



AUDIT & BUSINESS COMMITTEE

December 5, 2024

Roaden University Center, Room 282

MINUTES

Meeting was streamed live via link found on this web page:

<https://www.tntech.edu/board/meetings/>

AGENDA ITEM 1 – Call to Order

The Tennessee Tech Board of Trustees Audit & Business Committee met on December 5, 2024, in Roaden University Center Room 282. Chair Johnny Stites called the meeting to order at 9:57 a.m.

Chair Stites asked Mr. Lee Wray, Secretary, to call the roll. The following members were present:

- Johnny Stites
- Tom Jones
- Thomas Lynn

Other board members also in attendance were Fred Lowery (via TEAMS at 10:30 a.m.), Jeannette Luna, Rhedona Rose, Camron Rudd, Trudy Harper, and Claire Meyers. Barry Wilmore was absent. A quorum was physically present. Tennessee Tech faculty, staff and members of the public were also in attendance.

AGENDA ITEM 2 – Approval of Minutes

Chair Stites asked for approval of the minutes of the September 26, 2024, Audit & Business Committee meeting. Chair Stites asked if there were questions or comments regarding the minutes. There being none, Thomas Lynn moved to recommend approval of the September 26, 2024, Audit & Business Committee minutes. Tom Jones seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

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AGENDA ITEM 3 – Financial Update & Composite Financial Index

Emily Wheeler presented information for the FY23-24 unaudited statement of revenues, expenses, and changes in net position along with FY23-24 capital asset and debt. Also presented was the major metrics and ratios used to measure and monitor financial health.

This was an informational item therefore no action was required.

AGENDA ITEM 4 – FY2024-25 Revised Budget/Organizational Chart

Dr. Stinson presented information on the reconciliation of changes in E & G revenues and reconciliation of change in natural expenses (Attachment A). The organizational chart was provided in Diligent.

Mr. Lynn moved to send the FY2024-25 Revised Budget and Organizational Chart to the Board for approval and to place on the Board's regular agenda. Mr. Jones seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

AGENDA ITEM 5 – Tuition Transparency Act Report (T.C.A § 49-7-1604)

By February 1st of each year, the Board is required to provide a report to the General Assembly with information regarding the expenditures of revenues derived from any tuition and fee increase in the previous full academic year. The report must include how revenues were used, the effect on student financial aid, and the effect on the average total cost of attendance per student. This report is for tuition and mandatory fee rates effective Fall 2023. The report stated 2.92% tuition increase which resulted in \$2,435,932 revenues was used for university's 45% match of 5% salary pool, software/technology escalation, accessible education and operations. The mandatory fee increase of 2.96% resulted in \$319,480 to help fund development of student centric facilities.

Mr. Jones moved to send the Tuition Transparency Act Report for FY23-24 to the Board for approval and to place it on the Board's regular agenda. Mr. Lynn seconded the motion. Mr. Wray took a roll call vote. The motion carried unanimously.

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AGENDA ITEM 6 – Disclosed Projects

Dr. Stinson advised the disclosed projects were for the Crossville Facility Roof Replacement and Window repairs with an estimated project cost of \$4,040,000, Whitney Avenue Parking Lot installation with an estimated project cost of \$1,120,000 and to construct a Track and Field Facility with an estimated cost of \$5,440,000.

Mr. Lynn moved to send the disclosed project for the Crossville Facility Roof & Window repairs, Whitney Ave. parking lot and the track and field facility to the Board for approval and to place it on the Board's regular agenda.

AGENDA ITEM 7 – Internal Audit Standards Update

Amy Wilegus provided an overview of the newly released Institute of Internal Auditor's Global Internal Audit Standards that will take effect on January 9, 2025. Formal guidance was provided in Diligent.

This was an informational item therefore no action was required.

AGENDA ITEM 8 – Approval of 2025 Audit Plan

Amy Wilegus advised the plan was provided in Diligent. The plan includes audit and consulting projects reflective of the current risk environment, compliance topics, and engagements required by policy, state statute, or regulation.

Mr. Jones moved to approve the 2025 Audit plan as presented and required by Tennessee Tech University Audit Committee Charter. Mr. Lynn seconded the motion. Mr. Wray called a roll call vote. The motion carried unanimously.

AGENDA ITEM 9 – Adjournment of Open Session & Call to Order on Non-Public Executive Session

There being no further business, the meeting adjourned at 11:04 a.m. After a short break, the Non-Public Executive Session began at 11:20 a.m. Trustees and Administration were present for the meeting.

AGENDA ITEM 10 – Adjournment

There being no further business, the Non-Public Executive Session adjourned at 12:21 p.m.

