentucky Plan*. To facilitate the oversight responsibility, the CEO visits campuses during the fall and spring semesters to meet with campus leaders, students, faculty, and other interested parties. These visits are designed to give committee members an opportunity to hear from selected members of the campus community. (The visits are not meant to be scientific, empirical data gathering exercises.) The CEO's intent is to learn first-hand about the success of the equal opportunity plan implementation on campus.

The CEO made a campus visit to Murray State University (MuSU) on Monday, June 8, 1998. The purpose of the visit was to allow CEO members to review institutional activities that support the objectives of *The Kentucky Plan*. The Central-West Kentucky Team and CPE member Shirley Menendez were present during the visit.

## **ORIENTATION WITH PRESIDENT AND CABINET**

Sherron Jackson reviewed the progress of MuSU through the 1996-97 year of the plan. University personnel presented current year data showing that MuSU has made progress since the adoption of the new plan (July 1997) in the areas of recruitment of African American students and employment of minorities in professional non-faculty positions.

President Alexander responded to several concerns by indicating that the university:

- Believes *The Kentucky Plan* is a good idea for the state. The Board and MuSU are committed to equality of opportunity and its successful implementation in spite of various court decisions.
- Believes its success in recruitment of students and staff, in west Kentucky, is impacted by other institutions in the area and by policies related to tuition reciprocity and the desire to see open access for students along the border.
- Believes the campus climate is good and supports student needs. MuSU efforts are totally supported by the community.
- Has worked hard to cultivate relationships in major communities in west Kentucky to identify and recruit African American students to MuSU, including transfer programs with West Kentucky Tech. Programming opportunities at the new Paducah Crisp Center should provide greater opportunities for recruitment of minorities.

The President asked the CEO to look at the possibility of allowing institutions to admit some out-of-state students under a legacy type policy and to review the issue of reciprocity and its impact on institutions not benefiting from these arrangements, i.e. out-migration of African American students.

## **RECRUITMENT/RETENTION OF FACULTY AND STUDENTS**

**Recruitment and Retention of Faculty:** The CEO met with Don Robertson, the Vice President for Student Affairs (the interim V. P. for Academic Affairs was present as well), directors, deans, and department heads. Information was provided about faculty and student recruitment and retention efforts at MuSU. The institution's Affirmative Action Committee regularly interfaces with search committees to review the institution's progress, revise strategies, and redirect the focus on implementation of plan objectives when making decisions on employment. Institutional management is constantly involved in the employment process. The institutional philosophy is that diversity will enhance the environment for everyone. All areas are held accountable for major positions. If a potential pool is not diverse, a review of the basis for this occurrence is completed prior to employment decisions being made. The deans have responded positively to the need to seek out and find African American faculty. Compared to the faculty complement of 14 at the time of the last CEO visit in 1993, MuSU has made some progress with 17 African American faculty (seven tenured, four on tenure track, four not eligible for tenure, and two on leave working on their Ph.D.). Institutional location and financial issues play a significant role in the institution's success in attracting African Americans.

**Recruitment and Retention of Students:** University administrators who work in student recruitment, admissions, counseling, and career placement also met with the CEO. MuSU is building the Roads Scholar Program to help the university compete in the recruitment of African American students. In ensuring a positive student environment, Student Affairs set the tone (valuing diversity) and then involved the university community. This is but one element that under-girds the institution's retention plan that calls for assisting students to establish a solid foundation in the freshman year. MuSU's approach to providing scholarship opportunities has provided a greater response from African American students in recent years. The university has elevated affirmative action policy to the prominence of a specific policy of the board. Also it is a specific goal in the university strategic plan. The university supports the development and production of special student recruitment events to further the institution's goal of increasing the number of African American students at MuSU. Also special opportunities are provided to develop leadership through provision of scholarships for students to attend leadership conferences. The vision of MuSU is that west Kentucky will someday have the highest percentage of its students going on to college.

**Recruitment and Retention of Professional Non-Faculty:** Although MuSU reached its objective of having at least 6 percent of its professional non-faculty employees as African Americans the institution lost ground in this category, moving from a high of 9 percent in 1995 to 7.3 percent in 1996. In response to a question the institution indicated that local/regional industry attract employees from the campus by provide greater financial opportunities. The tight labor market basically encourages employees in various positions to get training at MuSU and then move to industry.

## **DISCUSSION WITH FACULTY**

The CEO met with a representative number of African American and white faculty. The discussion pointed out the need for more opportunities to interact on an informal basis (departmental isolation). There was no specific discussion regarding the importance of the minority faculty goal or minority faculty aspiration to have leadership positions in the faculty governing body.

Faculty indicated that Murray does not have a lot of social activities for African American or whites. The community is warm and receptive, and there is no evidence of housing discrimination (the chamber of commerce immediately got involved when an international student reported concerns and the leaflet incident arose). However, the university needs to provide additional opportunities for faculty and staff to interact in an informal setting to foster better communications.

## **DISCUSSION WITH STUDENTS**

The CEO met with a diverse group of MuSU students and was impressed with both the level and intensity of the conversations. Some students believe:

- MuSU should provide additional opportunities, activities, and social function that allow more student interaction.
- Students are attracted to MuSU because of its educational programs.
- Students need to get involved in campus activities if they are going to be successful.
- Greek life is a significant element in the retention of African American students.
- Lack of institutional support and fraternity/sorority houses is a significant disadvantage for Black Greek organizations.
- Based on their experience at MuSU, African American students would recommend the school to others.
- African American students are encouraged to seek elective office in student government and presently serve in appointive positions in student government.
- African American students feel that decisions regarding campus entertainment/social functions are made without their input and desire change in this process (cross over groups etc.).

No student spoke of tension on campus or having been treated differently by campus police or local police. Vice President Robertson indicated that the university provides ongoing training for service personnel to stress the importance of being a positive role model and of diversity. This is done through the "Connections Program" which is responsible for sensitivity training (and even go so far as to ensure that the university bookstore carries ethnic products). In general both African American and white students appeared to agree on the campus climate as they attempt to better relate to each other. It was agreed that there is a need for more African American faculty and that race cannot be the sole ingredient in responses to student concerns.

The CEO concluded its visit with an exit interview with the president and acknowledged reassurance of MuSU's good faith effort and the level of student satisfaction. The CEO would like to have had someone from the board in attendance.

Staff Preparation by Sherron Jackson

**MURRAY STATE UNIVERSITY**

**Financial Statements and Supplemental Schedules  
for the Year Ended June 30, 1998  
and  
Independent Auditors' Report**

**FINANCIAL SECTION**

**MURRAY STATE UNIVERSITY  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Regents  
of Murray State University

We have audited the accompanying balance sheet of Murray State University (the "University") as of June 30, 1998, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes for the year then ended. These financial statements are the responsibility of the management of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of Murray State University as of June 30, 1998, and the changes in its fund balances and its current funds revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the University's management. Such schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report, dated September 25, 1998, on our consideration of the University's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Deloitte & Touche LLP*

September 25, 1998

**Deloitte Touche  
Tohmatsu**

MURRAY STATE UNIVERSITY  
**BALANCE SHEET**  
 As of June 30, 1998  
 With Comparative Figures as of June 30, 1997

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1998	1997
<b>ASSETS</b>								
Cash and cash equivalents	\$ 14,399,985	\$ 658,854	\$ 451,073	\$ 1,783	\$ 4,896,535	\$ 121,959	\$ 20,530,189	\$ 19,212,952
Investments	-	-	-	795,000	5,311,027	-	6,106,027	6,024,768
Accounts and loans receivable, net	1,600,241	1,160,913	4,224,676	-	-	-	6,985,830	6,458,648
Interest receivable	350,977	2,425	-	-	101,482	-	454,884	459,883
Inventories	1,309,840	-	-	144	-	-	1,309,984	1,428,824
Prepaid expenses	259,143	804	-	-	-	-	259,947	88,836
Discount on bonds payable	-	-	-	-	394,028	-	394,028	439,738
Due from other funds	1,558,307	-	-	-	1,798,093	-	3,356,400	4,910,794
Assets held by MSU Foundation	-	1,865,339	-	12,457,303	592,279	-	14,914,921	13,381,744
Property, plant and equipment	-	-	-	-	191,102,727	-	191,102,727	161,863,798
<b>Total assets</b>	<b>\$ 19,478,493</b>	<b>\$ 3,688,335</b>	<b>\$ 4,675,749</b>	<b>\$ 13,254,230</b>	<b>\$ 204,196,171</b>	<b>\$ 121,959</b>	<b>\$ 245,414,937</b>	<b>\$ 214,269,985</b>
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 2,898,835	\$ 56,833	\$ 50	\$ -	\$ 74,061	\$ -	\$ 3,029,779	\$ 1,608,024
Payroll withholdings and related accruals	2,716,798	-	-	-	-	-	2,716,798	3,354,927
Other accrued expenses	519,277	36,619	25,254	-	-	-	581,150	541,348
Interest payable	-	-	-	-	240,881	-	240,881	289,103
Deposits	283,384	-	-	-	-	121,959	405,343	457,381
Deferred revenues	911,147	-	-	-	-	-	911,147	879,430
Due to other funds	723,094	2,198,348	-	-	434,958	-	3,356,400	4,910,794
Notes payable	-	-	-	-	893,109	-	893,109	400,000
Bonds payable	-	-	-	-	22,012,000	-	22,012,000	29,424,711
Capital lease obligations	-	-	-	-	2,494,855	-	2,494,855	123,741
<b>Total liabilities</b>	<b>\$ 8,052,535</b>	<b>\$ 2,291,800</b>	<b>\$ 25,304</b>	<b>\$ -</b>	<b>\$ 26,149,864</b>	<b>\$ 121,959</b>	<b>\$ 36,641,462</b>	<b>\$ 41,989,459</b>
Fund balance:								
Current unrestricted funds:								
Allocated for:								
Working capital	\$ 2,259,901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,259,901	\$ 1,673,793
Prior year carryovers:								
Renovation and maintenance	1,543,838	-	-	-	-	-	1,543,838	1,821,745
Other	5,234,216	-	-	-	-	-	5,234,216	3,994,768

Continued



MURRAY STATE UNIVERSITY  
**BALANCE SHEET (cont.)**  
As of June 30, 1998  
With Comparative Figures as of June 30, 1997

	Current Funds		Loan Funds	Endowment Funds	Plant Funds	Agency Funds	Totals	
	Unrestricted	Restricted					1998	1997
<b>LIABILITIES AND FUND BALANCE (cont.)</b>								
Fund balance (cont.):								
Current unrestricted funds (cont.):								
Encumbrances	\$ 689,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689,632	\$ 454,858
Reserve for general contingency	798,371	-	-	-	-	-	798,371	872,956
Reserve for self insurance	900,000	-	-	-	-	-	900,000	900,000
Current restricted funds	-	1,396,535	-	-	-	-	1,396,535	2,009,284
Loan funds - restricted	-	-	4,650,445	-	-	-	4,650,445	4,607,307
Endowment funds - restricted	-	-	-	13,254,230	-	-	13,254,230	11,945,003
Plant funds:								
Unexpended	-	-	-	-	2,488,782	-	2,488,782	1,873,069
Renewal and replacements	-	-	-	-	4,538,408	-	4,538,408	3,963,196
Retirement of indebtedness	-	-	-	-	4,372,965	-	4,372,965	4,302,947
Net investment in plant	-	-	-	-	166,646,152	-	166,646,152	133,861,602
Total fund balance	\$ 11,425,958	\$ 1,396,535	\$ 4,650,445	\$ 13,254,230	\$ 178,046,307	\$ -	\$ 208,773,475	\$ 172,280,526
Total liabilities and fund balance	\$ 19,478,493	\$ 3,688,335	\$ 4,675,749	\$ 13,254,230	\$ 204,196,171	\$ 121,959	\$ 245,414,937	\$ 214,269,985

See notes to financial statements.

MURRAY STATE UNIVERSITY  
**STATEMENT OF CHANGES IN FUND BALANCES**  
For the Year Ended June 30, 1998

	Current Funds			Endowment Funds	Plant Funds			
	Unrestricted	Restricted	Loan Funds		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>REVENUES AND OTHER ADDITIONS:</b>								
Current funds revenues	\$ 87,000,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contracts	-	10,116,129	-	-	-	-	-	-
Private gifts	-	976,140	-	852,707	-	-	-	-
Endowment income	-	494,678	-	254,846	-	-	-	-
Contribution of Regional Special Events Center by the Commonwealth of Kentucky	-	-	-	-	-	-	-	23,587,414
Expenditures for plant facilities (including \$3,709,231 charged to current fund expenditures)	-	-	-	-	-	-	-	8,622,808
Donated plant facilities	-	-	-	-	-	-	-	48,102
Retirement of indebtedness	-	-	-	-	-	-	-	3,399,334
Interest income - restricted	-	-	105,811	-	23,476	139,218	284,626	-
Unrealized gain on investments	-	-	-	195,767	-	7,252	6,584	-
Federal and state contributions	-	-	14,390	-	-	-	-	-
Reduction in lease obligations	-	-	-	-	-	-	-	132,761
Cancellation of indebtedness	-	-	-	-	1,072,444	-	-	3,047,823
Other additions	-	259,425	68,831	-	-	(1,677)	18,047	250,000
Total revenues and other additions	\$ 87,000,203	\$ 11,846,372	\$ 189,032	\$ 1,303,320	\$ 1,095,920	\$ 144,793	\$ 309,257	\$ 39,088,242
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>								
Educational and general expenditures	\$ 67,616,959	\$ 11,673,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Auxiliary enterprises expenditures	12,154,511	45,172	-	-	-	-	-	-
Refund to grantors	-	27,896	-	-	-	-	-	-
Loan cancellations and write-offs	-	-	60,935	-	-	-	-	-
Adjustment to allowance for bad debts	-	-	48,482	-	-	-	-	-
Administration and collection costs	-	-	28,972	-	-	-	-	-
Expended for plant facilities (including non- capitalized expenditures of \$25,517)	-	-	-	-	1,835,219	-	-	-
Retirement of indebtedness	-	-	-	-	-	-	3,399,334	-
Interest on indebtedness	-	-	-	-	-	-	1,360,277	-
Increase in lease obligations	-	-	-	-	-	-	-	2,503,875
Deletions and disposals	-	-	-	-	-	-	-	3,019,394
New indebtedness under master lease	-	-	-	-	-	-	-	600,000
Other deductions	-	45,518	9,898	-	576	2,724	5,318	45,709
Total expenditures and other deductions	\$ 79,771,470	\$ 11,792,006	\$ 148,287	\$ -	\$ 1,835,795	\$ 2,724	\$ 4,764,929	\$ 6,168,978

Continued

MURRAY STATE UNIVERSITY  
**STATEMENT OF CHANGES IN FUND BALANCES (cont.)**  
 For the Year Ended June 30, 1998

	Current Funds			Endowment Funds	Plant Funds			
	Unrestricted	Restricted	Loan Funds		Unexpended	Renewals and Replacements	Retirement of Indebtedness	Investment In Plant
<b>TRANSFERS AMONG FUNDS:</b>								
Mandatory:								
Bond principal and interest	\$ (4,382,223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,382,222	\$ -
Perkins match	(2,393)	-	2,393	-	-	-	-	-
Total mandatory transfers	\$ (4,384,616)	\$ -	\$ 2,393	\$ -	\$ -	\$ -	\$ 4,382,222	\$ -
Non-mandatory:								
Transfer from current fund to renewal and replacement fund	\$ (1,225,045)	\$ -	\$ -	\$ -	\$ -	\$ 1,225,045	\$ -	\$ -
Transfer to current fund from renewal and replacement fund	791,902	-	-	-	-	(791,902)	-	-
Transfer from current funds to unexpended plant fund	(559,666)	(661,208)	-	-	1,220,874	-	-	-
Transfer from restricted funds to endowment fund	-	(5,907)	-	5,907	-	-	-	-
Transfer from current funds to retirement of indebtedness fund	(143,468)	-	-	-	-	-	143,468	-
Transfer bonded debt from unexpended plant fund to investment in plant	-	-	-	-	134,714	-	-	(134,714)
Total non-mandatory transfers	\$ (1,136,277)	\$ (667,115)	\$ -	\$ 5,907	\$ 1,355,588	\$ 433,143	\$ 143,468	\$ (134,714)
Net increase (decrease) for the year	\$ 1,707,840	\$ (612,749)	\$ 43,138	\$ 1,309,227	\$ 615,713	\$ 575,212	\$ 70,018	\$ 32,784,550
Fund balance at beginning of year	\$ 9,718,118	\$ 2,009,284	\$ 4,607,307	\$ 11,945,003	\$ 1,873,069	\$ 3,963,196	\$ 4,302,947	\$ 133,861,602
Fund balance at end of year	\$ 11,425,958	\$ 1,396,535	\$ 4,650,445	\$ 13,254,230	\$ 2,488,782	\$ 4,538,408	\$ 4,372,965	\$ 166,646,152

See notes to financial statements.

