

Colleagues,

These are the last monthly management reports before year-end. Here are the highlights of this month's HSU management reports:

**REVENUE:**

Universitywide revenue increased by \$1.8 million over last month, primarily due to transfers from the CSU. These transfers of funds were expected, for example a \$1.4 million transfer was authorized by the Chancellor and is being allocated as one-time funding for Academic Affairs, per the 2010-11 budget plan.

**EXPENDITURES:**

Ledger by Object Groups Report: With eleven out of twelve months reporting, the percent of budget spent ratio should be about 92%. Overall expenses are tracking well at 85.69%. This indicates that HSU will reach the year-end with some roll-forward of unspent budget. For comparison, last year's ratio was 88.04% and the year-end ratio was 90.83%.

Ledger by MBU (Major Budget Unit) Report: Percent of budget spent for each division/department is tracking reasonably close to expectations. Last month, in Student Affairs, the percent for University Police and Parking was high, but additional cost recoveries were expected. The cost recoveries have been received, and the percentage now tracks well at 87.96%. In University Advancement, KHSU-FM shows 130.72%. Since the May reporting period closed, an additional cost recovery was received that brought KHSU's percentage down to 98%.

Without CMS, the Academic Affairs percentage slightly changes from 86.40% to 86.41%.

Ledger by Division and Category Report: Excluding University Wide, divisional salaries expenditure percents are in the 90.31% to 96.63% range, indicating salaries percent of budget spent ratios are on-track. Operating expenditures for all divisions are well below 92%.

**LOTTERY EXPENDITURE:**

Last month, the percentage spent was low, which was a concern as lottery funds are expected to be spent each year. This month's Lottery Summary Report shows improvement with the percent of budget spent at 94.21% compared to last year's 91.89%. Lottery by Department Report: Lottery spending accelerated during May and shows HSU is on track to spend down its lottery funds this year. As previously noted, it is particularly important that lottery funds be spent down by year-end. If HSU's lottery roll-forward exceeds the Chancellor's limit, the University will be required to submit a written plan to justify the University's allocation.

Please let me know if you have any questions or comments.