

FCR 4

Office of the President
December 11, 2007

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2007

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 2007.

Background: The consolidated financial report includes the financial activities of the University of Kentucky and its affiliated corporations, consisting of the University of Kentucky Research Foundation, The Fund for Advancement of Education and Research in the University of Kentucky Medical Center, University of Kentucky Athletic Association, University of Kentucky Mining Engineering Foundation, University of Kentucky Business Partnership Foundation, University of Kentucky Humanities Foundation, University of Kentucky Equine Research Foundation, University of Kentucky Center on Aging Foundation, and Central Kentucky Management Services.

As of September 30, 2007, the university had realized income of \$636,180,000 representing 31 percent of the 2007-08 estimate of \$2,072,188,000. Expenditures total \$507,585,000 or 24 percent of the approved budget of \$2,072,188,000.

Action taken: Approved Disapproved Other_____



*Consolidated Financial
Statements*

For the three months ended September 30, 2007

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
SEPTEMBER 30, 2007

with comparative totals for September 30, 2006
(in thousands)

	2007-08					2006-07	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 299,627	\$ 46,262	\$ 7,059		\$ 149,634	\$ 502,582	\$ 571,153
Notes, loans, and A/R (less bad debt allowances of \$27,120)	140,551	76,878	24,652	\$ 2,000	575	244,656	216,568
Investments	27,175	81,099		990,277	47,959	1,146,510	973,807
Property, plant, and equipment, net of depreciation					1,208,102	1,208,102	1,083,266
Inventories and other	50,427				1,923	52,350	30,302
Total Assets	\$ 517,780	\$ 204,239	\$ 31,711	\$ 992,277	\$ 1,408,193	\$ 3,154,200	\$ 2,875,096
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 73,228	\$ 5,877	\$ 297		\$ 1,908	\$ 81,310	\$ 52,620
Employee withholdings and deposits		23,380				23,380	25,227
Other liabilities	11,487	639	21,894	\$ 6,702	9,737	50,459	46,999
Liability for self insurance	76,590					76,590	63,014
Deferred income	29,599	32,998				62,597	57,825
Bonds payable					372,415	372,415	392,445
Capitalized lease obligation	12,500				116,638	129,138	65,195
Total Liabilities	203,404	62,894	22,191	6,702	500,698	795,889	703,325
Interfund Balances	(67,915)	48,999		22,059	(3,143)		
Net deferred revenues and appropriated fund balances	125,460	3,136				128,596	109,606
Fund Balances							
Current unrestricted							
Working capital	241,940					241,940	187,707
Future operating purposes	3,311					3,311	3,332
Other	11,580					11,580	45,097
Current restricted		89,210				89,210	82,761
Loan			9,520			9,520	8,737
True endowments				655,882		655,882	548,689
Term endowments				3,940		3,940	3,762
Quasi endowments				299,813		299,813	218,176
Charitable trusts				2,997		2,997	2,747
Gift annuities				884		884	769
Plant							
Retirement of indebtedness					19,898	19,898	19,295
Renewal and replacement					20,906	20,906	70,751
Allocated for designated projects					103,643	103,643	121,792
Net investment in plant					766,191	766,191	748,550
Total Fund Balances	256,831	89,210	9,520	963,516	910,638	2,229,715	2,062,165
Total Liabilities and Fund Balances	\$ 517,780	\$ 204,239	\$ 31,711	\$ 992,277	\$ 1,408,193	\$ 3,154,200	\$ 2,875,096

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007**

with comparative totals for September 30, 2006
(in thousands)

	2007-08				2006-07	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
State appropriations	\$ 335,017	\$ 335,017	\$ 100,505	30	\$ 95,570	30
Student fees	242,994	242,994	118,406	49	110,767	53
County appropriations	14,453	14,453	3,053	21	3,048	24
Endowment and investment income	13,229	13,229	5,096	39	3,476	27
Non governmental grants and contracts	98,315	98,315	26,260	27	24,094	26
Grants, donations, pledges						
Affiliated corporations	28,151	28,151	6,863	24	6,349	23
Other	11,737	11,737	2,377	20	86	2
Sales and services	24,778	24,778	5,834	24	6,022	26
Transfers	15,827	15,827	2,368	15	1,940	12
Total General Fund	784,501	784,501	270,762	35	251,352	35
Auxiliary Enterprises	70,284	70,284	19,428	28	17,020	27
Restricted Funds						
Federal appropriations	15,911	15,911	4,487	28	5,355	35
Other	114,234	114,234	25,288	22	23,558	25
Affiliated Corporations	337,189	337,189	81,520	24	78,277	24
Health Affairs	683,141	683,141	167,768	25	138,047	23
Total Revenues	2,005,260	2,005,260	569,253	28	\$ 513,609	28
Appropriated Fund Balance						
Current unrestricted fund	66,928	66,928	66,928	100	32,462	100
Total Revenues and Appropriated Fund Balance	\$ 2,072,188	\$ 2,072,188	\$ 636,180	31	\$ 546,071	30

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007**

with comparative totals for September 30, 2006

(in thousands)

	2007-08				2006-07	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Instruction	\$ 285,313	\$ 283,146	\$ 58,021	20	\$ 54,942	22
Research	273,976	274,937	59,940	22	58,936	22
Public service	244,028	244,398	58,969	24	55,896	26
Academic support	106,734	107,102	23,150	22	21,264	23
Student services	27,651	28,164	6,967	25	6,305	28
Institutional support	153,452	152,076	25,288	17	21,562	18
Student financial aid	87,463	88,663	41,233	47	39,483	49
Operation and maintenance	54,796	54,927	12,681	23	15,271	27
Mandatory transfers (debt service)	17,446	17,446	16,286	93	15,581	91
Health affairs	684,194	684,194	167,315	24	116,589	20
Auxiliary enterprises	137,135	137,135	37,734	28	30,636	25
Total Expenditure by Program	\$ 2,072,188	\$ 2,072,188	\$ 507,585	24	\$ 436,465	24

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007**

with comparative totals for September 30, 2006

(in thousands)

	2007-08				2006-07	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Personnel costs	\$ 1,047,165	\$ 1,048,510	\$ 271,253	26	\$ 246,442	26
Operating expenses	927,069	927,103	205,012	22	160,288	20
Mandatory transfers (debt service)	36,662	36,662	16,661	45	15,938	55
Capital outlay	61,292	59,913	14,659	24	13,797	28
Total Expenditure by Category	\$ 2,072,188	\$ 2,072,188	\$ 507,585	24	\$ 436,465	24

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007**

with comparative totals for September 30, 2006
(in thousands)

	<u>2007-08</u>	<u>2006-07</u>
Realized Revenues	\$ 569,253	\$ 513,609
Appropriated Fund Balances		
Current Unrestricted Fund	<u>\$ 66,928</u>	<u>32,462</u>
Total Appropriated Fund Balances	<u>66,928</u>	<u>32,462</u>
Total Revenues and Appropriated Fund Balances	636,180	546,071
Expenditures	<u>507,585</u>	<u>436,465</u>
Net Deferred Revenues and Appropriated Fund Balances	<u><u>\$ 128,596</u></u>	<u><u>\$ 109,606</u></u>