

# FCR 12

Office of the President  
April 25, 2006

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE  
UNIVERSITY OF KENTUCKY FOR THE NINE MONTHS ENDED  
MARCH 31, 2006

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2006.

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 March 31, 2006, the University had realized income of \$1,383,787,000 representing 82 percent of the 2005-06 estimate of \$1,690,892,000. Expenditures and commitments total \$1,199,441,000 or 71 percent of the approved budget of \$1,690,892,000.

---

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



*Consolidated Financial  
Statements*

*For the nine months ended March 31, 2006*

**CONSOLIDATED BALANCE SHEET**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**MARCH 31, 2006**

with comparative totals for March 31, 2005  
(in thousands)

	2005-06					2004-05	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 255,887	\$ 1,737	\$ 6,719	\$ 466	\$ 244,683	\$ 509,492	\$ 429,636
Notes, loans, and A/R (less bad debt allowances of \$25,379)	97,948	48,599	24,132	1,000	907	172,586	153,149
Investments	56,514	97,714		729,109	66,672	950,009	754,769
Property, plant, and equipment, net of depreciation					1,065,171	1,065,171	1,019,689
Inventories and other	21,915	119			1,138	23,172	16,646
<b>Total Assets</b>	<b>\$ 432,264</b>	<b>\$ 148,169</b>	<b>\$ 30,851</b>	<b>\$ 730,575</b>	<b>\$ 1,378,571</b>	<b>\$ 2,720,430</b>	<b>\$ 2,373,889</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 40,967	\$ 3,305	\$ 418		\$ 943	\$ 45,633	\$ 46,494
Employee withholdings and deposits		17,603				17,603	14,455
Other liabilities	18,106	536	21,840	\$ 5,710	6,333	52,525	38,592
Liability for self insurance	65,007					65,007	57,259
Deferred income	26,562	16,574				43,136	46,683
Bonds payable					385,065	385,065	277,260
Capitalized lease obligation					66,077	66,077	43,086
<b>Total Liabilities</b>	<b>150,642</b>	<b>38,018</b>	<b>22,258</b>	<b>5,710</b>	<b>458,418</b>	<b>675,046</b>	<b>523,829</b>
Interfund Balances	(56,158)	42,520		14,699	(1,061)		
Net deferred revenues and appropriated fund balances	186,674	(2,328)				184,346	146,517
<b>Fund Balances</b>							
<b>Current unrestricted</b>							
Working capital	146,607					146,607	107,229
Future operating purposes	4,499					4,499	6,509
Other						-	-
<b>Current restricted</b>		69,959				69,959	63,253
<b>Loan</b>			8,593			8,593	8,550
True endowments				531,649		531,649	450,179
Term endowments				3,425		3,425	3,003
Quasi endowments				171,476		171,476	68,194
Charitable trusts				2,919		2,919	2,436
Gift annuities				697		697	418
<b>Plant</b>							
Retirement of indebtedness					20,816	20,816	21,206
Renewal and replacement					70,097	70,097	168,836
Allocated for designated projects					99,312	99,312	76,115
Net investment in plant					730,989	730,989	727,615
<b>Total Fund Balances</b>	<b>151,106</b>	<b>69,959</b>	<b>8,593</b>	<b>710,166</b>	<b>921,214</b>	<b>1,861,038</b>	<b>1,703,543</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 432,264</b>	<b>\$ 148,169</b>	<b>\$ 30,851</b>	<b>\$ 730,575</b>	<b>\$ 1,378,571</b>	<b>\$ 2,720,430</b>	<b>\$ 2,373,889</b>

