

FCR 12

Office of the President
December 13, 2005

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2005

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 2005.

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, 2005, the university had realized income of \$509,254,000 representing 31 percent of the 2005-06 estimate of \$1,664,963,000. Expenditures and commitments total \$432,249,000 or 26 percent of the approved budget of \$1,664,963,000.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the three months ended September 30, 2005

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
SEPTEMBER 30, 2005

with comparative totals for September 30, 2004
(in thousands)

	2005-06					2004-05	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 158,859	\$ 12,420	\$ 6,142	\$ 384	\$ 274,777	\$ 452,582	\$ 402,113
Notes, loans, and A/R (less bad debt allowances of \$24,618)	97,575	42,750	24,865	1,000	90	166,280	154,965
Investments	54,822	104,016		579,539	58,489	796,866	721,547
Property, plant, and equipment, net of depreciation					1,035,425	1,035,425	976,681
Inventories and other	23,406	119				23,525	18,384
Total Assets	\$ 334,662	\$ 159,305	\$ 31,007	\$ 580,923	\$ 1,368,781	\$ 2,474,678	\$ 2,273,690
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 39,555	\$ 261	\$ 517			\$ 40,333	\$ 48,119
Employee withholdings and deposits		26,005				26,005	16,218
Other liabilities	7,873	537	21,840	\$ 5,754	\$ 2,119	38,123	38,481
Liability for self insurance	63,031					63,031	53,918
Deferred income	26,295	20,862				47,157	46,299
Bonds payable					271,530	271,530	277,890
Capitalized lease obligation					66,077	66,077	43,086
Total Liabilities	136,754	47,665	22,357	5,754	339,726	552,256	524,011
Interfund Balances	(53,090)	39,503		14,587	(1,000)		
Net deferred revenues and appropriated fund balances	74,827	2,178				77,005	79,052
Fund Balances							
Current unrestricted							
Working capital	163,699					163,699	119,452
Future operating purposes	4,499					4,499	6,509
Other	7,973					7,973	-
Current restricted							
Loan		69,959	8,650			69,959	63,253
True endowments				488,327		488,327	415,069
Term endowments				3,152		3,152	2,947
Quasi endowments				66,237		66,237	64,721
Charitable trusts				2,292		2,292	1,778
Gift annuities				574		574	409
Plant							
Retirement of indebtedness					22,729	22,729	23,501
Renewal and replacement					187,742	187,742	173,530
Allocated for designated projects					80,295	80,295	66,868
Net investment in plant					739,289	739,289	724,219
Total Fund Balances	176,171	69,959	8,650	560,582	1,030,055	1,845,417	1,670,627
Total Liabilities and Fund Balances	\$ 334,662	\$ 159,305	\$ 31,007	\$ 580,923	\$ 1,368,781	\$ 2,474,678	\$ 2,273,690

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005**

with comparative totals for September 30, 2004

(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
(1) State appropriations	\$ 314,303	\$ 314,303	\$ 94,290	30	\$ 83,785	28
(2) Student fees	193,518	193,523	97,799	51	87,003	51
(3) County appropriations	12,024	12,024	2,765	23	2,239	19
(4) Endowment and investment income	7,542	7,542	2,050	27	1,507	40
(5) Non governmental grants and contracts	89,703	89,754	22,232	25	17,751	20
(6) Grants, donations, pledges						
Affiliated corporations	25,023	25,023	5,827	23	5,848	24
Other	1,521	1,606	226	14	336	21
(7) Sales and services	20,956	20,920	7,406	35	7,107	33
(8) Transfers	18,045	18,045	1,445	8	1,529	11
(9) Fund balance	27,057	27,057	27,057	100	27,018	100
(10) Total General Fund	709,692	709,797	261,097	37	234,123	35
(11) Auxiliary Enterprises	65,676	65,676	16,972	26	16,867	29
Restricted Funds						
(12) Federal appropriations	15,357	15,357	4,598	30	4,464	28
(13) Other	93,928	93,928	22,782	24	24,485	28
(14) Affiliated Corporations	314,145	314,145	78,592	25	69,413	24
(15) Hospital						
Revenues	466,060	466,060	125,213	27	104,971	29
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,664,858</u>	<u>\$ 1,664,963</u>	<u>\$ 509,254</u>	31	<u>\$ 454,323</u>	31

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005**

with comparative totals for September 30, 2004
(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
(1) Instruction	\$ 267,916	\$ 266,145	\$ 58,270	22	\$ 55,283	20
(2) Research	275,050	274,752	56,845	21	50,927	20
(3) Public service	196,417	194,518	48,869	25	43,448	23
(4) Academic support	87,776	89,979	21,786	24	17,042	22
(5) Student services	21,397	21,520	5,324	25	4,748	23
(6) Institutional support	78,340	79,540	18,351	23	19,838	34
(7) Student financial aid	77,859	77,776	37,887	49	37,067	57
(8) Operation and maintenance	49,836	50,466	8,646	17	8,406	18
(9) Mandatory transfers (debt service)	19,863	19,863	17,751	89	17,205	92
(10) Hospital	468,148	468,148	128,508	27	92,155	25
(11) Auxiliary enterprises	122,256	122,256	30,011	25	29,152	27
(12) Total Expenditure by Program	<u>\$ 1,664,858</u>	<u>\$ 1,664,963</u>	<u>\$ 432,249</u>	26	<u>\$ 375,271</u>	26

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005**

with comparative totals for September 30, 2004
(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
(13) Personnel costs	\$ 897,696	\$ 901,668	\$ 228,939	25	\$ 192,247	23
(14) Operating expenses	678,887	673,774	175,437	26	151,067	27
(15) Mandatory transfers (debt service)	33,025	33,025	19,518	59	19,276	64
(16) Capital outlay	55,250	56,496	8,355	15	12,681	26
(17) Total Expenditure by Category	<u>\$ 1,664,858</u>	<u>\$ 1,664,963</u>	<u>\$ 432,249</u>	26	<u>\$ 375,271</u>	26

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2005**

with comparative totals for September 30, 2004
(in thousands)

	<u>2005-06</u>	<u>2004-05</u>
(1) Realized Revenues	\$ 482,196	\$ 427,305
Appropriated Fund Balances		
(2) Current Unrestricted Fund	\$ 27,057	27,018
(3) University Hospital	<u> </u>	<u> </u>
(4) Total Appropriated Fund Balances	<u>27,057</u>	<u>27,018</u>
(5) Total Revenues and Appropriated Fund Balances	509,254	454,323
(6) Expenditures	<u>432,249</u>	<u>375,271</u>
(7) Net Deferred Revenues and Appropriated Fund Balances	<u><u>77,005</u></u>	<u><u>79,052</u></u>