

# FCR 1

Office of the President  
October 29, 2002

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE  
UNIVERSITY OF KENTUCKY FOR THREE MONTHS ENDED  
SEPTEMBER 30, 2002

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 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 September 30, 2002, the University had realized income of \$416,062,000 representing 31% of the 2002-03 estimate of \$1,341,113,000. Expenditures and commitments total \$361,019,000 or 27% of the approved budget of \$1,341,113,000.

---

Action taken:     Approved     Disapproved     Other\_\_\_\_\_



*Consolidated Financial  
Statements*

*For the three months ended September 30, 2002*

**CONSOLIDATED BALANCE SHEET**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**SEPTEMBER 30, 2002**

with comparative totals for September 30, 2001  
(in thousands)

	2002-03					2001-02	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 97,832		\$ 5,867	\$ 1,862	\$ 253,633	\$ 359,194	\$ 352,124
Notes, loans, and A/R (less bad debt allowances of \$47,174)	102,722	\$ 28,645	22,730	1,372	5,293	160,762	173,342
Investments	39,621	131,024		371,054	45,380	587,079	584,603
Property, plant, and equipment, net of depreciation					846,737	846,737	784,670
Inventories and other	13,448	278				13,726	12,670
<b>Total Assets</b>	<b>\$ 253,623</b>	<b>\$ 159,947</b>	<b>\$ 28,597</b>	<b>\$ 374,288</b>	<b>\$ 1,151,043</b>	<b>\$ 1,967,498</b>	<b>\$ 1,907,409</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 26,127	\$ 2,225	\$ 534		\$ 1,812	\$ 30,698	\$ 32,373
Employee withholdings and deposits		18,882				18,882	19,867
Other liabilities	6,247	1,592	20,215	\$ 5,578	2,691	36,323	37,027
Liability for self insurance	50,710					50,710	51,486
Deferred income	16,053	19,507				35,560	33,170
Bonds payable					211,266	211,266	229,826
Capitalized lease obligation					47,126	47,126	45,773
<b>Total Liabilities</b>	<b>99,137</b>	<b>42,206</b>	<b>20,749</b>	<b>5,578</b>	<b>262,895</b>	<b>430,565</b>	<b>449,522</b>
Interfund Balances	(63,308)	60,210		12,353	(9,255)		
Net deferred revenues and appropriated fund balances	66,484	(2,008)				64,476	46,087
<b>Fund Balances</b>							
<b>Current unrestricted</b>							
Working capital	140,481					140,481	156,442
Future operating purposes	7,849					7,849	5,838
Other	2,980					2,980	1,246
<b>Current restricted</b>							
Loan		59,539	7,848			59,539	58,979
True endowments				300,778		300,778	314,454
Term endowments				3,613		3,613	4,521
Quasi endowments				51,966		51,966	67,676
<b>Plant</b>							
Retirement of indebtedness					28,228	28,228	28,665
Renewal and replacement					120,063	120,063	93,290
Allocated for designated projects					141,330	141,330	124,981
Net investment in plant					607,782	607,782	548,182
<b>Total Fund Balances</b>	<b>151,310</b>	<b>59,539</b>	<b>7,848</b>	<b>356,357</b>	<b>897,403</b>	<b>1,472,457</b>	<b>1,411,800</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 253,623</b>	<b>\$ 159,947</b>	<b>\$ 28,597</b>	<b>\$ 374,288</b>	<b>\$ 1,151,043</b>	<b>\$ 1,967,498</b>	<b>\$ 1,907,409</b>

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002**

with comparative totals for September 30, 2001  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
<b>General Fund</b>						
(1) State appropriations	\$ 313,431	\$ 313,431	\$ 93,974	30	\$ 79,743	25
(2) Student fees	139,852	139,852	71,575	51	65,971	51
(3) County appropriations	9,070	9,070	2,927	32	1,889	23
(4) Trust income	876	876	176	20	72	9
(5) Investment income	10,707	10,707	2,776	26	3,194	28
(6) Non governmental grants and contracts	84,600	84,600	14,384	17	14,892	18
(7) Grants, donations, pledges						
Affiliated corporations	19,717	19,717	4,641	24	3,309	21
Other	6,930	12,930	7,604	59	1,542	21
(8) Sales and services	35,098	29,098	6,865	24	6,741	24
(9) Fund balance	21,837	21,837	21,837	100	20,561	100
(10) Total General Fund	642,118	642,118	226,759	35	197,913	32
(11) Auxiliary Enterprises	43,242	43,242	13,100	30	11,930	29
<b>Restricted Funds</b>						
(12) Federal appropriations	16,078	16,078	4,458	28	4,446	27
(13) Other	86,562	86,562	27,371	32	19,452	24
(14) Affiliated Corporations	232,024	232,024	55,084	24	51,594	25
(15) Hospital						
Revenues	321,089	321,089	89,290	28	77,753	25
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,341,113</u>	<u>\$ 1,341,113</u>	<u>\$ 416,062</u>	31	<u>\$ 363,087</u>	28

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002**

with comparative totals for September 30, 2001  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 269,420	\$ 273,416	\$ 64,426	24	\$ 65,113	24
(2) Research	208,439	206,647	49,128	24	41,744	22
(3) Public service	170,278	169,754	41,128	24	39,760	24
(4) Academic support	83,577	83,227	23,894	29	21,205	27
(5) Student services	19,989	21,033	5,439	26	4,979	23
(6) Institutional support	52,962	51,286	15,009	29	11,926	25
(7) Student financial aid	63,554	64,822	32,651	50	27,200	49
(8) Operation and maintenance	49,750	47,784	9,529	20	9,144	19
(9) Mandatory transfers (debt service)	19,451	19,451	16,223	83	17,325	82
(10) Hospital	319,460	319,460	76,101	24	59,001	19
(11) Auxiliary enterprises	84,233	84,233	27,491	33	28,468	35
(12) Total Expenditure by Program	<u>\$ 1,341,113</u>	<u>\$ 1,341,113</u>	<u>\$ 361,019</u>	27	<u>\$ 325,865</u>	25

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002**

with comparative totals for September 30, 2001  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 781,258	\$ 776,029	\$ 186,785	24	\$ 176,160	24
(14) Operating expenses	493,537	495,845	138,916	28	114,737	23
(15) Mandatory transfers (debt service)	30,723	30,723	17,971	58	19,150	58
(16) Capital outlay	35,595	38,516	17,346	45	15,818	37
(17) Total Expenditure by Category	<u>\$ 1,341,113</u>	<u>\$ 1,341,113</u>	<u>\$ 361,019</u>	27	<u>\$ 325,865</u>	25

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2002**

with comparative totals for September 30, 2001  
(in thousands)

	<u>2002-03</u>	<u>2001-02</u>
(1) <b>Realized Revenues</b>	\$ 394,225	\$ 342,526
<b>Appropriated Fund Balances</b>		
(2) Current Unrestricted Fund	\$ 21,837	20,561
(3) University Hospital	<u>                    </u>	<u>                    </u>
(4) Total Appropriated Fund Balances	<u>21,837</u>	<u>20,561</u>
(5) Total Revenues and Appropriated Fund Balances	416,062	363,087
(6) <b>Expenditures/Encumbrances</b>	361,019	325,865
(7) Less: Reserve for Encumbrances	<u>(9,433)</u>	<u>(8,865)</u>
(8) Total Expenditures	<u>351,586</u>	<u>317,000</u>
(9) <b>Net Deferred Revenues and Appropriated Fund Balances</b>	<u>\$ 64,476</u>	<u>\$ 46,087</u>