

FCR 1

Office of the President
December 1, 2009

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2009

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 2009.

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, 2009, the University had realized income of \$764,918,000 representing 31 percent of the 2009-10 estimate of \$2,439,691,000. Expenditures totaled \$591,527,000 or 24 percent of the approved budget.

Action taken: Approved Disapproved Other_____



*Consolidated Financial
Statements*

For the three months ended September 30, 2009

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
SEPTEMBER 30, 2009

with comparative totals for September 30, 2008
(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	\$ 306,493	\$ 58,744	\$ 6,636	\$ 3,292	\$ 71,097	\$ 446,262	\$ 524,328
Notes, loans, and A/R (less bad debt allowances of \$43,134)	178,987	78,893	25,549	2,500	328	286,257	284,817
Investments	17,804	139,161		782,930	50,265	990,160	1,008,317
Property, plant, and equipment, net of depreciation					1,557,263	1,557,263	1,346,664
Inventories and other assets	52,049				3,616	55,665	54,198
Total Assets	\$ 555,333	\$ 276,798	\$ 32,185	\$ 788,722	\$ 1,682,569	\$ 3,335,607	\$ 3,218,324
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 77,001	\$ 5,408	\$ 324		\$ 967	\$ 83,700	\$ 79,002
Employee withholdings and deposits		24,080				24,080	23,906
Other liabilities	15,722	9	22,034	\$ 15,760	19,469	72,994	77,918
Liability for self insurance	59,379					59,379	60,530
Deferred income	31,853	40,655				72,508	70,633
Bonds payable					495,760	495,760	514,995
Capitalized lease obligation					142,692	142,692	142,110
Total Liabilities	183,955	70,152	22,358	15,760	658,888	951,113	969,094
Interfund Balances	(76,226)	67,327		13,820	(4,921)		
Net deferred revenues and appropriated fund balances	166,931	6,460				173,391	157,693
Fund Balances							
Current unrestricted							
Working capital	274,912					274,912	265,179
Future operating purposes	5,761					5,761	5,512
Current restricted							
Loan		132,859	9,827			132,859	109,678
True endowments				517,156		517,156	532,425
Term endowments				2,899		2,899	3,330
Quasi endowments				236,378		236,378	248,496
Charitable trusts				2,311		2,311	2,768
Gift annuities				398		398	687
Plant							
Retirement of indebtedness					31,752	31,752	26,723
Renewal and replacement					21,850	21,850	21,022
Allocated for designated projects					81,119	81,119	61,709
Net investment in plant					893,881	893,881	803,747
Total Fund Balances	280,673	132,859	9,827	759,142	1,028,602	2,211,103	2,091,537
Total Liabilities and Fund Balances	\$ 555,333	\$ 276,798	\$ 32,185	\$ 788,722	\$ 1,682,569	\$ 3,335,607	\$ 3,218,324

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009**

with comparative totals for September 30, 2008
(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
State appropriations	\$ 324,616	\$ 324,616	\$ 97,310	30	\$ 96,376	30
Student fees	272,461	272,461	140,196	51	129,553	51
County appropriations	15,855	15,855	4,073	26	3,485	23
Endowment and investment income	5,518	5,518	1,498	27	2,394	22
Non governmental grants and contracts	131,000	131,000	33,241	25	29,887	27
Grants, donations, pledges						
Affiliated corporations	32,721	32,721	7,485	23	7,072	24
Other	20,549	20,584	1,743	8	1,881	8
Sales and services	24,977	24,942	5,365	22	6,829	27
Transfers	21,465	21,465	5,034	23	3,049	16
Total General Fund	849,162	849,162	295,946	35	280,526	35
Auxiliary Enterprises	70,469	70,469	21,562	31	19,729	27
Restricted Funds						
Federal appropriations	16,519	16,519	4,466	27	6,149	36
Other	133,250	133,250	33,575	25	29,709	25
Affiliated Corporations	368,364	368,364	87,243	24	82,695	23
UK Hospitals	906,262	906,262	226,462	25	187,445	25
Total Revenues	2,344,026	2,344,026	669,253	29	606,253	29
Appropriated Fund Balance						
Current unrestricted fund	95,665	95,665	95,665	100	81,155	100
Total Revenues and Appropriated Fund Balance	\$ 2,439,691	\$ 2,439,691	\$ 764,918	31	\$ 687,408	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, 2009**

with comparative totals for September 30, 2008

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Instruction	\$ 340,593	\$ 338,893	\$ 57,332	17	\$ 57,138	18
Research	292,843	293,356	63,351	22	60,252	21
Public service	297,292	297,201	67,215	23	62,017	22
Academic support	115,550	116,237	25,626	22	26,040	23
Student services	30,804	30,850	7,872	26	7,675	27
Institutional support	125,709	126,919	36,274	29	29,147	26
Student financial aid	97,616	97,717	48,496	50	43,766	47
Operation and maintenance	64,229	63,463	15,198	24	13,859	23
Mandatory transfers (debt service)	61,610	61,610	38,376	62	31,322	69
UK Hospitals	884,544	884,544	198,010	22	167,904	23
Auxiliary enterprises	128,901	128,901	33,777	26	30,595	24
Total Expenditure by Program	\$ 2,439,691	\$ 2,439,691	\$ 591,527	24	\$ 529,715	24

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009**

with comparative totals for September 30, 2008

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Personnel costs	\$ 1,114,016	\$ 1,118,267	\$ 311,236	28	\$ 290,697	27
Operating expenses	1,108,173	1,098,849	212,181	19	198,099	19
Mandatory transfers (debt service)	61,610	61,610	38,376	62	31,322	69
Capital outlay	155,892	160,965	29,735	18	9,597	20
Total Expenditure by Category	\$ 2,439,691	\$ 2,439,691	\$ 591,527	24	\$ 529,715	24

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2009**

with comparative totals for September 30, 2008
(in thousands)

	<u>2009-10</u>	<u>2008-09</u>
Realized Revenues	\$ 669,253	\$ 606,253
Appropriated Fund Balances		
Current Unrestricted Fund	<u>\$ 95,665</u>	<u>81,155</u>
Total Appropriated Fund Balances	<u>95,665</u>	<u>81,155</u>
Total Revenues and Appropriated Fund Balances	764,918	687,408
Expenditures	<u>591,527</u>	<u>529,715</u>
Net Deferred Revenues and Appropriated Fund Balances	<u>\$ 173,391</u>	<u>\$ 157,693</u>