**MURRAY STATE UNIVERSITY**  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>REVENUES:</b>				
<b>Educational and general:</b>				
Tuition and fees	\$ 23,771,005	\$ -	\$ 23,771,005	\$ 22,926,971
State appropriations	43,292,924	-	43,292,924	41,800,200
Grants and contracts	-	11,673,420	11,673,420	11,651,945
Indirect and administrative cost recoveries	302,874	-	302,874	283,534
Sales and services of educational departments	2,506,844	-	2,506,844	2,621,124
Other sources	3,830,351	-	3,830,351	3,360,030
<b>Total educational and general</b>	<b>\$ 73,703,998</b>	<b>\$ 11,673,420</b>	<b>\$ 85,377,418</b>	<b>\$ 82,643,804</b>
<b>Auxiliary enterprises</b>	<b>\$ 13,296,205</b>	<b>\$ 45,172</b>	<b>\$ 13,341,377</b>	<b>\$ 13,225,412</b>
<b>Total revenues</b>	<b>\$ 87,000,203</b>	<b>\$ 11,718,592</b>	<b>\$ 98,718,795</b>	<b>\$ 95,869,216</b>
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>				
<b>Educational and general:</b>				
Instruction	\$ 31,124,389	\$ 2,276,065	\$ 33,400,454	\$ 31,909,712
Research	843,143	1,159,394	2,002,537	1,467,370
Public service	3,220,294	726,457	3,946,751	3,790,172
Libraries	2,373,275	62,721	2,435,996	2,432,911
Academic support	3,364,040	730,756	4,094,796	4,186,329
Student services	6,164,131	481,931	6,646,062	6,306,610
Institutional support	7,276,351	85,493	7,361,844	7,283,910
Operation and maintenance of plant	7,756,152	10,648	7,766,800	8,557,707
Student financial aid	5,495,184	6,139,955	11,635,139	11,700,311
<b>Total educational and general expenditures</b>	<b>\$ 67,616,959</b>	<b>\$ 11,673,420</b>	<b>\$ 79,290,379</b>	<b>\$ 77,635,032</b>
<b>Mandatory transfers for:</b>				
Bond principal and interest	\$ 3,750,728	\$ -	\$ 3,750,728	\$ 3,755,791
Loan fund matching grant	2,393	-	2,393	693
<b>Total mandatory transfers</b>	<b>\$ 3,753,121</b>	<b>\$ -</b>	<b>\$ 3,753,121</b>	<b>\$ 3,756,484</b>
<b>Total educational and general</b>	<b>\$ 71,370,080</b>	<b>\$ 11,673,420</b>	<b>\$ 83,043,500</b>	<b>\$ 81,391,516</b>
<b>Auxiliary enterprises:</b>				
Expenditures	\$ 12,154,511	\$ 45,172	\$ 12,199,683	\$ 12,674,806
Mandatory transfers for principal and interest	631,495	-	631,495	594,367
<b>Total auxiliary enterprises</b>	<b>\$ 12,786,006</b>	<b>\$ 45,172</b>	<b>\$ 12,831,178</b>	<b>\$ 13,269,173</b>
<b>Total expenditures and mandatory transfers</b>	<b>\$ 84,156,086</b>	<b>\$ 11,718,592</b>	<b>\$ 95,874,678</b>	<b>\$ 94,660,689</b>

Continued

MURRAY STATE UNIVERSITY  
**STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES (cont.)**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>				
Excess of restricted receipts over transfers to revenues	\$ -	\$ 127,780	\$ 127,780	\$ 1,461,584
Refunded to grantors	-	(27,896)	(27,896)	(28,422)
Non-mandatory transfers and other changes:				
Transfer to renewal and replacement fund	(433,143)	-	(433,143)	(2,045,874)
Transfer to unexpended plant funds	(559,666)	(661,208)	(1,220,874)	(992,855)
Transfer to endowment fund	-	(5,907)	(5,907)	(231,114)
Transfer to retirement of indebtedness fund	(143,468)	-	(143,468)	-
Other deductions	-	(45,518)	(45,518)	-
Total other transfers and additions(deductions)	<u>\$ (1,136,277)</u>	<u>\$ (612,749)</u>	<u>\$ (1,749,026)</u>	<u>\$ (1,836,681)</u>
 Net increase (decrease) in fund balance	 <u>\$ 1,707,840</u>	 <u>\$ (612,749)</u>	 <u>\$ 1,095,091</u>	 <u>\$ (628,154)</u>

See notes to financial statements.

**MURRAY STATE UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1998**

**Note 1. Summary of Significant Accounting Policies**

**Nature of Entity**

Murray State University (the University) is a state supported institution of higher education located in Murray, Kentucky and is accredited by the Southern Association of Colleges and Schools. The University awards graduate and undergraduate degrees and serves a student population of approximately 8,900. The institution is a component unit of the Commonwealth of Kentucky (the State).

**Basis of Accounting**

The financial statements of the University have been prepared in accordance with the "AICPA Industry Audit Guide Audits of Colleges and Universities". The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization, interest and equipment renewal and replacement; and (3) transfers of a non-mandatory nature for all other cases.

**Fund Accounting**

To ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various activities are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined and reported as five balanced fund groups: current funds, loan funds, endowment funds, plant funds, and agency funds. Accordingly, all financial transactions have been recorded and reported by fund group. Within each group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the University's Board of Regents. Externally restricted funds may be utilized only in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the University retains control to use in achieving its institutional purposes.

Current funds are used primarily to account for the transactions affecting the general operation of the University. These resources are expendable for performing the primary and support objectives of the University. Restricted gifts, grants, appropriations, and other restricted resources are accounted for in the appropriate restricted funds.

Restricted current funds are reported as revenues and expenditures when expended for current operating expenses.

The loan funds group is used to account for loan programs available to students and financed primarily by the Federal government.

Endowment funds are those for which donors or other external agencies have stipulated, under the terms of the instrument creating the fund, that the principal is not expendable. That is, it is to be maintained inviolate and in perpetuity, and is to be invested for the purpose of producing current and future income which may be expended or added to principal.

**Note 1. Summary of Significant Accounting Policies (cont.)**

Plant fund groups are used to account for the transactions relating to investment in University property. Plant fund subgroups include (1) unexpended plant, (2) renewals and replacements, (3) retirement of indebtedness, and (4) investment in plant. The unexpended plant subgroup consists of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the reporting date. The renewals and replacements subgroup consists of funds to be expended for renewals and replacements of plant fund assets, including some renewals and replacements of a type not ordinarily capitalized in the investment in plant subgroup. The retirement of indebtedness subgroup consists of funds set aside for debt service reserves and charges, and for retirement of indebtedness on institutional properties. The investment in plant subgroup consists of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Physical plant and equipment are stated at cost at the date of acquisition or at fair market value at the date of donation for gifts.

Agency funds are used to account for assets held by the University as custodian or fiscal agent for others and used for certain organized activities.

All gains and losses arising from the sale, collection or other disposition of investments and other noncash assets are accounted for in the funds which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets, except for income derived from investments of endowment funds, which income is accounted for in the fund to which it is restricted.

**Cash and Cash Equivalents**

The University's policy is to treat cash in local checking accounts and cash held by Frankfort as cash and cash equivalents.

**Investments**

Effective July 1, 1997, the University adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 31 "Accounting and Financial Reporting for Certain Investments and External Investment Pools." GASB No. 31 requires, among other things, that equity securities with readily determinable fair values and debt securities be reported at fair value. The impact of adopting GASB No. 31 on the 1998 financial statements was not material.

**Inventories**

Inventories are stated at the lower of cost, (first-in, first-out method) or market.

**Assets Held by Murray State University Foundation**

Assets held by the Murray State University Foundation (the "Foundation") represent resources neither in the possession nor the control of the University, but are held and administered by the Foundation. The Foundation is governed by an independent board. The University recognizes gifts and donations made to the Foundation for the exclusive use and benefit of the University as assets and revenues of the University. The University recognizes the assets held by the Foundation at the estimated fair value of the assets or the present value of the future cash flows when the University is notified of the existence of the gift or the endowment.

**Pledges receivable**

The University's policy is to recognize pledges as revenue when the cash is received.

Note 1. Summary of Significant Accounting Policies (cont.)

Deferred revenue

Revenues of summer school academic terms are reported in the fiscal year in which the programs predominantly fall. Therefore, deferred tuition revenue is recorded for terms which have not begun at fiscal year end.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to use estimates and assumptions. The accompanying financial statements include estimates for items such as allowances for doubtful accounts and loans receivable, self insurance liabilities and other accrued liabilities. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the 1997 amounts to conform to the 1998 presentation.

Note 2. Deposits and Investments

The University currently uses commercial banks and the Commonwealth of Kentucky as depositories. Deposits with commercial banks are covered by Federal depository insurance or collateral held by the banks in the University's name. At the State level, the University's accounts are pooled with other agencies of the State. These State pooled deposits are substantially covered by Federal depository insurance or by collateral held by the bank in the State's name. The investments of the University not held in the State investment pool are insured or registered, or are held by the University or by an agent in the University's name.

Below is a summary of the investments:

	June 30, 1998		June 30, 1997	
	Cost	Fair Value	Cost	Fair Value
U. S. government securities	\$ 5,311,499	\$ 5,311,027	\$ 5,269,768	\$ 5,266,319
Certificates of deposit	795,000	795,000	755,000	755,000
Total	\$ 6,106,499	\$ 6,106,027	\$ 6,024,768	\$ 6,021,319

Note 3. Inventories

Inventories at June 30 consisted of :

	1998	1997
Current unrestricted funds-		
Inventories:		
University bookstore	\$ 908,446	\$ 1,001,795
Physical plant	295,948	303,614
Food and food service supplies	92,765	91,110
Central stores - supplies	12,681	32,161
Subtotal	\$ 1,309,840	\$ 1,428,680
Endowment fund-		
Inventories:		
Folke Tegetthoff - books	\$ 144	\$ 144
Total	\$ 1,309,984	\$ 1,428,824



**Note 4. Accounts and Loans Receivable**

A summary of accounts and loans receivable at June 30 follows:

	<u>1998</u>	<u>1997</u>
Current unrestricted funds -		
Accounts receivable:		
Student	\$ 1,104,876	\$ 1,076,753
Employee:		
Travel advances	18,619	7,012
Computer loans	34,898	33,888
Outside sales	615,476	537,093
State agencies	251,069	10,362
Allowance for doubtful accounts	<u>(424,697)</u>	<u>(387,527)</u>
Subtotal	\$ <u>1,600,241</u>	\$ <u>1,277,581</u>
Current restricted funds -		
Accounts receivable:		
Grants and contracts	\$ <u>1,160,913</u>	\$ <u>987,457</u>
Loan funds -		
Advances to students	\$ 4,452,783	\$ 4,440,939
Allowance for doubtful accounts	<u>(228,107)</u>	<u>(247,329)</u>
Subtotal	\$ <u>4,224,676</u>	\$ <u>4,193,610</u>
Total	\$ <u>6,985,830</u>	\$ <u>6,458,648</u>

**Note 5. Assets Held by MSU Foundation**

Assets held by the Murray State University Foundation are invested primarily in an investment pool managed by the Foundation and are carried at fair market value. The assets in the pool are invested as follows: securities of the U.S. government and its agencies, 48%; marketable equity securities, 43%; certificates of deposit, 5%; and other 4%.

**Note 6. Property, Plant, and Equipment**

A summary of property, plant, and equipment at June 30 follows:

	<u>1998</u>	<u>1997</u>
Land	\$ 2,677,739	\$ 2,677,739
Buildings	119,557,990	93,370,577
Improvements other than buildings	8,919,432	8,721,047
Equipment	26,444,190	25,671,066
Library holdings	19,198,282	18,132,680
Construction in progress	<u>14,305,094</u>	<u>13,290,689</u>
Total	\$ <u>191,102,727</u>	\$ <u>161,863,798</u>

During the year ended June 30, 1998, the University capitalized interest cost of approximately \$350,000.

**Note 7. Employee Benefits**

**A. Kentucky Teachers Retirement System:**

All faculty and exempt employees required to hold a degree and occupying full-time positions, defined as seven-tenths (7/10) of normal full-time service on a daily or weekly basis are required by state law to participate in the Kentucky Teachers Retirement System (KTRS) or an optional retirement plan. KTRS, a cost sharing, multiple-employer, public employee retirement system, provides retirement benefits based

## Note 7. Employee Benefits

on an employee's final average salary and number of years service. Benefits are subject to certain reductions if the employee retires before reaching age sixty, unless the employee has twenty-seven or more years of participation in the plan. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Teachers Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Teachers Retirement System, 479 Versailles Road, Frankfort, Kentucky 40601-3868 or by calling (502)573-5120.

Funding for the plan is provided from eligible employees who contribute 6.16% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 13.84% of current eligible employees salaries to the KTRS through appropriations to the University. Contribution requirements of the plan members and the University are established by Kentucky Revised Statute and the KTRS Board of Trustees. The University's contributions of KTRS for the fiscal years ending June 30, 1998, 1997, 1996 and 1995 were \$3,428,144, \$3,454,623, \$3,403,658, and \$3,223,192, respectively, equal to the required contributions for each year.

### B. Kentucky Employee Retirement System:

Substantially all other full-time University employees are required by law to participate in the Kentucky Employee Retirement System (KERS), a cost sharing multiple-employer, public employee retirement system. KERS provides retirement benefits based on an employee's final average salary and number of years of service. Benefits are subject to certain reductions if the employee retires before reaching age sixty-five or has less than twenty-seven years of service. The plan also provides for disability, death and survivor benefits and medical insurance.

The Kentucky Employee Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Employees Retirement System, 1260 Louisville Road, Perimeter Park West, Frankfort, Kentucky 40601 or by calling (502)564-4646.

Funding for the plan is provided from eligible employees who contribute 5.00% of their salary through payroll deductions and the Commonwealth of Kentucky, which also indirectly contributes 7.65% of current eligible employees salaries to the KERS through appropriations to the University. University contribution rates are determined by the Kentucky Revised Statute and the Board of Trustees of the Kentucky Retirement Systems each biennium. The University's contributions to KERS for the years ending June 30, 1998, 1997, 1996, and 1995 were \$882,611, \$853,354, \$804,525, and \$772,003, respectively, equal to the required contributions for each year.

### C. University Self-Insurance Program:

The University maintains a self-insurance program for employees health and accident insurance. The University pays substantially all expenses of the plan for permanent full-time employees and their families. Expenses incurred to cover claims paid by the University under the plan for year ending June 30, 1998 totaled \$3,660,141, excluding administrative and stop-loss fees.

