

FCR 7

Office of the President
June 8, 2010

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE NINE MONTHS ENDED
MARCH 31, 2010

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2010.

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, 2010, the University had realized income of \$1,864,934,000 representing 77 percent of the 2009-10 estimate of \$2,433,190,000. Expenditures total \$1,650,707,000 or 68 percent of the approved budget of \$2,433,190,000.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the nine months ended March 31, 2010

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
MARCH 31, 2010

with comparative totals for March 31, 2009
(in thousands)

	2009-10					2008-09	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 365,890	\$ 83,055	\$ 7,103	\$ 5,107	\$ 88,467	\$ 549,622	\$ 502,796
Notes, loans, and A/R (less bad debt allowances of \$44,670)	174,436	82,189	24,614	2,500	283	284,022	261,960
Investments	20,546	116,194		841,718	37,442	1,015,900	821,774
Property, plant, and equipment, net of depreciation					1,679,719	1,679,719	1,448,778
Inventories and other assets	47,174				4,121	51,295	53,230
Total Assets	\$ 608,046	\$ 281,438	\$ 31,717	\$ 849,325	\$ 1,810,032	\$ 3,580,558	\$ 3,088,538
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 67,250	\$ 5,123			\$ 2,337	\$ 74,710	\$ 87,583
Employee withholdings and deposits		26,779				26,779	24,936
Other liabilities	16,624	9	\$ 22,034	\$ 29,580	20,744	88,991	75,433
Liability for self insurance	57,257					57,257	55,086
Deferred income	51,657	42,416				94,073	69,151
Bonds payable					586,405	586,405	506,625
Capitalized lease obligation					150,416	150,416	138,661
Total Liabilities	192,788	74,327	22,034	29,580	759,902	1,078,631	957,475
Interfund Balances	(74,426)	69,252		13,820	(8,646)		
Net deferred revenues and appropriated fund balances	209,227	5,000				214,227	193,628
Fund Balances							
Current unrestricted							
Working capital	274,696					274,696	243,107
Future operating purposes	5,761					5,761	5,512
Current restricted							
Loan		132,859	9,683			132,859	109,678
True endowments				548,671		548,671	404,602
Term endowments				3,023		3,023	2,387
Quasi endowments				250,861		250,861	175,528
Charitable trusts				2,822		2,822	115
Gift annuities				548		548	254
Plant							
Retirement of indebtedness					24,254	24,254	13,573
Renewal and replacement					17,524	17,524	16,107
Allocated for designated projects					162,751	162,751	155,635
Net investment in plant					854,247	854,247	800,716
Total Fund Balances	280,457	132,859	9,683	805,925	1,058,776	2,287,700	1,937,435
Total Liabilities and Fund Balances	\$ 608,046	\$ 281,438	\$ 31,717	\$ 849,325	\$ 1,810,032	\$ 3,580,558	\$ 3,088,538

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

with comparative totals for March 31, 2009
(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
State appropriations	\$ 324,616	\$ 294,137	\$ 235,310	80	\$ 257,002	80
Student fees	272,461	272,461	268,662	99	250,126	99
County appropriations	15,855	15,855	13,616	86	11,983	79
Endowment and investment income	5,518	5,518	3,888	70	6,744	61
Non governmental grants and contracts	131,000	131,000	96,535	74	91,318	82
Grants, donations, pledges						
Affiliated corporations	32,721	32,721	23,967	73	21,681	74
Other	20,549	20,584	14,986	73	13,298	54
Sales and services	24,977	24,785	16,336	66	18,536	74
Transfers	21,465	22,102	15,693	71	13,030	69
Total General Fund	849,162	819,163	688,994	84	683,718	84
Auxiliary Enterprises	70,469	71,772	63,927	89	59,047	81
Restricted Funds						
Federal appropriations	16,519	17,387	12,033	69	13,139	76
State Fiscal Stabilization Fund	-	21,067	21,067	100	-	-
Other	133,250	133,295	85,168	64	79,589	67
Affiliated Corporations	368,364	368,364	289,342	79	262,680	74
UK Hospitals	906,262	906,262	608,524	67	554,329	74
Total Revenues	2,344,026	2,337,310	1,769,054	76	1,652,502	78
Appropriated Fund Balance						
Current unrestricted fund	95,665	95,880	95,880	100	103,228	100
Total Revenues and Appropriated Fund Balance	\$ 2,439,691	\$ 2,433,190	\$ 1,864,934	77	\$ 1,755,730	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, 2010**

with comparative totals for March 31, 2009

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Instruction	\$ 340,593	\$ 304,387	\$ 199,727	66	\$ 197,068	67
Research	292,843	305,542	198,885	65	190,877	65
Public service	297,292	302,306	220,537	73	209,216	72
Academic support	115,550	119,813	78,820	66	77,647	66
Student services	30,804	34,123	22,169	65	21,135	70
Institutional support	125,709	119,498	60,633	51	56,861	44
Student financial aid	97,616	98,743	101,783	103	91,681	99
Operation and maintenance	64,229	72,420	44,510	61	41,556	66
Mandatory transfers (debt service)	61,610	61,610	48,271	78	39,661	88
UK Hospitals	884,544	884,544	572,521	65	537,595	72
Auxiliary enterprises	128,901	130,204	102,851	79	98,805	78
Total Expenditure by Program	\$ 2,439,691	\$ 2,433,190	\$ 1,650,707	68	\$ 1,562,102	70

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

with comparative totals for March 31, 2009

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Personnel costs	\$ 1,114,016	\$ 1,120,548	\$ 928,294	83	\$ 887,293	81
Operating expenses	1,108,173	1,089,091	647,248	59	604,048	58
Mandatory transfers (debt service)	61,610	61,610	48,271	78	39,661	88
Capital outlay	155,892	161,941	26,894	17	31,100	62
Total Expenditure by Category	\$ 2,439,691	\$ 2,433,190	\$ 1,650,707	68	\$ 1,562,102	70

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

with comparative totals for March 31, 2009
(in thousands)

	<u>2009-10</u>	<u>2008-09</u>
Realized Revenues	\$ 1,769,054	\$ 1,652,502
Appropriated Fund Balances		
Current Unrestricted Fund	<u>\$ 95,880</u>	<u>103,228</u>
Total Appropriated Fund Balances	<u>95,880</u>	<u>103,228</u>
Total Revenues and Appropriated Fund Balances	1,864,934	1,755,730
Expenditures	<u>1,650,707</u>	<u>1,562,102</u>
Net Deferred Revenues and Appropriated Fund Balances	<u><u>\$ 214,227</u></u>	<u><u>\$ 193,628</u></u>