

FCR 1

Office of the President
January 22, 2002

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR SIX MONTHS ENDED
DECEMBER 31, 2001

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 2001.

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 December 31, 2001, the University had realized income of \$651,819,000 representing 50% of the 2001-02 estimate of \$1,291,038,000. Expenditures and commitments total \$612,243,000 or 47% of the approved budget of \$1,291,038,000.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the six months ended December 31, 2001

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
DECEMBER 31, 2001

with comparative totals for December 31, 2000
(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	\$ 137,728	\$ 11,754	\$ 4,126	\$ 514	\$ 198,157	\$ 352,279	\$ 270,171
Notes, loans, and A/R (less bad debt allowances of \$30,034)	113,927	23,624	23,571	1,916	3,739	166,777	196,222
Investments	32,234	130,685		437,944	47,627	648,490	634,745
Property, plant, and equipment					1,508,569	1,508,569	1,396,605
Inventories and other	14,847	40				14,887	14,833
Total Assets	\$ 298,736	\$ 166,103	\$ 27,697	\$ 440,374	\$ 1,758,092	\$ 2,691,002	\$ 2,512,576
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 24,918	\$ 14,856	\$ 311		\$ 2,973	\$ 43,058	\$ 44,437
Employee withholdings and deposits		13,715				13,715	12,733
Other liabilities	6,435	3,031		\$ 5,999	2,764	18,229	17,566
Liability for self insurance	51,462					51,462	55,679
Deferred income	46,750	21,191				67,941	61,130
Bonds payable					227,301	227,301	222,406
Capitalized lease obligation					45,773	45,773	43,438
Total Liabilities	129,565	52,793	311	5,999	278,811	467,479	457,389
Interfund Balances	(51,881)	61,548		12,725	(22,392)		
Net deferred revenues and appropriated fund balances	57,081	(7,217)				49,864	51,591
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	50,290
Loan			27,386			27,386	26,383
True endowments				349,056		349,056	324,049
Term endowments				4,860		4,860	5,208
Quasi endowments				67,734		67,734	84,771
Plant							
Retirement of indebtedness					31,225	31,225	34,125
Renewal and replacement					85,551	85,551	47,644
Allocated for designated projects					144,996	144,996	168,561
Net investment in plant					1,239,901	1,239,901	1,091,359
Total Fund Balances	163,971	58,979	27,386	421,650	1,501,673	2,173,659	2,003,596
Total Liabilities and Fund Balances	\$ 298,736	\$ 166,103	\$ 27,697	\$ 440,374	\$ 1,758,092	\$ 2,691,002	\$ 2,512,576

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2001**

with comparative totals for December 31, 2000
(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	\$ 159,485	49	\$ 153,765	50
(2) Student fees	129,369	130,406	71,073	55	66,474	54
(3) County appropriations	8,271	8,925	3,744	42	3,099	37
(4) Endowment income	835	835	298	36	291	33
(5) Investment income	11,245	11,245	5,323	47	6,946	58
(6) Non governmental grants and contracts	80,721	80,772	33,120	41	31,692	39
(7) Grants, donations, pledges						
Affiliated corporations	15,668	15,683	7,575	48	6,513	45
Other	7,363	7,913	3,430	43	2,893	38
(8) Sales and services	28,703	29,095	16,629	57	15,244	54
(9) Fund balance	20,561	20,115	20,115	100	21,292	100
(10) Total General Fund	624,947	627,200	320,792	51	308,209	51
(11) Auxiliary Enterprises	41,123	41,136	28,454	69	23,220	60
Restricted Funds						
(12) Federal appropriations	16,235	16,115	7,755	48	7,381	44
(13) Other	82,369	83,053	30,137	36	28,197	39
(14) Affiliated Corporations	207,717	207,710	105,845	51	86,028	50
(15) Hospital						
Revenues	315,824	315,824	158,837	50	167,044	57
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 651,819</u>	50	<u>\$ 620,079</u>	52

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2001**

with comparative totals for December 31, 2000
(in thousands)

	2001-02				2000-01	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 266,054	\$ 262,177	\$ 119,794	46	\$ 118,908	47
(2) Research	187,395	187,073	86,846	46	69,841	44
(3) Public service	163,173	163,017	77,141	47	74,942	49
(4) Academic support	76,897	79,885	37,589	47	34,832	48
(5) Student services	19,543	24,627	10,250	42	9,662	49
(6) Institutional support	51,306	52,349	21,624	41	23,928	45
(7) Student financial aid	56,324	55,809	28,797	52	24,105	47
(8) Operation and maintenance	47,835	47,000	20,231	43	20,172	45
(9) Mandatory transfers (debt service)	21,190	21,190	21,219	100	18,358	97
(10) Hospital	316,860	316,260	135,286	43	133,598	45
(11) Auxiliary enterprises	81,638	81,651	53,466	65	47,524	60
(12) Total Expenditure by Program	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 612,243</u>	47	<u>\$ 575,870</u>	48

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2001**

with comparative totals for December 31, 2000
(in thousands)

	2001-02				2000-01	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 722,838	\$ 714,064	\$ 339,512	48	\$ 330,693	49
(14) Operating expenses	490,304	500,843	221,516	44	196,884	42
(15) Mandatory transfers (debt service)	32,857	32,857	25,105	76	20,147	67
(16) Capital outlay	42,216	43,274	26,110	60	28,146	78
(17) Total Expenditure by Category	<u>\$ 1,288,215</u>	<u>\$ 1,291,038</u>	<u>\$ 612,243</u>	47	<u>\$ 575,870</u>	48

**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2001**

with comparative totals for December 31, 2000
(in thousands)

	<u>2001-02</u>	<u>2000-01</u>
(1) Realized Revenues	\$ 631,704	\$ 598,787
Appropriated Fund Balances		
(2) Current Unrestricted Fund	\$ 20,115	21,292
(3) University Hospital	<u> </u>	<u> </u>
(4) Total Appropriated Fund Balances	<u>20,115</u>	<u>21,292</u>
(5) Total Revenues and Appropriated Fund Balances	651,819	620,079
(6) Expenditures/Encumbrances	\$ 612,243	575,870
(7) Less: Reserve for Encumbrances	<u>(10,288)</u>	<u>(7,382)</u>
(8) Total Expenditures	<u>601,955</u>	<u>568,488</u>
(9) Net Deferred Revenues and Appropriated Fund Balances	<u>\$ 49,864</u>	<u>\$ 51,591</u>