## Note 8. Notes Payable

During 1997, the University borrowed \$400,000 from the Commonwealth of Kentucky Capital Construction and Equipment Purchase Contingency Account to fund a portion of the Regional Special Events Center. The note bears an effective rate of interest of 6.7% and the University is required to make annual equal payments of principal and interest through June, 2002.

During fiscal year ended June 30, 1998 the University entered into a Master Lease agreement with People's First Bank and Trust of Calloway County to finance \$1,500,000 of expenditures for the campus networking project. Each draw on the agreement is treated as a separate note, each note carrying a term of seven years, all due on February, 2004. The University is required to make monthly payments of principal and interest. The University utilized \$600,000 of this financing during the current fiscal year, with effective interest rate of 4.23%

Note 8. Notes Payable (cont.)

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

<u>June 30</u>	<u>Principal</u>
1999	\$ 164,720
2000	173,595
2001	182,738
2002	192,013
2003	106,475
Thereafter	<u>73,568</u>
Total	\$ <u>893,109</u>

Note 9. Bonds Payable

Bonds payable at June 30, 1998, consist of the following:

	<u>Outstanding</u>
Consolidated Educational Building Revenue Bonds, issued 1971 to 1993, with maturities to 2012, interest rates 3.0% to 7.25%	\$ 17,005,000
Consolidated Housing and Dining System Revenue Bonds, issued 1965 to 1997, with maturities to 2017, interest rates 2.88% to 5.4%	5,007,000
Total	\$ <u>22,012,000</u>

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds. All bonds are collateralized by land and buildings.

A schedule of the mandatory principal payments for the next five fiscal years and thereafter is presented below:

<u>Year Ending June 30</u>	<u>Consolidated Education Building Revenue Bonds</u>	<u>Consolidated Housing and Dining System Revenue Bonds</u>	<u>Total</u>
1999	\$ 2,650,000	\$ 570,000	\$ 3,220,000
2000	1,935,000	585,000	2,520,000
2001	1,300,000	610,000	1,910,000
2002	1,365,000	625,000	1,990,000
2003	1,430,000	625,000	2,055,000
Thereafter	<u>8,325,000</u>	<u>1,992,000</u>	<u>10,317,000</u>
Total	\$ <u>17,005,000</u>	\$ <u>5,007,000</u>	\$ <u>22,012,000</u>

The required minimum reserves of \$3,543,480 and \$720,154 for the Consolidated Educational Sinking Fund and the Housing and Dining Sinking Fund, respectively, are on deposit with the trustee and are included in the "Cash" and "Investments" amounts in Plant Funds in the accompanying balance sheet.

The University had recorded long term debt obligations to the Commonwealth of Kentucky related to financing life safety improvements to buildings. These assets were originally funded with proceeds of bonds issued by the Commonwealth who subsequently leased the assets to the University.

**Note 9. Bonds Payable (cont.)**

Effective June 30, 1998, the Finance and Administration Cabinet of the Commonwealth of Kentucky changed the manner in which it accounts for capital project financing and related debt service. By taking this action all of its capital lease agreements with the University were canceled. Accordingly, the University removed from its balance sheet long-term debt obligations payable to the Commonwealth of Kentucky totaling \$4,120,267 at June 30, 1998.

**Note 10. Capitalized Lease Obligations**

The University leases certain equipment and facilities, including The Crisp Center, under capital lease agreements. Remaining minimum annual lease payments pursuant to these leases are as follows:

Year Ending June 30	Principal
1999	\$ 241,287
2000	279,152
2001	265,444
2002	191,216
2003	179,914
Thereafter	<u>2,690,076</u>
	3,847,089
Less amount representing interest	<u>(1,352,234)</u>
Present value of capital lease obligations	<u>\$ 2,494,855</u>

**Note 11. Contingencies**

The University has been named as defendant in several lawsuits. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University.

On September 18, 1998, a fire damaged one of the University's student housing units and one student resident was fatally injured. University management is in the process of investigating the incident. Management is unable to determine at this time what impact, if any, the incident will have on the University's financial position.

**Note 12. Murray State University Foundation, Inc.**

Murray State University Foundation, Inc. (the Foundation) is a Kentucky not-for-profit corporation formed to receive and invest funds for the enhancement and improvement of the University. The Foundation also operates the Francis E. Miller Golf Course as a separate enterprise, and manages certain endowments and investments on behalf of the University.

The Foundation has a Board of Trustees separate from that of the University; however, the President and certain other officers of the University are also officers of the Foundation.

The University provides office space and pays certain operating expenses of the Foundation in exchange for investment management services provided by the Foundation. The Foundation prepares and issues its own financial statements.

**Note 13. National Scouting Museum**

The National Scouting Museum of the Boy Scouts of America, Inc. (the Museum) operates a museum on the campus of the University. Under an agreement that expires on September 30, 2030, the University provides a building on the University's campus to house the Museum at no cost to the Museum and provides \$85,000 of direct support to the Museum annually. The University also provides office space and certain administrative services to the Museum at no charge.

MURRAY STATE UNIVERSITY  
**CURRENT UNRESTRICTED FUNDS**  
**BALANCE SHEET**  
As of June 30, 1998  
With Comparative Figures as of June 30, 1997

	1997-98			1996-97
	Educational and General	Auxiliaries	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 14,264,355	\$ 135,630	\$ 14,399,985	\$ 13,384,638
Accounts and loans receivable, net	1,173,122	427,119	1,600,241	1,277,581
Inventories	308,629	1,001,211	1,309,840	1,428,681
Prepaid expenses	257,883	1,260	259,143	55,870
Interest receivable	333,582	17,395	350,977	388,502
Due from other funds	1,558,307	-	1,558,307	1,866,594
<b>Total assets</b>	<b>\$ 17,895,878</b>	<b>\$ 1,582,615</b>	<b>\$ 19,478,493</b>	<b>\$ 18,401,866</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 2,725,718	\$ 173,117	\$ 2,898,835	\$ 1,432,008
Payroll withholdings and related accruals	2,507,171	209,627	2,716,798	3,354,927
Other accrued expenses	482,891	36,386	519,277	449,694
Deposits	1,928	281,456	283,384	277,862
Deferred revenues	897,504	13,643	911,147	879,430
Due to other funds	723,094	-	723,094	2,289,827
<b>Total liabilities</b>	<b>\$ 7,338,306</b>	<b>\$ 714,229</b>	<b>\$ 8,052,535</b>	<b>\$ 8,683,748</b>
Fund Balance:				
Allocated for				
Working capital	\$ 1,815,333	\$ 444,568	\$ 2,259,901	\$ 1,673,793
Prior year carryovers:				
Renovation and maintenance	1,266,762	277,076	1,543,838	1,821,745
Other	5,091,377	142,839	5,234,216	3,994,766
Encumbrances	685,729	3,903	689,632	454,858
Reserve for general contingency	798,371	-	798,371	872,956
Reserve for self insurance	900,000	-	900,000	900,000
<b>Total fund balance</b>	<b>\$ 10,557,572</b>	<b>\$ 868,386</b>	<b>\$ 11,425,958</b>	<b>\$ 9,718,118</b>
<b>Total liabilities and fund balance</b>	<b>\$ 17,895,878</b>	<b>\$ 1,582,615</b>	<b>\$ 19,478,493</b>	<b>\$ 18,401,866</b>

MURRAY STATE UNIVERSITY  
**SUMMARY SCHEDULE OF CHANGES AND ALLOCATIONS IN FUND BALANCE**  
**CURRENT UNRESTRICTED FUNDS**  
For the Year Ended June 30, 1998  
With Comparative Figures as of June 30, 1997

	1998			1997
	Educational and General	Auxiliaries	Total	
<b>Fund Balance - beginning July 1</b>				
Working capital	\$ 1,614,959	\$ 58,834	\$ 1,673,793	\$ 1,323,401
Carryovers	5,359,681	456,830	5,816,511	5,409,532
Encumbrances	423,515	31,343	454,858	413,099
Reserve for revenue contingency	872,956	-	872,956	1,851,808
Reserve for self insurance	900,000	-	900,000	900,000
<b>Total fund balances - July 1</b>	<b>\$ 9,171,111</b>	<b>\$ 547,007</b>	<b>\$ 9,718,118</b>	<b>\$ 9,897,840</b>
<b>Increase/(decrease) - year to date</b>				
Revenues	\$ 73,703,998	\$ 13,296,205	\$ 87,000,203	\$ 84,168,762
Expenditures	(67,616,959)	(12,154,511)	(79,771,470)	(78,609,383)
Mandatory transfers:				
Debt service	(3,750,728)	(631,495)	(4,382,223)	(4,350,158)
Loan match	(2,393)	-	(2,393)	(693)
Non-Mandatory transfers:				
To renewal and replacement fund	(433,143)	-	(433,143)	(1,395,874)
To unexpended plant fund	(448,166)	(111,500)	(559,666)	7,625
Intrafund	77,320	(77,320)	-	-
To retirement of indebtedness fund	(143,468)	-	(143,468)	-
<b>Total year to date increase (decrease)     in fund balance</b>	<b>\$ 1,386,461</b>	<b>\$ 321,379</b>	<b>\$ 1,707,840</b>	<b>\$ (179,721)</b>
<b>Fund Balance - ending June 30</b>				
Working capital	\$ 1,815,333	\$ 444,568	\$ 2,259,901	\$ 1,673,793
Prior year carryovers:				
Renovation and maintenance	1,266,762	277,076	1,543,838	1,821,745
Other	5,091,377	142,839	5,234,216	3,994,766
Encumbrances	685,729	3,903	689,632	454,858
Reserve for general contingency	798,371	-	798,371	872,956
Reserve for self insurance	900,000	-	900,000	900,000
<b>Total fund balances - June 30</b>	<b>\$ 10,557,572</b>	<b>\$ 868,386</b>	<b>\$ 11,425,958</b>	<b>\$ 9,718,118</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUND REVENUES**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL REVENUES</b>				
Tuition and fees:				
Fall tuition	\$ 9,870,423	\$ -	\$ 9,870,423	\$ 9,455,703
Spring tuition	9,305,391	-	9,305,391	8,991,669
Summer II tuition	628,052	-	628,052	629,320
Summer I tuition	1,336,952	-	1,336,952	1,318,319
Miscellaneous tuition	858	-	858	764
Student activity fees	1,762,621	-	1,762,621	1,759,488
Other fees	866,708	-	866,708	771,708
Total tuition and fees	<u>\$ 23,771,005</u>	<u>\$ -</u>	<u>\$ 23,771,005</u>	<u>\$ 22,926,971</u>
State appropriations	\$ 43,292,924	\$ -	\$ 43,292,924	\$ 41,800,200
Grants and contracts:				
Federal work study	\$ -	\$ 375,643	\$ 375,643	\$ 388,254
Federal PELL	-	4,127,010	4,127,010	3,831,123
Federal SEOG	-	314,960	314,960	314,606
Grants and contracts - federal	-	2,730,095	2,730,095	2,771,460
Grants and contracts - state	-	2,544,496	2,544,496	2,470,686
Grants and contracts - other	-	236,367	236,367	440,374
Grants and contracts - foundation	-	1,344,849	1,344,849	1,445,442
Total grants and contracts	<u>\$ -</u>	<u>\$ 11,673,420</u>	<u>\$ 11,673,420</u>	<u>\$ 11,651,945</u>
Indirect cost reimbursements:				
Federal/state indirect cost reimbursements	\$ 207,874	\$ -	\$ 207,874	\$ 190,299
Financial aid cost reimbursement	95,000	-	95,000	93,235
	<u>302,874</u>	<u>-</u>	<u>302,874</u>	<u>283,534</u>
Sales and services of educational departments:				
Access workshops	\$ 585	\$ -	\$ 585	\$ -
Archeology service center	15,448	-	15,448	27,827
Art auction	5,977	-	5,977	-
Art cash sales	20,634	-	20,634	28,292
Art workshops	12,495	-	12,495	10,500
Hancock Biology station	4,519	-	4,519	4,673
Breathitt veterinary center	282,210	-	282,210	255,013
Chemical services	50	-	50	3,160
Child development center	11,120	-	11,120	9,715
Clinical languages	22,638	-	22,638	26,080
English language institute	656,226	-	656,226	932,824
Environmental education workshop	5,317	-	5,317	7,501
Fall business education conference	840	-	840	1,300
Hong Kong MBA	-	-	-	100,494
Journalism workshop	1,229	-	1,229	1,435
Kentucky Institute for International Studies (KIIS)	1,031,588	-	1,031,588	809,086
Keyboard recruiting	1,001	-	1,001	726
Learning center fees	24,475	-	24,475	17,866
MARC service center	1,526	-	1,526	4,522
MSU News advertising	88,899	-	88,899	76,463
MSU x-ray lab	19,470	-	19,470	7,270
Music workshops	10,950	-	10,950	13,520
Office systems service center	360	-	360	1,156
Recording studio	1,022	-	1,022	988
School service office	-	-	-	240
Shield	45,361	-	45,361	38,045
Summer writing workshop	-	-	-	10
Theatre revenue	12,868	-	12,868	16,300
TV studio	325	-	325	919
University farms	224,077	-	224,077	222,390
Waterfield center	120	-	120	47
Well water testing	5,514	-	5,514	2,762
Total sales and services of educational departments	<u>\$ 2,506,844</u>	<u>\$ -</u>	<u>\$ 2,506,844</u>	<u>\$ 2,621,124</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUND REVENUES**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>Educational and General Revenues (cont.)</b>				
Other Sources:				
Arts and humanities summer institute	\$ 5,050	\$ -	\$ 5,050	\$ -
Athletics	438,232	-	438,232	368,222
Athletics - concessions	132,513	-	132,513	63,614
Athletics - football playoff	-	-	-	56,878
Athletics - guarantees	83,200	-	83,200	41,700
Athletics - marketing	40,706	-	40,706	25,398
Athletics - NCAA revenue	245,868	-	245,868	221,596
Athletics - OVC volleyball tourney	12,120	-	12,120	11,434
Athletics - programs	19,801	-	19,801	14,963
Athletic camps -				
Baseball	3,730	-	3,730	3,653
Golf	14,700	-	14,700	3,800
Men's basketball	25,395	-	25,395	28,198
Lady's basketball	7,255	-	7,255	4,042
Soccer	-	-	-	3,900
Tennis	26,225	-	26,225	32,390
Volleyball	1,825	-	1,825	-
Athletics - regional tournament concessions	-	-	-	19,457
Bad debt expense recovery	7,824	-	7,824	5,431
Black student leadership conference	3,406	-	3,406	-
Boots Randolph concert	-	-	-	125
Campus lights	6,721	-	6,721	7,712
Campus recreation	1,095	-	1,095	565
Celebrate women	8,059	-	8,059	-
Center for economic education	2,602	-	2,602	675
Central stores revolving fund	1,761	-	1,761	3,525
Chemistry breakage fees	4,494	-	4,494	3,615
Clarinet workshop	5,115	-	5,115	-
Community education	232	-	232	(583)
Conferences and workshops	182,294	-	182,294	125,418
Consolidated educational revenue interest	1,025,234	-	1,025,234	1,063,718
Fixed price contract residuals	27,416	-	27,416	22,477
Cooperative education and placement	9,912	-	9,912	13,956
Counseling and testing center	17,601	-	17,601	16,962
Environmental consortium of Mid-America	2,250	-	2,250	3,750
Faculty resource center	1,916	-	1,916	2,043
Festival of champions	31,740	-	31,740	17,136
Forensics team	2,846	-	2,846	3,674
Graphic arts technology	2,159	-	2,159	6,446
Hazardous materials training	63,063	-	63,063	117,312
International student orientation	2,580	-	2,580	2,861
Intramural program	11,276	-	11,276	7,589
Library - census microfilm	235	-	235	355
Library - copy service	53,500	-	53,500	54,534
Library - fines	16,221	-	16,221	19,612
Library - inter-library loan	924	-	924	1,503
Library - other	6,147	-	6,147	6,101
West Kentucky livestock and exposition center	114,683	-	114,683	92,770
Madrigal dinner	6,228	-	6,228	-
Magic silver show	1,960	-	1,960	-
Meal management luncheons	544	-	544	535
Music recital	2,031	-	2,031	688



MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUND REVENUES**  
For the year ended June 30, 1998  
With Comparative Figures for the year ended June 30, 1997

Educational and General Revenues(cont.)	1998			1997
	Unrestricted	Restricted	Total	
Other sources (cont.)				
National student exchange	\$ 2,100	\$ -	\$ 2,100	\$ 730
Nursing continuing education	15	-	15	915
Operating fund interest	333,216	-	333,216	219,688
Other revenue	228,308	-	228,308	46,005
Perkins loan recovery	8,640	-	8,640	7,775
Post office box rental	6,096	-	6,096	7,807
Post office contract	8,000	-	8,000	8,000
Psychology copy account	-	-	-	64
Printing	30,313	-	30,313	32,652
Quad state festival	21,003	-	21,003	22,721
Recycling program	6,566	-	6,566	5,690
Regensburg exchange	89,572	-	89,572	61,488
Regional high school tournaments -				
Boys'	10,244	-	10,244	11,268
Girls'	7,457	-	7,457	7,760
All A	6,640	-	6,640	-
Rentals	19,996	-	19,996	13,047
Rodeo	9,488	-	9,488	12,582
ROTC equipment	-	-	-	(844)
Sale of surplus property	15,738	-	15,738	12,622
Senior breakfast	855	-	855	799
String prep program	7,890	-	7,890	6,593
Student government association	35,143	-	35,143	26,175
Summer challenge	-	-	-	2,378
Summer computer science workshop	1,365	-	1,365	1,500
Summer orientation	89,055	-	89,055	100,468
Super Saturdays	12,950	-	12,950	11,855
Technology center	21,474	-	21,474	22,761
Telecommunications commission	128,699	-	128,699	165,157
Welcome back program	8,192	-	8,192	-
Wellness center	-	-	-	25
West Kentucky environmental education consortium	3,991	-	3,991	9,030
Wickliffe Mounds gift shop	5,488	-	5,488	7,306
Wickliffe Mounds research center	22,628	-	22,628	29,429
WQTV advertising	2,515	-	2,515	-
Young authors camp	6,025	-	6,025	6,834
Total other sources	\$ 3,830,351	\$ -	\$ 3,830,351	\$ 3,360,030
Total educational and general revenues	\$ 73,703,998	\$ 11,673,420	\$ 85,377,418	\$ 82,643,804

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUND REVENUES**  
 For the year ended June 30, 1998  
 With Comparative Figures for the year ended June 30, 1997

AUXILIARY ENTERPRISES REVENUES	1998			1997
	Unrestricted	Restricted	Total	
Food services	\$ 4,412,479	\$ -	\$ 4,412,479	\$ 4,418,739
Housing services	4,602,701	-	4,602,701	4,532,367
Bookstore	3,562,838	-	3,562,838	3,490,386
Curris center	180,497	-	180,497	182,412
Parking -				
Fines	168,135	-	168,135	188,925
Permits	165,420	-	165,420	170,230
Other	11,235	-	11,235	7,690
Racer card administration	56,215	-	56,215	66,949
Vending and manual commissions	136,685	-	136,685	119,205
Federal workstudy student wages	-	45,172	45,172	48,509
<b>Total auxiliary enterprises</b>	<b>\$ 13,296,205</b>	<b>\$ 45,172</b>	<b>\$ 13,341,377</b>	<b>\$ 13,225,412</b>
<b>Total current fund revenues</b>	<b>\$ 87,000,203</b>	<b>\$ 11,718,592</b>	<b>\$ 98,718,795</b>	<b>\$ 95,869,216</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL EXPENDITURES</b>				
<i>Instruction:</i>				
<i>College of Business and Public Affairs:</i>				
	\$	\$	\$	\$
Accounting and finance	807,743	-	807,743	793,903
Computer studies	725,125	-	725,125	692,561
Economics and finance	939,079	-	939,079	888,660
Management and marketing	865,721	-	865,721	870,580
Office systems and business education	475,435	-	475,435	426,428
Political science and legal studies	768,717	-	768,717	695,537
MBA program	2,841	-	2,841	6,423
Owensboro MBA	9,065	-	9,065	9,188
Fall business education conference	810	-	810	1,624
Summer computer science workshop	1,792	-	1,792	1,031
Bank management seminars	(4,063)	-	(4,063)	6,234
Access workshops	187	-	187	-
Hong Kong MBA	8,048	-	8,048	61,580
Other instruction	29,814	-	29,814	2,199
	<u>\$ 4,630,314</u>	<u>\$ -</u>	<u>\$ 4,630,314</u>	<u>\$ 4,455,948</u>
<i>Total College of Business and Public Affairs</i>				
<i>College of Fine Arts and Communication:</i>				
	\$	\$	\$	\$
Art	976,588	-	976,588	983,201
Journalism, radio and television	760,246	-	760,246	713,304
Music	1,294,832	-	1,294,832	1,228,788
Speech, communication and theatre	791,467	-	791,467	777,915
Television studios	35,745	-	35,745	32,799
Keyboard recruiting	145	-	145	533
West Kentucky dance festival	1,573	-	1,573	-
Art workshops	10,909	-	10,909	11,029
High school journalism and broadcasting workshop	1,439	-	1,439	2,001
Music workshops	1,183	-	1,183	-
Art cash sales	27,050	-	27,050	20,154
String prep program	7,869	-	7,869	6,493
Jesse Stuart Fellowship	68	-	68	-
	<u>\$ 3,909,114</u>	<u>\$ -</u>	<u>\$ 3,909,114</u>	<u>\$ 3,776,217</u>
<i>Total College of Fine Arts and Communication</i>				
<i>College of Science:</i>				
	\$	\$	\$	\$
Biological sciences	1,100,240	-	1,100,240	1,033,837
Chemistry	847,479	-	847,479	818,483
Geosciences	448,421	-	448,421	423,230
Mathematics	1,181,396	-	1,181,396	1,142,135
Physics and astronomy	620,787	-	620,787	608,917
Hancock Biological station	9,808	-	9,808	10,614
Trover clinic	37,500	-	37,500	-
Nursing	828,097	-	828,097	810,065
Nursing continuing education	821	-	821	2,454
Indirect costs	47,048	-	47,048	7,738
	<u>\$ 5,121,597</u>	<u>\$ -</u>	<u>\$ 5,121,597</u>	<u>\$ 4,857,473</u>
<i>Total College of Science</i>				
<i>College of Education:</i>				
	\$	\$	\$	\$
Environmental education center	5,685	-	5,685	5,700
Elementary and secondary education	1,365,475	-	1,365,475	1,308,708
Educational leadership and counseling	571,181	-	571,181	482,987
Health, physical education and recreation	768,411	-	768,411	852,305
Special education	596,769	-	596,769	610,609
Teacher education services	224,200	-	224,200	207,844
Speech and hearing workshops	-	-	-	49

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
Center for education, finance, and law	22,640	-	22,640	-
Environmental education consortium	2,540	-	2,540	7,642
Environmental education preservice	2,296	-	2,296	2,158
American humanics	78,818	-	78,818	77,733
Other instruction	40,101	-	40,101	36,992
Indirect costs	2,141	-	2,141	-
<b>Total College of Education</b>	<b>\$ 3,680,257</b>	<b>\$ -</b>	<b>\$ 3,680,257</b>	<b>\$ 3,592,727</b>
<b>College of Humanistic Studies:</b>				
Psychology	\$ 611,205	\$ -	\$ 611,205	\$ 630,068
English	1,570,976	-	1,570,976	1,665,733
Foreign languages	594,331	-	594,331	587,305
History	845,138	-	845,138	756,922
Philosophy and religious studies	218,740	-	218,740	209,578
Sociology, anthropology and social work	648,139	-	648,139	622,497
Humanistic studies copy account	493	-	493	(200)
Notations	947	-	947	1,201
Kentucky institute for international studies (KIIS)	976,562	-	976,562	803,877
Stuart writing conference	287	-	287	1,209
Language and culture lab	6,575	-	6,575	6,776
English computer lab	908	-	908	72,155
Regensburg exchange	86,563	-	86,563	61,143
ESL program	711,955	-	711,955	598,100
TESOL program	1,735	-	1,735	-
Other instruction	38,725	-	38,725	51,340
<b>Total College of Humanistic Studies</b>	<b>\$ 6,313,279</b>	<b>\$ -</b>	<b>\$ 6,313,279</b>	<b>\$ 6,067,704</b>
<b>College of Industry and Technology:</b>				
Agriculture	\$ 825,334	\$ -	\$ 825,334	\$ 739,687
Animal health technology	240,345	-	240,345	219,909
Rodeo	76,521	-	76,521	71,835
Family and consumer studies	435,482	-	435,482	408,839
Graphic arts technology	266,639	-	266,639	257,467
Industrial engineering technology	1,222,851	-	1,222,851	1,214,958
Occupational safety and health	606,489	-	606,489	599,330
Military science	3,163	-	3,163	25,729
CIT Services	36,813	-	36,813	37,431
The technology center	22,652	-	22,652	46,429
Child development center	10,318	-	10,318	6,889
Engineering institute	61,699	-	61,699	94,333
Other instruction	3,499	-	3,499	8,910
Indirect costs	5,007	-	5,007	-
<b>Total College of Industry and Technology</b>	<b>\$ 3,816,812</b>	<b>\$ -</b>	<b>\$ 3,816,812</b>	<b>\$ 3,731,746</b>
<b>Telecommunication Systems Management:</b>				
WQTV operations	\$ 49,602	\$ -	\$ 49,602	\$ -
Bureau of business and economics	12,452	-	12,452	-
<b>Total Telecommunication Systems Management</b>	<b>\$ 62,054</b>	<b>\$ -</b>	<b>\$ 62,054</b>	<b>\$ -</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<i>Other instruction:</i>				
Center for economic education	\$ 4,118	\$ -	\$ 4,118	\$ 1,266
Festival of champions	31,297	-	31,297	19,318
Quad state festivals	23,509	-	23,509	19,148
Bowling course fees	1,431	-	1,431	2,914
Golf course green fees	775	-	775	949
Special education technology center	21,926	-	21,926	17,600
Center for international programs	205,557	-	205,557	203,739
Correspondence study	34	-	34	31
Extended campus programs	894,558	-	894,558	718,657
Academic team/decaathlon	5,459	-	5,459	3,888
Unallotted academic programs	30,231	-	30,231	20,458
Honors program	86,741	-	86,741	41,800
Presidential scholars	3,109	-	3,109	3,325
Instructional support	42,836	-	42,836	32,721
Communication across the curriculum	-	-	-	10,539
Hazardous waste	2,161	-	2,161	527
Academic affairs consultants	15,821	-	15,821	15,608
Oxford roundtable	154	-	154	-
Bachelor of independent study degree	125,135	-	125,135	117,442
Indirect costs - vice president academic affairs	-	-	-	6,103
Accrued vacation	(13,690)	-	(13,690)	(13,038)
Summer leaves and salaries	827,171	-	827,171	850,214
Computer for instruction and research	250,000	-	250,000	250,000
Sports camps	31,444	-	31,444	43,969
Super Saturdays	9,077	-	9,077	11,609
Summer challenge	120	-	120	12,293
Archaeology and robotics camps	3,117	-	3,117	-
Trumpet and clarinet workshops	11,916	-	11,916	17,400
Young authors camp	6,207	-	6,207	10,209
Arts and humanities summer institute	69	-	69	-
Area health education system	74,606	-	74,606	21,000
KTLN grant match	-	-	-	30,658
Instruction accrued compensation expense	26,862	-	26,862	7,780
Matching grants and contracts	6,558	2,061,314	2,067,872	1,950,037
Murray State University Foundation	-	214,751	214,751	185,959
Instruction workstudy	-	-	-	197,414
<i>Total other instruction</i>	<u>\$ 2,728,309</u>	<u>\$ 2,276,065</u>	<u>\$ 5,004,374</u>	<u>\$ 4,811,537</u>
<i>Community education:</i>				
Center for continuing education	\$ 258,275	\$ -	\$ 258,275	\$ 242,363
Crisp center	166,288	-	166,288	-
Paducah center	108,996	-	108,996	81,306
Community education	45,710	-	45,710	37,140
<i>Total community education</i>	<u>\$ 579,269</u>	<u>\$ -</u>	<u>\$ 579,269</u>	<u>\$ 360,809</u>
<i>Preparatory/remedial instruction:</i>				
Learning center	\$ 283,384	\$ -	\$ 283,384	\$ 255,551
<i>Total preparatory/remedial instruction</i>	<u>\$ 283,384</u>	<u>\$ -</u>	<u>\$ 283,384</u>	<u>\$ 255,551</u>
<i>Total instruction expenditures</i>	<u>\$ 31,124,389</u>	<u>\$ 2,276,065</u>	<u>\$ 33,400,454</u>	<u>\$ 31,909,712</u>
<i>Research:</i>				
Organic pasteurization project	\$ 25,000	\$ -	\$ 25,000	\$ -
Institutional sponsored research	31,555	-	31,555	20,969

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
Mid-America remote sensing center	149,658	-	149,658	147,394
Center of excellence and ecosystems studies	563,718	-	563,718	435,590
Research accrued compensation expense	7,006	-	7,006	8,094
Matching grants and contracts	66,206	1,157,858	1,224,064	848,954
Murray State University Foundation	-	1,536	1,536	3,605
Research workstudy	-	-	-	2,764
<b>Total research expenditures</b>	<b>\$ 843,143</b>	<b>\$ 1,159,394</b>	<b>\$ 2,002,537</b>	<b>\$ 1,467,370</b>
<b>Public service:</b>				
<i>Community service:</i>				
Waterfield center	\$ 591	\$ -	\$ 591	561
Conferences and workshops	199,484	-	199,484	99,699
Celebrate women	11,517	-	11,517	5,961
National boy scout museum	85,509	-	85,509	85,643
MSU X-ray lab	20,937	-	20,937	5,190
West Kentucky livestock and exposition center	189,594	-	189,594	141,848
Graphic arts video	2,914	-	2,914	4,864
Clinical services	31,212	-	31,212	49,847
School services office	3,287	-	3,287	4,963
Archeology service center	15,962	-	15,962	25,122
<i>Breathitt Veterinary Center:</i>				
Administrative services	742,629	-	742,629	679,336
Serology	130,552	-	130,552	151,864
Virology	183,979	-	183,979	200,303
Microbiology	257,239	-	257,239	262,640
Pathology	480,951	-	480,951	427,114
Therapy and field services	125	-	125	34,152
Diagnostic and research capital	2,125	-	2,125	1,866
DNA diagnostics	76,674	-	76,674	117,371
Toxicology	146,873	-	146,873	162,612
Seaboard farms	301	-	301	11,848
Clinical pathology	147,271	-	147,271	119,477
Histology	120,402	-	120,402	116,238
Swine health day	11	-	11	-
<b>Total community service</b>	<b>\$ 2,850,139</b>	<b>\$ -</b>	<b>\$ 2,850,139</b>	<b>\$ 2,708,519</b>
<i>Public broadcasting services:</i>				
WKMS - radio station	\$ 234,925	\$ -	\$ 234,925	\$ 204,113
<b>Total public broadcasting services</b>	<b>\$ 234,925</b>	<b>\$ -</b>	<b>\$ 234,925</b>	<b>\$ 204,113</b>
<i>Other public services:</i>				
Environmental education consortium	\$ 2,553	\$ -	\$ 2,553	\$ 4,306
Biological station facilities	(4,070)	-	(4,070)	5,070
Hazardous materials worker training project	51,240	-	51,240	97,260
Foreign language service center	304	-	304	487
Psychology center	-	-	-	172
Chemical services	-	-	-	1,102
Baseball clinic	1,983	-	1,983	4,080
Community service workstudy	3,394	-	3,394	3,190
Public service accrued compensation expense	(2,240)	-	(2,240)	7,453
Matching grants and contracts	82,066	499,822	581,888	567,707
Murray State University Foundation	-	226,635	226,635	169,317
Public service workstudy	-	-	-	17,396
<b>Total other public service</b>	<b>\$ 135,230</b>	<b>\$ 726,457</b>	<b>\$ 861,687</b>	<b>\$ 877,540</b>
<b>Total public service expenditures</b>	<b>\$ 3,220,294</b>	<b>\$ 726,457</b>	<b>\$ 3,946,751</b>	<b>\$ 3,790,172</b>
<b>Libraries:</b>				
Library	\$ 2,307,408	\$ -	\$ 2,307,408	\$ 2,293,720
Census microfilm program	370	-	370	386
Interlibrary loan	523	-	523	1,208

