

FCR 1

Office of the President
April 30, 2002

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR NINE MONTHS ENDED
MARCH 31, 2002

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2002.

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 Health Care Collection Service.

As of March 31, 2002, the University had realized income of \$1,000,340,000 representing 77% of the 2001-02 estimate of \$1,291,038,000. Expenditures and commitments total \$920,825,000 or 71% of the approved budget of \$1,291,038,000.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the nine months ended March 31, 2002

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
MARCH 31, 2002

with comparative totals for March 31, 2001
(in thousands)

	2001-02					2000-01	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 140,563	\$ 8,927	\$ 5,039	\$ 44	\$ 219,226	\$ 373,799	\$ 335,419
Notes, loans, and A/R (less bad debt allowances of \$36,371)	112,004	25,798	22,476	1,916	3,885	166,079	202,537
Investments	32,746	130,611		447,534	47,504	658,395	624,188
Property, plant, and equipment					1,541,989	1,541,989	1,413,651
Inventories and other	14,104	40				14,144	14,072
Total Assets	\$ 299,417	\$ 165,376	\$ 27,515	\$ 449,494	\$ 1,812,604	\$ 2,754,406	\$ 2,589,867
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 25,975	\$ 4,075	\$ 69		\$ 3,113	\$ 33,232	\$ 31,984
Employee withholdings and deposits		22,223				22,223	20,282
Other liabilities	5,487	3,128		\$ 5,909	2,653	17,177	17,927
Liability for self insurance	54,058					54,058	54,928
Deferred income	16,546	18,746				35,292	34,495
Bonds payable					227,301	227,301	242,916
Capitalized lease obligation					45,773	45,773	43,438
Total Liabilities	102,066	48,172	69	5,909	278,840	435,056	445,970
Interfund Balances	(57,936)	60,984		13,157	(16,205)		
Net deferred revenues and appropriated fund balances	91,316	(2,759)				88,557	94,573
Fund Balances							
Current unrestricted							
Working capital	156,051					156,051	167,211
Future operating purposes	6,674					6,674	3,457
Other	1,246					1,246	538
Current restricted		58,979				58,979	50,272
Loan			27,446			27,446	26,541
True endowments				357,520		357,520	317,497
Term endowments				5,073		5,073	4,891
Quasi endowments				67,835		67,835	73,959
Plant							
Retirement of indebtedness					29,998	29,998	34,787
Renewal and replacement					78,219	78,219	47,559
Allocated for designated projects					201,603	201,603	231,352
Net investment in plant					1,240,149	1,240,149	1,091,260
Total Fund Balances	163,971	58,979	27,446	430,428	1,549,969	2,230,793	2,049,324
Total Liabilities and Fund Balances	\$ 299,417	\$ 165,376	\$ 27,515	\$ 449,494	\$ 1,812,604	\$ 2,754,406	\$ 2,589,867

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2002**

with comparative totals for March 31, 2001
(in thousands)

	2001-02				2000-01	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
(1) State appropriations	\$ 322,211	\$ 322,211	\$ 239,228	74	\$ 230,649	75
(2) Student fees	129,369	130,406	126,519	97	114,253	94
(3) County appropriations	8,271	8,925	6,434	72	5,997	73
(4) Endowment income	835	835	615	74	614	70
(5) Investment income	11,245	11,245	7,848	70	11,362	95
(6) Non governmental grants and contracts	80,721	80,772	51,417	64	51,735	63
(7) Grants, donations, pledges						
Affiliated corporations	15,668	15,683	16,335	104	9,878	69
Other	7,363	7,913	5,361	68	5,694	76
(8) Sales and services	28,703	29,097	25,060	86	23,075	82
(9) Fund balance	20,561	20,115	20,116	100	21,292	100
(10) Total General Fund	624,947	627,202	498,932	80	474,550	79
(11) Auxiliary Enterprises	41,123	41,134	38,244	93	33,984	88
Restricted Funds						
(12) Federal appropriations	16,235	16,115	11,977	74	11,539	69
(13) Other	82,369	83,053	53,768	65	46,759	64
(14) Affiliated Corporations	207,717	207,710	160,279	77	134,648	78
(15) Hospital						
Revenues	315,824	315,824	237,140	75	246,822	84
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 1,000,340</u>	77	<u>\$ 948,302</u>	79

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2002**

with comparative totals for March 31, 2001
(in thousands)

	2001-02				2000-01	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 266,054	\$ 261,834	\$ 180,390	69	\$ 179,322	71
(2) Research	187,395	185,008	130,594	71	113,139	71
(3) Public service	163,173	164,190	116,691	71	113,357	74
(4) Academic support	76,897	79,733	59,005	74	49,847	67
(5) Student services	19,543	24,150	15,030	62	14,527	72
(6) Institutional support	51,306	52,548	32,704	62	33,857	65
(7) Student financial aid	56,324	55,906	56,614	101	47,320	93
(8) Operation and maintenance	47,835	48,570	32,858	68	31,273	68
(9) Mandatory transfers (debt service)	21,190	21,190	21,190	100	18,390	93
(10) Hospital	316,860	316,260	205,052	65	196,648	67
(11) Auxiliary enterprises	81,638	81,649	70,699	87	64,853	82
(12) Total Expenditure by Program	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 920,825</u>	71	<u>\$ 862,533</u>	72

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2002**

with comparative totals for March 31, 2001
(in thousands)

	2001-02				2000-01	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 722,838	\$ 712,644	\$ 521,087	73	\$ 492,490	74
(14) Operating expenses	490,304	502,246	337,567	67	308,383	67
(15) Mandatory transfers (debt service)	32,857	32,857	25,729	78	20,179	66
(16) Capital outlay	42,216	43,291	36,442	84	41,481	110
(17) Total Expenditure by Category	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 920,825</u>	71	<u>\$ 862,533</u>	72

UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2002
with comparative totals for March 31, 2001
(in thousands)

	<u>2001-02</u>	<u>2000-01</u>
(1) Realized Revenues	\$ 980,224	\$ 927,011
Appropriated Fund Balances		
(2) Current Unrestricted Fund	\$ 20,116	21,292
(3) University Hospital	<u> </u>	<u> </u>
(4) Total Appropriated Fund Balances	<u>20,116</u>	<u>21,292</u>
(5) Total Revenues and Appropriated Fund Balances	1,000,340	948,303
(6) Expenditures/Encumbrances	\$ 920,825	862,533
(7) Less: Reserve for Encumbrances	<u>(9,043)</u>	<u>(8,803)</u>
(8) Total Expenditures	<u>911,782</u>	<u>853,730</u>
(9) Net Deferred Revenues and Appropriated Fund Balances	<u>\$ 88,557</u>	<u>\$ 94,573</u>