Approved,

 04/29/25

Lee Wray, Secretary

Reconciliation of Changes in E&G Revenues

	Proposed Budget FY2024-25	Revised Budget FY2024-25	Difference	% Change
Tuition and Fees	\$108,325,500	\$112,805,000	\$4,479,500	4.14%
State Appropriations	\$86,834,100	\$88,164,900	\$1,330,800	1.53%
Other Activities	\$14,067,500	\$14,270,400	\$202,900	1.44%
Total Revenues	\$209,227,100	\$215,240,300	\$6,013,200	2.87%



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Attachment A

Proposed vs Revised E&G Reconciliation of Changes in Revenues FY2024-25

- Tuition and Fees \$4,479,500
 - Tuition enrollment changes based on Fall census \$1,023,000
 - Tuition 5% increase \$3,739,500
 - Summer Revenue (\$22,750)
 - Out-of-state tuition decrease (\$249,500) based on actual fall enrollment in international students
 - Out-of-state tuition decrease (\$46,250) based on actual fall enrollment in domestic students
 - Fee increases \$35,500
- State Appropriations \$1,330,800
 - Adjustments for OPEB (Other Post-Employment Benefits), TCRS (Tennessee Consolidated Retirement System), Risk Management, and Health Insurance (\$669,200)
 - Crossville Wind Tunnel (non-recurring) \$1,000,000
 - Rural Reimagined (non-recurring) \$1,000,000
- Other Revenue \$202,900
 - Other Misc. \$100,150
 - Athletics \$102,750



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Change in Natural Classification Expenses

	Proposed Budget FY2024-25	Revised Budget FY2024-25	Difference	% Change
Salary and Wages	\$95,485,300	\$99,575,300	\$4,090,000	4.28%
Fringe Benefits	\$38,773,600	\$38,955,300	\$181,700	0.47%
Travel	\$2,073,000	\$2,793,300	\$720,300	34.75%
Operating & Utilities	\$36,709,500	\$59,980,600	\$23,271,100	63.39%
Scholarships & Fellowships	\$23,169,200	\$25,070,600	\$1,901,400	8.21%
Capital	<u>\$186,500</u>	<u>\$296,000</u>	<u>\$109,500</u>	58.71%
Total E&G	\$196,397,100	\$226,671,100	\$30,274,000	15.41%



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Proposed vs Revised Reconciliation of Change in Natural Expenses FY2024-25

- **Salary and Wages**
 - Merit Raise, Phase 2 Comp Adjustments, FLSA Adjustments, Degree & Other Adjustments of \$1,864,400 (*beyond the State-funded portion budgeted in June*)
 - 8 new positions in 7 College/VP Units \$749,300
 - Faculty Promotions \$51,000 (*beyond what was budgeted in June*)
 - Departments transfer funds from operating to salary & wages \$1,425,000
- **Fringe Benefits**
 - Decrease of state funding-TCRS (Tennessee Consolidated Retirement System), Risk Mgmt. insurance, OPEB (Other Post-Employment Benefits) - (\$686,000)
 - Benefits budgeted for 8 new positions \$214,000
 - Benefits added for raise increases \$655,000
- **Travel**
 - Departments transfer funds from operating \$600,000
 - Athletics \$114,000
- **Operating & Utilities**
 - Re-budget of carryforward amounts \$22,849,434
 - Revenue Generating \$1,065,731
 - Faculty Research & Indirect Cost \$3,352,813
 - CEROC & Rural Reimagined Appropriations \$1,112,216
 - SAF \$472,391
 - TAF \$1,789,766
 - Engr State Appropriation funds \$2,764,337
 - Online & Alternate Delivery Fee \$4,459,885
 - Student Activity Fee \$531,913
 - Other department requests \$718,958
 - Purchase Orders \$368,596
 - Summer School \$171,084
 - University Future Commitments \$2,296,415
 - Lapse Pool \$1,420,951
 - Crossville TAP Property \$2,252,586
 - Governor's School \$71,792
 - FY23 Indirect Cost Distribution increase \$580,495
 - Contracts and Insurance increases \$845,000
 - Marketing, New Student Outreach and Student Engagement \$929,950
 - Athletics \$414,000
 - Departments transfer funds from operating to salaries, travel, capital, and transfers (\$2,350,000)
- **Scholarships**
 - Departmental Carryover \$21,530
 - Community College Transfer \$583,000
 - State Mandated Scholarships \$630,000
 - Athletic Scholarships \$667,000
- **Capital**
 - Units transfer funds from operating to Capital \$110,000



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