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<i>Intercollegiate athletics:</i>				
Athletic photography	\$ 1,994	\$ -	\$ 1,994	\$ 2,084
Rifle team	31,772	-	31,772	33,941
Athletic director	273,816	-	273,816	213,865
Sports information director	55,966	-	55,966	45,587
OVC championship tournament	-	-	-	975
Cheerleaders	20,243	-	20,243	16,619
Football	506,923	-	506,923	453,047
Men's basketball	389,408	-	389,408	291,540
Baseball	102,545	-	102,545	109,669
Men's and women's track	90,760	-	90,760	96,844
Men's tennis	35,316	-	35,316	31,386
Men's golf	29,287	-	29,287	30,498
Athletic compliance	63,184	-	63,184	68,829
Women's basketball	158,864	-	158,864	148,562
Women's tennis	40,199	-	40,199	39,759
Women's golf	45,785	-	45,785	43,319
Women's volleyball	65,314	-	65,314	66,306
Basketball referee clinic	271	-	271	5,343
Football playoff	-	-	-	58,712
Women's crew team	34,675	-	34,675	-
NCAA tournament travel	66,489	-	66,489	51,239
Regional tournament	-	-	-	8,662
Athletic trainer	134,545	-	134,545	143,593
Athletic ticket office	52,320	-	52,320	54,203
OVC basketball tournament	13,185	-	13,185	8,987
OVC volleyball tournament	-	-	-	3,669
Athletic concessions	42,229	-	42,229	44,770
Athletic programs	565	-	565	6,861
Racer basketball camp	20,748	-	20,748	38,027
Athletic marketing	14,528	-	14,528	4,958
<i>Total intercollegiate athletics</i>	<u>\$ 2,290,931</u>	<u>\$ -</u>	<u>\$ 2,290,931</u>	<u>\$ 2,121,854</u>
<i>Student admissions and records:</i>				
Admissions and records	\$ 691,346	\$ -	\$ 691,346	\$ 656,577
Commencement expense	12,576	-	12,576	11,457
Viewbook	56,107	-	56,107	44,480
Touch tone registration	8,919	-	8,919	8,235
Murray academic progress	57,036	-	57,036	44,311
<i>Total student admissions and records</i>	<u>\$ 825,984</u>	<u>\$ -</u>	<u>\$ 825,984</u>	<u>\$ 765,060</u>
<i>Other student services:</i>				
Regional tournaments	\$ 26,538	\$ -	\$ 26,538	\$ 19,937
Senior breakfast	2,455	-	2,455	2,983
African-American student services	59,320	-	59,320	65,578
Summer orientation	71,900	-	71,900	84,750
Crew team	13,920	-	13,920	1,000
Women's center	11,286	-	11,286	6,516
Campus lights	6,116	-	6,116	8,674
Forensic team	13,245	-	13,245	14,205
Wellness center	3,073	-	3,073	16,621
Madrigal dinner	8,201	-	8,201	-
Student life improvement	174	-	174	-
Student ambassadors	1,716	-	1,716	5,407
First time experience	2,567	-	2,567	2,058
Roads scholars	33,982	-	33,982	24,152
Choir international tours	2,485	-	2,485	-
National student exchange	4,450	-	4,450	3,956
Turkey students	-	-	-	1,500
Indirect costs	10,376	-	10,376	4,697

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
Co-curricular education	95,631	-	95,631	87,372
Student services accrued compensation expense	15,794	-	15,794	(1,689)
Matching grants and contracts	(600)	273,558	272,958	221,308
Murray State University Foundation	-	208,373	208,373	373,872
Student services workstudy	38,897	-	38,897	49,284
<b>Total other student services</b>	<b>\$ 421,526</b>	<b>\$ 481,931</b>	<b>\$ 903,457</b>	<b>\$ 992,181</b>
<b>Total student services expenditures</b>	<b>\$ 6,164,131</b>	<b>\$ 481,931</b>	<b>\$ 6,646,062</b>	<b>\$ 6,306,610</b>
<b>Institutional support:</b>				
<i>Executive management:</i>				
Board of Regents	\$ 9,104	\$ -	\$ 9,104	\$ 7,201
President's office	427,882	-	427,882	413,713
Vice president for academic affairs and provost	400,716	-	400,716	368,926
Vice president for administrative services	183,493	-	183,493	110,302
Legal services	161,739	-	161,739	130,266
Legislative liaison	11,120	-	11,120	3,301
Institutional planning and research	136,313	-	136,313	107,690
Vice president for student affairs	236,361	-	236,361	211,251
<b>Total executive management</b>	<b>\$ 1,566,728</b>	<b>\$ -</b>	<b>\$ 1,566,728</b>	<b>\$ 1,352,650</b>
<i>Fiscal operations:</i>				
Accounting and financial services	\$ 368,566	\$ -	\$ 368,566	\$ 357,511
Associate vice president for administrative services	73,295	-	73,295	177,812
Office of the budget	104,061	-	104,061	70,003
Bursars office	404,576	-	404,576	371,653
Bad debt expense	95,585	-	95,585	100,099
Bank service charges	65,426	-	65,426	73,097
<b>Total fiscal operations</b>	<b>\$ 1,111,509</b>	<b>\$ -</b>	<b>\$ 1,111,509</b>	<b>\$ 1,150,175</b>
<i>General administration and logistical services:</i>				
Sale of surplus property	\$ 5,848	\$ -	\$ 5,848	\$ 4,758
Procurement services	388,024	-	388,024	376,803
Human resources	270,956	-	270,956	251,057
Postal services	89,688	-	89,688	193,392
Public safety	644,446	-	644,446	632,351
Unemployment compensation	16,998	-	16,998	28,883
Public address system	8,999	-	8,999	9,004
Transportation services	223,157	-	223,157	217,551
Central stores revolving fund	(3,805)	-	(3,805)	11,053
Rental property	527	-	527	470
Microcomputer repair	405,698	-	405,698	65,391
Recycling program	7,694	-	7,694	14,321
Telecommunications support	234,460	-	234,460	368,697
Flexible spending plan	20,902	-	20,902	20,829
Vehicle replacement	17,323	-	17,323	-
Accountability	1,256	-	1,256	839
Workers compensation	281,016	-	281,016	243,901
<b>Total general administration and logistical services</b>	<b>\$ 2,613,187</b>	<b>\$ -</b>	<b>\$ 2,613,187</b>	<b>\$ 2,439,300</b>
<i>Public relations and development:</i>				
Marketing and public relations	\$ 118,410	\$ -	\$ 118,410	\$ 133,403
Office of publications	156,200	-	156,200	126,550
Office of development	435,715	-	435,715	405,135
University publications	41,560	-	41,560	39,529
University relations	62,484	-	62,484	109,005
University wide events	27,298	-	27,298	12,038



MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
Library copy service	63,498	-	63,498	58,252
Library accrued compensation expense	1,476	-	1,476	2,177
Murray State University Foundation	-	16,287	16,287	32,677
Library workstudy	-	46,434	46,434	44,491
<b>Total libraries expenditures</b>	<b>\$ 2,373,275</b>	<b>\$ 62,721</b>	<b>\$ 2,435,996</b>	<b>\$ 2,432,911</b>
<b>Academic support:</b>				
<i>Museums, galleries, and theatre:</i>				
Wrather West Kentucky museum	\$ 61,573	\$ -	\$ 61,573	\$ 63,762
Clara Eagle art gallery	9,287	-	9,287	8,821
Recording studio	927	-	927	1,111
University theatre	30,990	-	30,990	30,412
Wickliffe mounds	50,129	-	50,129	60,493
Wickliffe mounds gift shop	2,815	-	2,815	5,189
Wickliffe mounds welcome center	21,141	-	21,141	21,033
<b>Total museums, galleries, and theatre</b>	<b>\$ 176,862</b>	<b>\$ -</b>	<b>\$ 176,862</b>	<b>\$ 190,821</b>
<i>Educational media services:</i>				
Faculty resource center	-	-	-	265
<b>Total educational media services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>265</b>
<i>Academic computing support</i>				
Academic computing	\$ 217,336	-	\$ 217,336	-
<b>Total academic computing support</b>	<b>\$ 217,336</b>	<b>-</b>	<b>\$ 217,336</b>	<b>-</b>
<i>Ancillary support:</i>				
Faculty senate	\$ 11,209	-	11,209	10,286
Open computer lab - Faculty Hall	19,256	-	19,256	-
Farms	207,766	-	207,766	235,799
Horticulture	6,478	-	6,478	8,084
Horses	86,277	-	86,277	82,692
Pullen farm	2,891	-	2,891	4,406
Academic council	1,894	-	1,894	2,553
Applied Science computer lab	143,663	-	143,663	-
<b>Total ancillary support</b>	<b>\$ 479,434</b>	<b>\$ -</b>	<b>\$ 479,434</b>	<b>\$ 343,820</b>
<i>Academic administration:</i>				
Office of sponsored programs	\$ 124,355	-	\$ 124,355	\$ 99,369
Dean - business and public affairs	362,128	-	362,128	457,013
Dean - fine arts and communication	307,998	-	307,998	272,965
Dean - science	471,770	-	471,770	511,393
Dean - education	304,973	-	304,973	379,193
Dean - humanistic studies	230,814	-	230,814	226,971
Dean - industry and technology	327,808	-	327,808	272,447
<b>Total academic administration</b>	<b>\$ 2,129,846</b>	<b>\$ -</b>	<b>\$ 2,129,846</b>	<b>\$ 2,219,351</b>
<i>Academic personnel development:</i>				
Faculty recruitment and travel	\$ 73,684	-	\$ 73,684	\$ 63,194
Equal opportunity	87,503	-	87,503	88,105
<b>Total academic personnel development</b>	<b>\$ 161,187</b>	<b>\$ -</b>	<b>\$ 161,187</b>	<b>\$ 151,299</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>Course and curriculum development:</b>				
NCATE re-accreditation	\$ 4,887	\$ -	\$ 4,887	\$ 21,341
Unit plan and program development	29,484	-	29,484	27,225
College of education faculty support	20,930	-	20,930	-
Accreditations	18,637	-	18,637	6,967
<b>Total course and curriculum development</b>	<b>\$ 73,938</b>	<b>\$ -</b>	<b>\$ 73,938</b>	<b>\$ 55,533</b>
<b>Other academic support:</b>				
Well water testing	\$ 3,046	\$ -	\$ 3,046	\$ 2,665
Center for leadership and policy	140	-	140	-
Facility rental	197	-	197	-
Special programs	5,347	-	5,347	4,094
Sparks lecture	761	-	761	189
Education technology	35,298	-	35,298	82,928
Carr Health Building	94,133	-	94,133	-
Archeology lab	1	-	1	267
Academic support accrued compensation	(21,713)	-	(21,713)	5,445
Matching grants and contracts	8,227	690,159	698,386	1,072,779
Murray State University Foundation	-	40,597	40,597	34,548
Academic support workstudy	-	-	-	22,325
<b>Total other academic support</b>	<b>\$ 125,437</b>	<b>\$ 730,756</b>	<b>\$ 856,193</b>	<b>\$ 1,225,240</b>
<b>Total academic support expenditures</b>	<b>\$ 3,364,040</b>	<b>\$ 730,756</b>	<b>\$ 4,094,796</b>	<b>\$ 4,186,329</b>
<b>Student services:</b>				
<b>Student service administration:</b>				
Carris center administration	\$ 181,351	\$ -	\$ 181,351	\$ 165,840
School relations	658,349	-	658,349	562,121
Recruitment and retention	21,665	-	21,665	18,188
Office of university scholarships	94,095	-	94,095	79,827
African-American recruitment and retention	86,519	-	86,519	92,500
Student government association	165,018	-	165,018	122,229
<b>Total student services administration</b>	<b>\$ 1,206,997</b>	<b>\$ -</b>	<b>\$ 1,206,997</b>	<b>\$ 1,040,705</b>
<b>Social and cultural development:</b>				
The Shield	\$ 48,727	\$ -	\$ 48,727	\$ 49,623
Murray State University News	127,201	-	127,201	106,337
Black student leadership conference	7,991	-	7,991	-
Residential colleges	1,981	-	1,981	-
<b>Total social and cultural development</b>	<b>\$ 185,900</b>	<b>\$ -</b>	<b>\$ 185,900</b>	<b>\$ 155,960</b>
<b>Counseling and career guidance:</b>				
Counseling and testing center	\$ 276,562	\$ -	\$ 276,562	\$ 266,158
Catalogs and bulletins	25,264	-	25,264	48,819
Cooperative education and placement	201,296	-	201,296	201,197
<b>Total counseling and career guidance</b>	<b>\$ 503,122</b>	<b>\$ -</b>	<b>\$ 503,122</b>	<b>\$ 516,174</b>
<b>Student financial aid administration:</b>				
Student financial aid office	\$ 406,267	\$ -	\$ 406,267	\$ 408,062
<b>Total student financial aid administration</b>	<b>\$ 406,267</b>	<b>\$ -</b>	<b>\$ 406,267</b>	<b>\$ 408,062</b>
<b>Student health services:</b>				
Health services	\$ 323,404	\$ -	\$ 323,404	\$ 306,614
<b>Total student health services</b>	<b>\$ 323,404</b>	<b>\$ -</b>	<b>\$ 323,404</b>	<b>\$ 306,614</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
News bureau	84,941	-	84,941	86,330
Photography	2,239	-	2,239	3,788
Radio/ television	44,512	-	44,512	42,311
<i>Total public relations and development</i>	<u>\$ 973,359</u>	<u>\$ -</u>	<u>\$ 973,359</u>	<u>\$ 958,089</u>
<i>Administrative computing support:</i>				
Information systems	\$ 499,353	\$ -	\$ 499,353	\$ 1,179,001
Administrative computing	250,882	-	250,882	-
<i>Total administrative computing support</i>	<u>\$ 750,235</u>	<u>\$ -</u>	<u>\$ 750,235</u>	<u>\$ 1,179,001</u>
<i>Other institutional support:</i>				
Employee scholarship	\$ 103,204	\$ -	\$ 103,204	\$ 84,777
Miscellaneous institutional support	233,066	-	233,066	249,850
75th anniversary	8,324	-	8,324	-
MSU staff congress	7,429	-	7,429	6,479
University audits	59,147	-	59,147	53,988
Athletic director search	-	-	-	2,497
MCI - MSU online	6,936	-	6,936	2,046
Institutional membership	-	-	-	5,200
MSU staff congress awards	4,152	-	4,152	5,035
Football coach search	-	-	-	5,920
Institutional advance search	-	-	-	42
Administrative service search	-	-	-	555
Regional Special Events Center	126,049	-	126,049	6,763
Condata maintenance	14,815	-	14,815	13,861
UPS clearing	-	-	-	(470)
Employee spouse and dependent wavier	158,896	-	158,896	120,048
Employee physicals	5,453	-	5,453	6,976
Cardinal office clearing	-	-	-	(432)
Institutional support allocation to auxiliaries	(481,750)	-	(481,750)	(481,748)
Institutional support accrued compensation expense	15,612	-	15,612	24,279
Matching grants and contracts	-	71,422	71,422	42,490
Murray State University Foundation	-	14,071	14,071	2,472
Institutional support workstudy	-	-	-	54,067
<i>Total other institutional support</i>	<u>\$ 261,333</u>	<u>\$ 85,493</u>	<u>\$ 346,826</u>	<u>\$ 204,695</u>
<i>Total institutional support expenditures</i>	<u>\$ 7,276,351</u>	<u>\$ 85,493</u>	<u>\$ 7,361,844</u>	<u>\$ 7,283,910</u>
<i>Operation and maintenance of plant:</i>				
<i>Physical plant administration:</i>				
Administration	\$ 358,906	\$ -	\$ 358,906	\$ 424,915
Engineering and architectural services	132,857	-	132,857	90,623
Seasonal labor	40,383	-	40,383	31,348
<i>Total physical plant administration</i>	<u>\$ 532,146</u>	<u>\$ -</u>	<u>\$ 532,146</u>	<u>\$ 546,886</u>
<i>Building maintenance:</i>				
Building and equipment maintenance	\$ 2,073,095	\$ -	\$ 2,073,095	\$ 1,800,951
Grounds maintenance	710,566	-	710,566	537,367
Property insurance	210,660	-	210,660	277,099
<i>Total building maintenance</i>	<u>\$ 2,994,321</u>	<u>\$ -</u>	<u>\$ 2,994,321</u>	<u>\$ 2,615,417</u>
<i>Other operation and maintenance of plant:</i>				
Warehouse inventory	\$ 32,619	\$ -	\$ 32,619	\$ (74,070)
Custodial maintenance	1,206,788	-	1,206,788	1,201,159
Utilities	2,612,516	-	2,612,516	2,363,737