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2006**  
with comparative totals for March 31, 2005  
(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
<b>General Fund</b>						
(1) State appropriations	\$ 314,303	\$ 314,303	\$ 251,442	80	\$ 228,795	77
(2) Student fees	193,518	193,477	189,726	98	170,049	99
(3) County appropriations	12,024	12,734	9,002	71	8,361	70
(4) Endowment and investment income	7,542	7,542	8,674	115	4,207	112
(5) Non governmental grants and contracts	89,703	89,754	71,796	80	61,137	68
(6) Grants, donations, pledges						
Affiliated corporations	25,023	25,223	18,306	73	17,613	74
Other	1,521	1,606	9,491	591	1,368	85
(7) Sales and services	20,956	20,920	24,176	116	22,804	112
(8) Transfers	18,045	18,045	19,960	111	11,111	66
(9) Fund balance	27,057	52,122	52,122	100	39,241	100
(10) Total General Fund	709,692	735,726	654,695	89	564,686	84
(11) Auxiliary Enterprises	65,676	65,676	53,160	81	49,850	87
<b>Restricted Funds</b>						
(12) Federal appropriations	15,357	15,357	11,786	77	12,017	76
(13) Other	93,928	93,928	61,021	65	62,707	71
(14) Affiliated Corporations	314,145	314,145	230,599	73	219,029	76
(15) Hospital						
Revenues	466,060	466,060	372,527	80	312,189	86
(16) Fund balance						
Total Revenues and						
(17) Appropriated Fund Balances	<u>\$ 1,664,858</u>	<u>\$ 1,690,892</u>	<u>\$ 1,383,787</u>	82	<u>\$ 1,220,478</u>	82

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2006**

with comparative totals for March 31, 2005  
(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
(1) Instruction	\$ 267,916	\$ 260,829	\$ 175,024	67	\$ 171,317	63
(2) Research	275,050	278,704	173,327	62	161,647	64
(3) Public service	196,417	199,579	155,597	78	143,370	77
(4) Academic support	87,776	91,044	61,026	67	47,317	58
(5) Student services	21,397	22,405	16,775	75	15,175	71
(6) Institutional support	78,340	97,898	39,075	40	45,410	64
(7) Student financial aid	77,859	78,697	78,026	99	75,674	115
(8) Operation and maintenance	49,836	51,469	37,904	74	32,734	71
(9) Mandatory transfers (debt service)	19,863	19,863	18,084	91	17,573	94
(10) Hospital	468,148	468,148	350,191	75	278,320	76
(11) Auxiliary enterprises	122,256	122,256	94,414	77	85,424	79
(12) Total Expenditure by Program	<u>\$ 1,664,858</u>	<u>\$ 1,690,892</u>	<u>\$ 1,199,441</u>	71	<u>\$ 1,073,961</u>	72

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2006**

with comparative totals for March 31, 2005  
(in thousands)

	2005-06				2004-05	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
(13) Personnel costs	\$ 897,696	\$ 913,628	\$ 698,857	76	\$ 636,022	77
(14) Operating expenses	678,887	688,029	453,933	66	385,689	67
(15) Mandatory transfers (debt service)	33,025	33,025	22,530	68	22,227	74
(16) Capital outlay	55,250	56,210	24,121	43	30,023	59
(17) Total Expenditure by Category	<u>\$ 1,664,858</u>	<u>\$ 1,690,892</u>	<u>\$ 1,199,441</u>	71	<u>\$ 1,073,961</u>	72

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2006**  
with comparative totals for March 31, 2005  
(in thousands)

	<u>2005-06</u>	<u>2004-05</u>
(1) <b>Realized Revenues</b>	\$ 1,331,665	\$ 1,181,237
<b>Appropriated Fund Balances</b>		
(2) Current Unrestricted Fund	\$ 52,122	39,241
(3) University Hospital	<u>                    </u>	<u>                    </u>
(4) Total Appropriated Fund Balances	<u>52,122</u>	<u>39,241</u>
(5) Total Revenues and Appropriated Fund Balances	1,383,787	1,220,478
(6) <b>Expenditures</b>	<u>1,199,441</u>	<u>1,073,961</u>
(7) <b>Net Deferred Revenues and Appropriated Fund Balances</b>	<u><u>184,346</u></u>	<u><u>146,517</u></u>