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
For the Year Ended June 30, 1998  
With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
Environmental safety and health	173,782	-	173,782	163,969
Chemical hazardous waste disposal	26,336	-	26,336	38,857
Major repairs and renovation	165,461	-	165,461	1,443,297
Operation and maintenance of plant accrued compensation expense	12,183	-	12,183	(9,636)
Murray State University Foundation	-	6,950	6,950	267,578
Operation and maintenance of plant workstudy	-	3,698	3,698	513
<i>Total other operation and maintenance of plant</i>	<u>\$ 4,229,685</u>	<u>\$ 10,648</u>	<u>\$ 4,240,333</u>	<u>\$ 5,395,404</u>
<i>Total operation and maintenance of plant expenditures</i>	<u>\$ 7,756,152</u>	<u>\$ 10,648</u>	<u>\$ 7,766,800</u>	<u>\$ 8,557,707</u>
<b>Student financial aid:</b>				
Athletic grants-in-aid	\$ 1,292,441	\$ -	\$ 1,292,441	\$ 1,283,491
Scholarships and fellowships	4,202,743	-	4,202,743	4,909,823
Pell and SEOG grant awards	-	5,701,880	5,701,880	5,131,583
Murray State University Foundation	-	438,075	438,075	375,414
<i>Total student financial aid expenditures</i>	<u>\$ 5,495,184</u>	<u>\$ 6,139,955</u>	<u>\$ 11,635,139</u>	<u>\$ 11,700,311</u>
<i>Total educational and general expenditures</i>	<u>\$ 67,616,959</u>	<u>\$ 11,673,420</u>	<u>\$ 79,290,379</u>	<u>\$ 77,635,032</u>
<b>Mandatory transfers:</b>				
Principal and interest	\$ 3,750,728	\$ -	\$ 3,750,728	\$ 3,755,791
Loan fund matching grant	2,393	-	2,393	693
<i>Total mandatory transfers</i>	<u>\$ 3,753,121</u>	<u>\$ -</u>	<u>\$ 3,753,121</u>	<u>\$ 3,756,484</u>
<b>Non-mandatory transfers:</b>				
From auxiliaries	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
To unexpended plant fund	448,166	661,208	1,109,374	896,504
To retirement of indebtedness fund	143,468	-	143,468	-
To renewal and replacement fund	433,143	-	433,143	2,045,874
To endowment fund	-	5,907	5,907	231,114
<i>Total non-mandatory transfers</i>	<u>\$ 947,457</u>	<u>\$ 667,115</u>	<u>\$ 1,614,572</u>	<u>\$ 3,096,172</u>
<i>Total educational and general expenditures and transfers</i>	<u>\$ 72,317,537</u>	<u>\$ 12,340,535</u>	<u>\$ 84,658,072</u>	<u>\$ 84,487,688</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES AND TRANSFERS**  
 For the Year Ended June 30, 1998  
 With Comparative Figures for the Year Ended June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>AUXILIARY ENTERPRISES EXPENDITURES</b>				
Food service	\$ 3,639,898	\$ -	\$ 3,639,898	\$ 4,119,706
Housing	4,131,386	-	4,131,386	4,222,480
Bookstore	3,186,078	-	3,186,078	3,154,855
Carris center	669,376	-	669,376	601,759
University parking	356,292	-	356,292	322,914
Racer card administration	63,689	-	63,689	73,016
Vending and manual commissions	107,792	-	107,792	131,567
Auxiliary enterprises workstudy	-	45,172	45,172	48,509
Total auxiliary enterprises expenditures	<u>\$ 12,154,511</u>	<u>\$ 45,172</u>	<u>\$ 12,199,683</u>	<u>\$ 12,674,806</u>
<b>Mandatory transfers:</b>				
Principal and interest	\$ 631,495	\$ -	\$ 631,495	\$ 594,367
Total mandatory transfers	<u>\$ 631,495</u>	<u>\$ -</u>	<u>\$ 631,495</u>	<u>\$ 594,367</u>
<b>Non-mandatory transfers:</b>				
To educational and general	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
To unexpended plant fund	111,500	-	111,500	96,351
Total non-mandatory transfers	<u>\$ 188,820</u>	<u>\$ -</u>	<u>\$ 188,820</u>	<u>\$ 173,671</u>
Total auxiliary enterprises expenditures and transfers	<u>\$ 12,974,826</u>	<u>\$ 45,172</u>	<u>\$ 13,019,998</u>	<u>\$ 13,442,844</u>
Total current funds expenditures and transfers	<u>\$ 85,292,363</u>	<u>\$ 12,385,707</u>	<u>\$ 97,678,070</u>	<u>\$ 97,930,532</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES  
AND TRANSFERS BY MAJOR OBJECT**  
For the Year Ended June 30, 1998  
With Comparative Figures as of June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL</b>				
<b>Expenditures:</b>				
<b>Instruction:</b>				
Personnel services	\$ 27,938,577	\$ 1,544,050	\$ 29,482,627	\$ 27,974,891
Current operating expenses	2,904,743	676,145	3,580,888	3,431,060
Capital outlay	281,069	55,870	336,939	503,761
<b>Total</b>	<b>\$ 31,124,389</b>	<b>\$ 2,276,065</b>	<b>\$ 33,400,454</b>	<b>\$ 31,909,712</b>
<b>Research:</b>				
Personnel services	\$ 613,529	\$ 503,378	\$ 1,116,907	\$ 897,752
Current operating expenses	164,353	509,330	673,683	422,310
Capital outlay	65,261	146,686	211,947	147,308
<b>Total</b>	<b>\$ 843,143</b>	<b>\$ 1,159,394</b>	<b>\$ 2,002,537</b>	<b>\$ 1,467,370</b>
<b>Public service:</b>				
Personnel services	\$ 2,553,887	\$ 423,882	\$ 2,977,769	\$ 2,723,039
Current operating expenses	405,211	298,812	704,023	829,595
Capital outlay	261,196	3,763	264,959	237,538
<b>Total</b>	<b>\$ 3,220,294</b>	<b>\$ 726,457</b>	<b>\$ 3,946,751</b>	<b>\$ 3,790,172</b>
<b>Libraries:</b>				
Personnel services	\$ 1,155,327	\$ 46,434	\$ 1,201,761	\$ 1,204,754
Current operating expenses	1,150,800	16,287	1,167,087	1,150,026
Capital outlay	67,148	-	67,148	78,131
<b>Total</b>	<b>\$ 2,373,275</b>	<b>\$ 62,721</b>	<b>\$ 2,435,996</b>	<b>\$ 2,432,911</b>
<b>Academic support:</b>				
Personnel services	\$ 2,014,232	\$ 409,673	\$ 2,423,905	\$ 2,266,842
Current operating expenses	1,159,888	201,146	1,361,034	1,139,831
Capital outlay	189,920	119,937	309,857	779,656
<b>Total</b>	<b>\$ 3,364,040</b>	<b>\$ 730,756</b>	<b>\$ 4,094,796</b>	<b>\$ 4,186,329</b>
<b>Student services:</b>				
Personnel services	\$ 4,112,085	\$ 272,170	\$ 4,384,255	\$ 4,184,134
Current operating expenses	1,960,815	209,761	2,170,576	2,078,011
Capital outlay	91,231	-	91,231	44,465
<b>Total</b>	<b>\$ 6,164,131</b>	<b>\$ 481,931</b>	<b>\$ 6,646,062</b>	<b>\$ 6,306,610</b>
<b>Institutional support:</b>				
Personnel services	\$ 6,430,571	\$ 102,398	\$ 6,532,969	\$ 6,342,017
Current operating expenses	398,557	(25,021)	373,536	635,893
Capital outlay	447,223	8,116	455,339	306,000
<b>Total</b>	<b>\$ 7,276,351</b>	<b>\$ 85,493</b>	<b>\$ 7,361,844</b>	<b>\$ 7,283,910</b>
<b>Operation and maintenance of plant:</b>				
Personnel services	\$ 4,201,125	\$ 391	\$ 4,201,516	\$ 3,867,857
Current operating expenses	2,900,720	10,257	2,910,977	4,018,941
Capital outlay	654,307	-	654,307	670,909
<b>Total</b>	<b>\$ 7,756,152</b>	<b>\$ 10,648</b>	<b>\$ 7,766,800</b>	<b>\$ 8,557,707</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES  
AND TRANSFERS BY MAJOR OBJECT (CONT.)**  
For the year ended June 30, 1998  
With Comparative Figures as of June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>EDUCATIONAL AND GENERAL (cont.)</b>				
Expenditures (cont.)				
Student financial aid:				
Personnel services	\$ 31,773	\$ -	\$ 31,773	\$ 29,624
Current operating expenses	5,463,411	6,130,985	11,594,396	11,664,846
Capital outlay	-	8,970	8,970	6,041
Total	<u>\$ 5,495,184</u>	<u>\$ 6,139,955</u>	<u>\$ 11,635,139</u>	<u>\$ 11,700,311</u>
Mandatory transfers for:				
Bond principal and interest	\$ 3,750,728	\$ -	\$ 3,750,728	\$ 3,755,791
Loan fund matching grant	2,393	-	2,393	693
Total	<u>\$ 3,753,121</u>	<u>\$ -</u>	<u>\$ 3,753,121</u>	<u>\$ 3,756,484</u>
Non-mandatory transfers:				
From auxiliary enterprises	\$ (77,320)	\$ -	\$ (77,320)	\$ (77,320)
To renewal and replacement fund	433,143	-	433,143	2,045,874
To retirement of indebtedness fund	143,468	-	143,468	-
To unexpended plant fund	448,166	661,208	1,109,374	896,504
To endowment fund	-	5,907	5,907	231,114
Total	<u>\$ 947,457</u>	<u>\$ 667,115</u>	<u>\$ 1,614,572</u>	<u>\$ 3,096,172</u>
Total educational and general	<u>\$ 72,317,537</u>	<u>\$ 12,340,535</u>	<u>\$ 84,658,072</u>	<u>\$ 84,487,688</u>
<b>AUXILIARY ENTERPRISES</b>				
Expenditures:				
Personnel services	\$ 4,320,698	\$ 45,172	\$ 4,365,870	\$ 4,183,667
Current operating expenses	7,638,077	-	7,638,077	8,397,854
Capital outlay	195,736	-	195,736	93,285
Total	<u>\$ 12,154,511</u>	<u>\$ 45,172</u>	<u>\$ 12,199,683</u>	<u>\$ 12,674,806</u>
Mandatory transfers for:				
principal and interest	\$ 631,495	\$ -	\$ 631,495	\$ 594,367
Non-mandatory transfers:				
To educational and general	\$ 77,320	\$ -	\$ 77,320	\$ 77,320
To unexpended plant fund	111,500	-	111,500	96,351
Total	<u>\$ 188,820</u>	<u>\$ -</u>	<u>\$ 188,820</u>	<u>\$ 173,671</u>
Total auxiliary enterprises	<u>\$ 12,974,826</u>	<u>\$ 45,172</u>	<u>\$ 13,019,998</u>	<u>\$ 13,442,844</u>
Total expenditures and transfers	<u>\$ 85,292,363</u>	<u>\$ 12,385,707</u>	<u>\$ 97,678,070</u>	<u>\$ 97,930,532</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CURRENT FUNDS EXPENDITURES  
AND TRANSFERS BY MAJOR OBJECT (CONT.)**  
For the Year Ended June 30, 1998  
With Comparative Figures as of June 30, 1997

	1998			1997
	Unrestricted	Restricted	Total	
<b>SUMMARY BY MAJOR OBJECT</b>				
<b>Expenditures:</b>				
Personnel services	\$ 53,371,804	\$ 3,347,548	\$ 56,719,352	\$ 53,674,577
Current operating expenses	24,146,575	8,027,702	32,174,277	33,768,167
Capital outlay	2,253,091	343,342	2,596,433	2,867,094
Total	<u>\$ 79,771,470</u>	<u>\$ 11,718,592</u>	<u>\$ 91,490,062</u>	<u>\$ 90,309,838</u>
<b>Mandatory transfers for:</b>				
Bond principal and interest	\$ 4,382,223	\$ -	\$ 4,382,223	\$ 4,350,158
Loan fund matching grant	2,393	-	2,393	693
Total	<u>\$ 4,384,616</u>	<u>\$ -</u>	<u>\$ 4,384,616</u>	<u>\$ 4,350,851</u>
<b>Non-mandatory transfers:</b>				
To renewal and replacement fund	\$ 433,143	\$ -	\$ 433,143	\$ 2,045,874
To retirement of indebtedness fund	143,468	-	143,468	-
To unexpended plant fund	559,666	661,208	1,220,874	992,855
To endowment fund	-	5,907	5,907	231,114
Total	<u>\$ 1,136,277</u>	<u>\$ 667,115</u>	<u>\$ 1,803,392</u>	<u>\$ 3,269,843</u>
 Total expenditures and transfers	 <u>\$ 85,292,363</u>	 <u>\$ 12,385,707</u>	 <u>\$ 97,678,070</u>	 <u>\$ 97,930,532</u>



MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCES  
LOAN FUNDS  
For the Year Ended June 30, 1998

	Student Nurse Loan Program Fund	Perkins Student Loan Fund	Norris Loan Program Fund	Owen Student Loan Fund	Total
Fund balance at beginning of year	\$ 305,947	\$ 4,187,666	\$ 30,344	\$ 83,350	\$ 4,607,307
Additions:					
Interest	\$ 8,305	\$ 90,740	\$ 2,013	\$ 4,753	\$ 105,811
Federal contributions	10,817	3,573	-	-	14,390
Other additions	2,346	66,524	1,163	-	70,033
Mandatory transfer - Perkins match	-	1,191	-	-	1,191
Total additions	\$ 21,468	\$ 162,028	\$ 3,176	\$ 4,753	\$ 191,425
Deductions:					
Cancellations - teaching	\$ -	\$ 35,688	\$ -	\$ -	\$ 35,688
Cancellations - death	-	1,312	-	-	1,312
Cancellations - disability	-	1,927	-	-	1,927
Cancellations - bankruptcy	-	941	300	-	1,241
Cancellations - law	-	4,047	-	-	4,047
Cancellations - medical	-	3,563	-	-	3,563
Cancellations - family	-	5,473	-	-	5,473
Cancellations - special education	-	4,243	-	-	4,243
Cancellations - foreign language	-	3,441	-	-	3,441
Adjustment in allowance for bad debts	1,752	42,539	3,288	903	48,482
Administrative costs	-	24,806	-	-	24,806
Collection costs	164	3,915	71	16	4,166
Other deductions	60	9,753	65	20	9,898
Total deductions	\$ 1,976	\$ 141,648	\$ 3,724	\$ 939	\$ 148,287
Fund balance at end of year	\$ 325,439	\$ 4,208,046	\$ 29,796	\$ 87,164	\$ 4,650,445

MURRAY STATE UNIVERSITY  
SCHEDULE OF CHANGES IN FUND BALANCES  
ENDOWMENT FUNDS  
For the Year Ended June 30, 1998

Fund balance at beginning of year	\$ <u>11,945,003</u>
Additions:	
Private gifts	\$ 852,707
Endowment income	254,846
Unrealized gain on investments	195,767
Transfers from current unrestricted fund	5,907
Total additions	<u>1,309,227</u>
Fund balance at end of year	\$ <u>13,254,230</u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CHANGES IN FUND BALANCE**  
 UNEXPENDED PLANT FUNDS  
 For the Year Ended June 30, 1998

Fund balance at beginning of year		\$ <u>1,873,069</u>
Additions:		
Transfers from current funds	\$	1,220,874
Cancellation of indebtedness - Life Safety Bonds		1,072,444
Transfer bonded debt to investment in plant		134,714
Interest earnings		23,476
Total additions	\$	<u>2,451,508</u>
Deductions:		
Expended for plant facilities	\$	1,835,219
Other deductions		576
Total deductions	\$	<u>1,835,795</u>
Fund balance at end of year		\$ <u>2,488,782</u>

MURRAY STATE UNIVERSITY  
 SCHEDULE OF PROJECT ALLOTMENTS  
 UNEXPENDED PLANT FUNDS  
 June 30, 1998

	State Appropriation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
100 Clearing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,379,890
131 Land acquisitions	-	1,023,623	356,267	-	-	-	882,764
300 Con ed series E & F clearing	-	-	173,805	-	708,959	-	4,025,000
405 Renovate Old Fine Arts building	-	75,000	330,616	-	3,619,384	-	36,814
410 National Boy Scout Museum phase IV	-	36,814	-	-	-	-	85,000
503 Hazardous waste storage	-	-	-	85,000	-	-	67,500
534 Fire alarm repacement and compres gas storage	-	-	-	67,500	-	-	89,223
551 Hancock Biological Station cabins and bathhouse	-	89,223	-	-	-	-	257,255
605 Expo Center roof replacement	-	257,255	-	-	-	-	31,481
624 Shower and eyewash station	-	-	-	31,481	-	-	43,500
626 E & G fire horn upgrade	-	-	24,945	18,555	-	-	317,630
637 Faculty Hall elevator renovation	-	-	-	-	317,630	-	510,000
641 Renovate Woods Hall	-	510,000	-	-	-	-	208,707
645 Curris Center masonry defects	-	208,707	-	-	-	-	575,000
706 Equine Instruction Facility	-	-	-	-	-	575,000	236,720
708 General Services Building roof replacement	-	236,720	-	-	-	-	1,530,000
717 Fine Arts fire damage cleanup	-	-	-	1,530,000	-	-	95,699
723 Wickliffe Mounds museum enhancement	-	20,000	-	-	-	75,699	157,674
724 Lovett Auditorium sprinkler system	-	157,674	-	-	-	-	2,221,882
725 Blackburn Science research modernization	-	26,563	-	-	1,200,000	995,319	86,339
726 Lovett Auditorium window replacement	-	86,339	-	-	-	-	123,464
727 Parking lot modifications - 16th and Hamilton	-	123,464	-	-	-	-	750,000
728 Winslow Cafeteria renovation	-	-	-	-	750,000	-	133,726
730 BVC building system improvements	-	133,726	-	-	-	-	221,150
732 Doyle Fine Arts elevator renovations	-	15,070	50,324	-	155,756	-	2,145
733 Wilson Hall foundation waterproofing	-	2,145	-	-	-	-	64,388
734 Sparks Hall exterior repairs	-	64,388	-	-	-	-	36,755
735 Carr Health swimming pool liner	-	36,755	-	-	-	-	37,269
736 Pogue Library exterior painting	-	37,269	-	-	-	-	100,000
737 Quadrangle lighting replacement	-	100,000	-	-	-	-	50,000
738 Fine Arts complex improvements	-	50,000	-	-	-	-	119,270
739 Carr Health swimming pool liner	-	119,270	-	-	-	-	95,906
740 Regents College condensate system repairs	-	95,906	-	-	-	-	82,311
741 Hancock Biological Station boat dock	-	82,311	-	-	-	-	200,056
742 Football field conversion	-	141,725	200,056	-	167,743	-	24,000
743 Motor pool diesel tank	-	-	-	-	24,000	-	70,000
744 Central plant fuel tank	-	-	-	-	70,000	-	70,000

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ALLOTMENTS  
UNEXPENDED PLANT FUNDS  
June 30, 1998

	State Appropriation	Trust and Agency Fund	Investment Income	Other State Funds	Revenue Bond Proceeds	Other	Total
810 Campus backbone network	\$ -	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ 1,500,000
818 E & G smoke detectors	-	-	-	321,000	-	-	321,000
821 High voltage oil switch	-	-	-	690,000	-	-	690,000
847 Upgrade legal library	-	67,751	-	-	-	-	67,751
849 General Services Building HVAC upgrade	-	-	-	-	19,038	-	19,038
850 Fine Arts equipment and furnishings	-	-	155,869	-	-	-	155,869
851 Curris Center roof renovations	-	5,000	-	-	-	-	5,000
852 Music annex UST removal	-	-	-	-	1,175	-	1,175
853 Stewart Stadium elevator renovation	-	132,700	-	-	-	-	132,700
854 Elizabeth College elevator renovation	-	77,000	-	-	-	-	77,000
855 Faculty Hall emergency generator	-	-	-	55,200	11,800	-	67,000
856 Expo center replace boiler	-	148,700	-	-	-	-	148,700
857 Expo center exterior trim	-	147,000	-	-	-	-	147,000
858 Pogue Library skylight retrofit	-	5,000	-	-	-	-	5,000
859 Stewart Stadium entrance gates	-	40,000	-	-	-	-	40,000
860 West farm fence	-	-	-	-	-	37,600	37,600
861 Woods Hall renovation	-	124,600	-	-	-	-	124,600
862 Carr Health pool renovations	-	37,000	-	-	-	-	37,000
863 E & G repair/replace fire doors	-	-	-	-	25,000	-	25,000
864 BVC fire alarm expansion	-	6,600	-	-	-	-	6,600
865 West Farm shop storage	-	-	-	-	-	100,000	100,000
866 BVC HVAC repair modification	-	5,000	-	-	-	-	5,000
867 Hart College elevator modification	-	85,000	-	-	-	-	85,000
868 Elizabeth College replace fire alarm	-	6,500	-	-	-	-	6,500
869 Curris Center UST removal	-	-	-	-	25,000	-	25,000
870 BVC paving and parking lot repairs	-	80,000	-	-	-	-	80,000
Total	<u>\$ -</u>	<u>\$ 6,197,798</u>	<u>\$ 1,291,882</u>	<u>\$ 2,798,736</u>	<u>\$ 7,095,485</u>	<u>\$ 1,783,618</u>	<u>\$ 19,167,519</u>

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ACCOUNTS  
UNEXPENDED PLANT FUNDS  
For the Year Ended June 30, 1998

	Allotments			Expenditures			Outstanding Encumbrances	Balance June 30, 1998
	Prior to July 1, 1997	Received 1997-98	Total	Prior to July 1, 1997	Expenditures 1997-98	Total		
100 Clearing	\$ 61,196	\$ (61,196)	\$ -	\$ -	\$ -	\$ -	\$ -	-
131 Land acquisitions	1,379,890	-	1,379,890	1,372,746	-	1,372,746	-	7,144
300 Con ed series E & F clearing	882,764	-	882,764	882,764	-	882,764	-	-
400 Con ed series G clearing	-	-	-	83,542	-	83,542	-	(83,542)
405 Renovate Old Fine Arts building	4,025,000	-	4,025,000	3,950,090	29,877	3,979,967	41,400	3,633
410 National Boy Scout Museum phase IV	36,814	-	36,814	36,814	-	36,814	-	-
500 Project 48 bonds clearing	-	-	-	172,368	-	172,368	-	(172,368)
503 Hazardous waste storage	85,000	-	85,000	85,000	-	85,000	-	-
534 Fire alarm replacement and compress gas storage	67,500	-	67,500	67,500	-	67,500	-	-
551 Hancock Biogical Station cabins and bathhouse	89,223	-	89,223	89,223	-	89,223	-	-
600 Project 50 bonds clearing	-	-	-	26,020	-	26,020	-	(26,020)
605 Expo Center roof replacement	257,255	-	257,255	257,255	-	257,255	-	-
624 Shower and eyewash station	31,481	-	31,481	31,481	-	31,481	-	-
626 E & G fire horn upgrade	43,500	-	43,500	12,278	-	12,278	-	31,222
637 Faculty Hall elevator renovation	317,630	-	317,630	317,630	-	317,630	-	-
641 Woods Hall renovation	510,000	-	510,000	395,331	-	395,331	-	114,669
645 Curris Center masonry defects	208,707	-	208,707	208,707	-	208,707	-	-
706 Equine Instruction Facility	43,500	531,500	575,000	30,295	85,546	115,841	445,075	14,084
708 General Services Building roof replacement	236,720	-	236,720	236,720	-	236,720	-	-
717 Fine Arts fire damage cleanup	1,530,000	-	1,530,000	1,479,209	39,068	1,518,277	10,766	957
723 Wickliffe Mounds museum enhancement	100,000	(4,301)	95,699	78,494	-	78,494	-	17,205
724 Lovett Auditorium sprinkler system	157,674	-	157,674	157,674	-	157,674	-	-
725 Blackburn Science research modernization	2,192,176	29,707	2,221,883	1,945,765	161,574	2,107,339	-	114,544
726 Lovett Auditorium window replacement	86,339	-	86,339	86,339	-	86,339	-	-
727 Parking lot modifications - 16th and Hamilton	123,464	-	123,464	123,464	-	123,464	-	-
728 Winslow Cafeteria renovation	750,000	-	750,000	743,790	-	743,790	-	6,210
730 BVC building system improvements	133,726	-	133,726	126,343	-	126,343	-	7,383
732 Doyle Fine Arts elevator renovation	221,150	-	221,150	154,337	60,814	215,151	-	5,999
733 Wilson Hall foundation waterproofing	2,145	-	2,145	2,145	-	2,145	-	-
734 Sparks Hall exterior repairs	64,388	-	64,388	64,388	-	64,388	-	-
735 Carr Health swimming pool liner	36,755	-	36,755	36,755	-	36,755	-	-
736 Pogue Library exterior paint	37,269	-	37,269	37,269	-	37,269	-	-
737 Quadrangle lighting replacement	100,000	-	100,000	82,787	-	82,787	-	17,213
738 Fine Arts complex improvements	50,000	-	50,000	-	-	0	-	50,000
739 Carr Health windows swimming pool liner	119,270	-	119,270	119,270	-	119,270	-	-
740 Regents College condensate system repairs	95,906	-	95,906	95,906	-	95,906	-	-

MURRAY STATE UNIVERSITY  
SCHEDULE OF PROJECT ACCOUNTS  
UNEXPENDED PLANT FUNDS  
For the Year Ended June 30, 1998

	Allotments			Expenditures			Outstanding Encumbrances	Balance June 30, 1998
	Prior to July 1, 1997	Received 1997-98	Total	Prior to July 1, 1997	Expenditures 1997-98	Total		
741 Hancock Biological Station boat dock	\$ 82,311	\$ -	\$ 82,311	\$ 82,311	\$ -	\$ 82,311	\$ -	-
742 Football field conversion	509,524	-	509,524	509,524	-	509,524	-	-
743 Motor pool diesel tank	24,000	-	24,000	21,309	-	21,309	-	2,691
744 Central plant fuel tank	70,000	-	70,000	7,333	55,121	62,454	-	7,546
810 Campus backbone network	1,500,000	-	1,500,000	581	344,974	345,555	14,945	1,139,500
818 E & G smoke detectors	321,000	-	321,000	3,510	156,221	159,731	43,737	117,532
821 High voltage oil switch	690,000	-	690,000	-	110,277	110,277	543,947	35,776
847 Upgrade legal library	67,751	-	67,751	94,833	7,903	102,736	-	(34,985)
849 General Services Building HVAC upgrade	19,038	-	19,038	19,038	-	19,038	-	0
850 Fine Arts equipment & furnishings	155,868	-	155,868	113,868	25,518	139,386	-	16,482
851 Curris Center roof renovations	5,000	-	5,000	1,526	-	1,526	-	3,474
852 Music annex UST removal	7,500	(6,325)	1,175	1,175	-	1,175	-	0
853 Stewart Stadium elevator renovation	90,000	42,700	132,700	195	20	215	125,055	7,430
854 Elizabeth College elevator renovation	57,000	20,000	77,000	252	39,921	40,173	31,298	5,529
855 Faculty Hall emergency generator	11,800	55,200	67,000	510	57,054	57,564	2,500	6,936
856 Expo center replace boiler	14,000	134,700	148,700	4,228	134,671	138,899	6,404	3,397
857 Expo center exterior trim	135,000	12,000	147,000	-	76,224	76,224	52,727	18,049
858 Pogue Library skylight retrofit	5,000	-	5,000	-	-	-	-	5,000
859 Stewart Stadium entrance gates	40,000	-	40,000	-	-	-	-	40,000
860 West farm fence	37,600	-	37,600	220	37,102	37,322	-	278
861 Woods Hall renovation	124,600	-	124,600	-	59,551	59,551	-	65,049
862 Carr Health pool renovations	37,000	-	37,000	-	-	-	-	37,000
863 E & G repair/replace fire doors	25,000	-	25,000	-	-	-	-	25,000
864 BVC - fire alarm expansion	-	6,600	6,600	-	3,617	3,617	-	2,983
865 West Farm shop storage	-	100,000	100,000	-	-	-	-	100,000
866 BVC HVAC repair modification	-	5,000	5,000	-	-	-	-	5,000
867 Hart College elevator modification	-	85,000	85,000	-	166	166	-	84,834
868 Elizabeth College replace fire alarm	-	6,500	6,500	-	-	-	-	6,500
869 Curris Center UST removal/replacement	-	25,000	25,000	-	-	-	-	25,000
870 BVC paving and parking lot repairs	-	80,000	80,000	-	-	-	-	80,000
<b>Total</b>	<b>\$ 18,105,434</b>	<b>\$ 1,062,085</b>	<b>\$ 19,167,519</b>	<b>\$ 14,450,112</b>	<b>\$ 1,485,219</b>	<b>\$ 15,935,331</b>	<b>\$ 1,317,854</b>	<b>\$ 1,914,334</b>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF CHANGES IN FUND BALANCES**  
**RENEWAL AND REPLACEMENTS**  
For the Year Ended June 30, 1998

	Consolidated Education Renewal and Replacement	Housing and Dining Repair and Maintenance	Total
Fund balance at beginning of year	\$ <u>3,228,336</u>	\$ <u>734,860</u>	\$ <u>3,963,196</u>
Additions:			
Interest income	\$ 51,041	\$ 88,177	\$ 139,218
Unrealized gain on investments	-	7,252	7,252
Transfers from current funds	1,225,045	-	1,225,045
Other	-	(1,677)	(1,677)
Total additions	\$ <u>1,276,086</u>	\$ <u>93,752</u>	\$ <u>1,369,838</u>
Deductions:			
Transfers to current funds	791,902	-	791,902
Other deductions	-	2,724	2,724
Total deductions	\$ <u>791,902</u>	\$ <u>2,724</u>	\$ <u>794,626</u>
Fund balance at end of year	\$ <u><u>3,712,520</u></u>	\$ <u><u>825,888</u></u>	\$ <u><u>4,538,408</u></u>



MURRAY STATE UNIVERSITY  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 RETIREMENT OF INDEBTEDNESS  
 FOR THE ENDED JUNE 30, 1998

	Consolidated Education Bond and Interest Sinking Fund	Housing and Dining Bond and Interest Sinking Fund	Asbestos and PCB Fund Project 48 and 54 Fund	Consolidated Education Series G Arbitrage Rebate Fund	Life Safety Project 50 and 55 Fund	Project 57 Fund	Project 59 Fund	RSEC Note	Networking Master Lease	Total
Fund balance (deficit) at beginning of year	\$ 3,410,906	\$ 962,468	\$ (21,095)	\$ 625	\$ (21,036)	\$ (24,637)	\$ (3,890)	\$ (394)	\$ -	\$ 4,302,947
Additions:										
Investment earnings	\$ 231,835	\$ 52,760	\$ -	\$ 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 284,626
Transfer from current unrestricted fund	3,311,296	646,926	80,000	-	100,000	121,000	123,000	96,750	46,718	4,525,690
Other additions	-	24,631	-	-	-	-	-	-	-	24,631
Total additions	\$ 3,543,131	\$ 724,317	\$ 80,000	\$ 31	\$ 100,000	\$ 121,000	\$ 123,000	\$ 96,750	\$ 46,718	\$ 4,834,947
Deductions:										
Bonds paid	\$ 2,528,000	\$ 525,000	\$ 46,051	\$ -	\$ 36,570	\$ 46,500	\$ 110,323	\$ 69,986	\$ 36,904	\$ 3,399,334
Interest paid	996,245	180,105	22,255	-	52,832	61,771	9,070	28,185	9,814	1,360,277
Other deductions	-	2,709	911	-	567	186	945	-	-	5,318
Total deductions	\$ 3,524,245	\$ 707,814	\$ 69,217	\$ -	\$ 89,969	\$ 108,457	\$ 120,338	\$ 98,171	\$ 46,718	\$ 4,764,929
Fund balance (deficit) at end of year	\$ 3,429,792	\$ 978,971	\$ (10,312)	\$ 656	\$ (11,005)	\$ (12,094)	\$ (1,228)	\$ (1,815)	\$ -	\$ 4,372,965

MURRAY STATE UNIVERSITY  
 SCHEDULE OF CHANGES IN FUND BALANCE  
 INVESTMENT IN PLANT  
 For the Year Ended June 30, 1998

Fund balance at beginning of year	\$	<u>133,861,602</u>
Additions:		
Buildings	\$	26,216,213
Construction in progress		2,152,170
Equipment		2,111,549
Improvements other than buildings		663,888
Land		-
Library books		1,066,402
Donated assets		48,102
Other assets		250,000
Reduction in lease obligations		132,761
Cancellation of indebtedness		3,047,823
Payment on bond and note principal		3,399,334
Total additions	\$	<u>39,088,242</u>
Deductions/Deletions/Disposals/Transfers:		
Buildings	\$	8,000
Construction in progress		1,137,766
Equipment		1,356,826
Library books		30,498
Capital lease obligations		2,503,875
Improvements other than buildings		486,304
Bond indebtedness transferred from unexpended plant funds		134,714
New bond/note indebtedness		600,000
Amortization of bond discount and issuance costs		45,709
Total deductions	\$	<u>6,303,692</u>
Fund balance at end of year	\$	<u><u>166,646,152</u></u>

MURRAY STATE UNIVERSITY  
**SCHEDULE OF INVESTMENTS BY FUND GROUP**  
 As of June 30, 1998

	U.S. Government Securities	Certificates of Deposit	Total
Endowment funds	\$ -	\$ 795,000	\$ 795,000
Renewals and Replacements funds	769,851	-	769,851
Retirement of Indebtedness funds	<u>4,541,176</u>	<u>-</u>	<u>4,541,176</u>
Total investments	<u>\$ 5,311,027</u>	<u>\$ 795,000</u>	<u>\$ 6,106,027</u>

MURRAY STATE UNIVERSITY  
 SCHEDULE OF BONDS AND NOTES PAYABLE  
 For the Year Ended June 30, 1998

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/98	Interest Expense Current Year	Bonds Maturing 1998-99	Interest Due 1998-99
<b>HOUSING AND DINING SYSTEM REVENUE BONDS</b>							
Series B bonds dated 9/1/65 with an interest rate of 2 7/8%. Final principal payment date 9/1/97. Student Union Building.	\$ 605,000	\$ 30,000	\$ 605,000	\$ -	\$ 287	\$ -	\$ -
Series C bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Richmond Hall.	635,000	25,000	545,000	90,000	2,916	30,000	2,030
Series D bonds dated 9/1/65 with an interest rate of 3 1/8%. Final principal payment date 9/1/00. Clark Hall.	760,000	30,000	655,000	105,000	3,411	35,000	2,369
Series E bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. College Court I.	387,000	15,000	322,000	65,000	2,333	20,000	1,691
Series F bonds dated 9/1/65 with an interest rate of 3 1/2%. Final principal payment date 9/1/01. Franklin Hall and Winslow Cafeteria.	1,290,000	60,000	1,035,000	255,000	9,273	60,000	7,144
Series G bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/00. College Court II.	400,000	20,000	340,000	60,000	2,137	20,000	1,462
Series H bonds dated 9/1/65 with an interest rate of 3 3/8%. Final principal payment date 9/1/03. Elizabeth Hall and Springer Hall.	1,845,000	80,000	1,365,000	480,000	16,647	80,000	13,919
Series I bonds dated 9/1/65 with an interest rate of 3 5/8%. Final principal payment date 9/1/04. Hart Hall.	2,250,000	80,000	1,638,000	612,000	22,666	80,000	19,735
Series J bonds dated 9/1/65 with an interest rate of 3 3/4%. Final principal payment date 9/1/04. College Court III.	510,000	20,000	370,000	140,000	5,374	20,000	4,624
Series K bonds dated 9/1/65 with an interest rate of 3%. Final principal payment date 9/1/02. Hester Hall and White Hall.	3,280,000	135,000	2,245,000	1,035,000	31,596	160,000	26,995
Series L bonds dated 9/1/68 with an interest rate of 3%. Final principal payment date 9/1/08. Regents Hall.	2,000,000	30,000	660,000	1,340,000	40,299	40,000	39,249
Series M bonds dated 6/26/97 with an interest rate from 4% to 5.4%. Final principal payment date 9/1/17. Winslow Cafeteria	825,000	-	-	825,000	43,166	-	39,693
Total Housing and Dining System Revenue Bonds	\$ 14,787,000	\$ 525,000	\$ 9,780,000	\$ 5,007,000	\$ 180,105	\$ 545,000	\$ 158,911

MURRAY STATE UNIVERSITY  
 SCHEDULE OF BONDS AND NOTES PAYABLE  
 For the Year Ended June 30, 1998

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/98	Interest Expense Current Year	Bonds Maturing 1998-99	Interest Due 1998-99
<b>CONSOLIDATED EDUCATIONAL BUILDINGS REVENUE BONDS</b>							
Series A bonds dated 5/1/61 with interest rates from 3% to 4 1/8%. Final principal payment date 5/1/86. Business Education Building.	\$ 1,400,000	\$ -	\$ 1,400,000	\$ -	\$ -	\$ -	\$ -
Series B bonds dated 11/1/63 with interest rates from 3 1/4% to 3 7/8%. Final principal payment date 5/1/94. Various Buildings.	2,360,000	-	2,360,000	-	-	-	-
Series C bonds dated 4/1/66 with an interest rate of 3%. Final principal payment due 5/1/96. Various Buildings.	2,721,000	-	2,721,000	-	-	-	-
Series D bonds dated 4/1/66 with interest rates from 4 1/4% to 4 1/2%. Final principal payment date 5/1/94. Various Buildings.	5,280,000	-	5,280,000	-	-	-	-
Series E bonds dated 5/1/71 with an interest rate of 3%. Final principal payment due 5/1/98. Various Buildings.	2,733,000	148,000	2,733,000	-	3,698	-	-
Series F bonds dated 5/1/71 with interest rates from 6 1/2% to 7 1/4%. Final principal payment originally due 5/1/00. All bonds called in fiscal 1981-1982.	12,500,000	-	12,500,000	-	-	-	-
Series F refunding bonds dated 5/1/81 with interest rates from 5 3/10% to 5 7/8%. \$7,780,000 refunded on 9/30/93. Final principal payment date 5/1/94. Various Buildings.	11,770,000	-	11,770,000	-	-	-	-
Series F (second series) refunding bonds dated 9/1/93 with interest rates from 2.60% to 4.15%. Final principal payment due on 5/1/00. Various Buildings	7,955,000	1,435,000	5,615,000	2,340,000	143,272	1,645,000	84,331
Series G bonds dated 12/1/87 with interest rates from 5.75% to 7.25%, \$10,075,000 refunded on 5/2/93. Final principal payment due on 5/1/98. Various Buildings	14,785,000	615,000	14,785,000	-	37,136	-	-
Series G(2nd Series) dated 3/1/93 with interest rates of 3.10% to 5.60%. Final principal payment due on 5/1/07. Various Buildings	11,660,000	160,000	755,000	10,905,000	581,623	825,000	567,873
Series H bonds dated 03/01/92 with interest rates from 3 1/2% to 6 2/10%. Final principal payment due 5/1/12. Various Buildings	4,625,000	170,000	865,000	3,760,000	230,516	180,000	221,731
<b>Total Consolidated Educational Buildings Revenue Bonds</b>	<b>\$ 77,789,000</b>	<b>\$ 2,528,000</b>	<b>\$ 60,784,000</b>	<b>\$ 17,005,000</b>	<b>\$ 996,245</b>	<b>\$ 2,650,000</b>	<b>\$ 873,935</b>

MURRAY STATE UNIVERSITY  
 SCHEDULE OF BONDS AND NOTES PAYABLE  
 For the Year Ended June 30, 1998

	Original Issue	Matured Current Year	Funded to Date	Not Matured 06/30/98	Interest Expense Current Year	Bonds Maturing 1998-99	Interest Due 1998-99
<b>OTHER DEBT INSTRUMENTS</b>							
Asbestos and PCB removal bonds Project 48 (partially refunded by Project 54) dated 12/1/87 with an interest rate of 6.20% to 7.30%. \$204,842 refunded 11/95. Final principal payment on 8/1/95	\$ 1,660,000	\$ -	\$ 1,660,000	\$ -	\$ -	\$ -	\$ -
Asbestos and PCB removal bonds Project 54 (refunding portion of Project 48) dated 9/1/92 with an interest rate of 2.40% to 6.0%. Final principal payment due 9/1/08	1,516,032	46,051	225,214	-	22,256	-	-
Life Safety bonds Project 50 dated 2/1/91 with an interest rate of 5.60% to 6.70%. \$544,732 refunded on 9/1/93. \$222,800 refunded on 11/95. Final principal payment on 8/1/95.	875,445	-	875,445	-	-	-	-
Life Safety bonds Project 55 (including partial refunding of Project 50) dated 9/1/93 with an interest rate of 2.70% to 5.0%. Final principal payment due 9/1/13.	1,413,890	36,570	137,650	-	52,832	-	-
State Property and Buildings Commission Project 57 Revenue Bonds dated 8/1/95 with an interest rate of 4.0% to 5.0%. Final principal payment due 11/1/15.	1,551,000	46,500	159,500	-	61,771	-	-
State Property and Buildings Commission Project 59 Revenue Refunding Bonds (Total Refund of Projects 48 & 50) dated 11/1/95 with an interest rate of 4.5% to 6.75%. Final principal payment due 11/1/00.	444,451	110,323	282,742	-	9,069	-	-
Regional Special Events Center Dated 5/1/97 with interest rate of 6.7%. Final principal payment due 6/1/02.	400,000	69,986	69,986	330,014	28,185	74,669	22,081
Campus Backbone Networking - Master Lease Dated 1/25/98 with interest of 4.23%. Final principal due 2/25/04.	600,000	36,904	36,904	563,095	9,814	89,720	22,403
Total Other Bonds	<u>\$ 8,460,818</u>	<u>\$ 346,334</u>	<u>\$ 3,447,441</u>	<u>\$ 893,109</u>	<u>\$ 183,927</u>	<u>\$ 164,389</u>	<u>\$ 44,484</u>
Total all bond issues and notes payable	<u>\$ 101,036,818</u>	<u>\$ 3,399,334</u>	<u>\$ 74,011,441</u>	<u>\$ 22,905,109</u>	<u>\$ 1,360,277</u>	<u>\$ 3,359,389</u>	<u>\$ 1,077,330</u>

**Deloitte &  
Touche****Deloitte & Touche LLP**  
Suite 2100  
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Facsimile: (502) 562-2073**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH HOUSE BILL 622 (KRS 164A.555 TO 164A.630)  
BASED ON THE AUDIT OF FINANCIAL STATEMENTS**Board of Regents  
Murray State University  
Murray, Kentucky

We have audited the financial statements of Murray State University (the University) as of and for the year ended June 30, 1998, and have issued our report thereon dated September 25, 1998.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller of the United States, and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)", dated August 1983, issued by the Commonwealth of Kentucky Finance and Administration Cabinet. Those standards and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)" require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with the provisions of House Bill 622 applicable to the University is the responsibility of the management of the University. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the University's compliance with the applicable provisions of House Bill 622. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards* and the "Minimum Audit Scope Compliance House Bill 622 (KRS 164A.555 to 164A.630)".

This report is intended for the information of the Board of Regents, management of the University, and officials of the Commonwealth of Kentucky. However, this report is a matter of public record and its distribution is not limited.

*Deloitte & Touche LLP*

September 25, 1998

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**Deloitte Touche  
Tohmatsu**

## MURRAY STATE UNIVERSITY

## SEMESTER TUITION RATES

FULL-TIME TUITION

<u>RESIDENT</u>	1998/99 <u>RATES</u>	1999/00		PERCENT INCREASE
		<u>DOLLAR INCREASE</u>	<u>RATES</u>	
Undergraduate	\$ 960	\$ 50	\$1,010	5.2%
Graduate	\$1,060	\$ 50	\$1,110	4.7%
<u>NON-RESIDENT</u>				
Undergraduate	\$2,880	\$150	\$3,030	5.2%
Graduate	\$3,180	\$150	\$3,330	4.7%

PART-TIME TUITION

<u>RESIDENT</u>	1998/99 <u>RATES</u>	1999/00		PERCENT INCREASE
		<u>DOLLAR INCREASE</u>	<u>RATES</u>	
Undergraduate	\$ 84	\$ 4	\$ 88	4.8%
Graduate	\$ 124	\$ 6	\$130	4.8%
<u>NON-RESIDENT</u>				
Undergraduate	\$ 245	\$ 12	\$257	4.9%
Graduate	\$ 357	\$ 17	\$374	4.8%