

FCR 2

Office of the President
March 9, 2010

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE SIX MONTHS ENDED
DECEMBER 31, 2009

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 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 December 31, 2009, the University had realized income of \$1,243,447,000 representing 51 % of the 2009-10 estimate of \$2,433,190,000. Expenditures total \$1,070,340,000 or 44 % of the approved budget.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the six months ended December 31, 2009

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
DECEMBER 31, 2009

with comparative totals for December 31, 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	\$ 326,238	\$ 39,353	\$ 7,469	\$ 2,988	\$ 133,815	\$ 509,863	\$ 493,475
Notes, loans, and A/R (less bad debt allowances of \$45,401)	169,915	80,673	24,529	2,500	172	277,789	277,302
Investments	20,635	145,333		824,744	29,752	1,020,464	879,667
Property, plant, and equipment, net of depreciation					1,615,673	1,615,673	1,408,375
Inventories and other assets	50,832				3,929	54,761	53,827
Total Assets	\$ 567,620	\$ 265,359	\$ 31,998	\$ 830,232	\$ 1,783,341	\$ 3,478,550	\$ 3,112,646
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 71,436	\$ 3,578	\$ 286		\$ 2,114	\$ 77,414	\$ 91,812
Employee withholdings and deposits		15,326				15,326	14,864
Other liabilities	15,893	9	22,034	\$ 29,610	22,851	90,397	79,989
Liability for self insurance	55,727					55,727	58,558
Deferred income	44,755	41,832				86,587	68,610
Bonds payable					586,405	586,405	509,725
Capitalized lease obligation					152,314	152,314	138,315
Total Liabilities	187,811	60,745	22,320	29,610	763,684	1,064,170	961,873
Interfund Balances	(70,129)	68,129		13,820	(11,820)		
Net deferred revenues and appropriated fund balances	169,481	3,626				173,107	157,744
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	9,678			132,859	109,678
True endowments				535,676		535,676	441,292
Term endowments				2,989		2,989	2,582
Quasi endowments				244,944		244,944	196,915
Charitable trusts				2,663		2,663	775
Gift annuities				530		530	369
Plant							
Retirement of indebtedness					16,822	16,822	11,186
Renewal and replacement					26,204	26,204	22,191
Allocated for designated projects					135,613	135,613	147,834
Net investment in plant					852,838	852,838	801,382
Total Fund Balances	280,457	132,859	9,678	786,802	1,031,477	2,241,273	1,993,029
Total Liabilities and Fund Balances	\$ 567,620	\$ 265,359	\$ 31,998	\$ 830,232	\$ 1,783,341	\$ 3,478,550	\$ 3,112,646

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

with comparative totals for December 31, 2008
(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
State appropriations	\$ 324,616	\$ 294,137	\$ 161,775	55	\$ 176,689	55
Student fees	272,461	272,461	142,023	52	133,194	53
County appropriations	15,855	15,855	8,844	56	7,780	51
Endowment and investment income	5,518	5,518	2,745	50	5,003	45
Non governmental grants and contracts	131,000	131,000	63,072	48	58,687	53
Grants, donations, pledges						
Affiliated corporations	32,721	32,721	14,881	45	13,842	47
Other	20,549	20,584	2,133	10	2,093	9
Sales and services	24,977	24,785	10,129	41	11,703	46
Transfers	21,465	22,102	11,545	52	10,070	54
Total General Fund	849,162	819,163	417,147	51	419,061	52
Auxiliary Enterprises	70,469	71,772	40,334	56	38,138	52
Restricted Funds						
Federal appropriations	16,519	17,387	8,226	47	9,587	55
State Fiscal Stabilization Fund	-	21,067	21,067	100	-	-
Other	133,250	133,295	50,218	38	46,087	39
Affiliated Corporations	368,364	368,364	194,882	53	177,228	50
UK Hospitals	906,262	906,262	415,692	46	384,230	51
Total Revenues	2,344,026	2,337,310	1,147,567	49	1,074,331	51
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	\$ 1,243,447	51	\$ 1,177,559	53

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

with comparative totals for December 31, 2008

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Instruction	\$ 340,593	\$ 311,353	\$ 129,124	41	\$ 126,638	43
Research	292,843	307,106	127,478	42	122,913	42
Public service	297,292	298,441	141,464	47	135,447	47
Academic support	115,550	119,509	51,088	43	49,515	43
Student services	30,804	32,953	14,856	45	14,389	48
Institutional support	125,709	119,264	42,812	36	39,622	31
Student financial aid	97,616	98,539	53,158	54	47,951	52
Operation and maintenance	64,229	69,667	28,524	41	28,461	45
Mandatory transfers (debt service)	61,610	61,610	43,425	70	34,737	77
UK Hospitals	884,544	884,544	368,613	42	356,553	48
Auxiliary enterprises	128,901	130,204	69,798	54	63,589	50
Total Expenditure by Program	\$ 2,439,691	\$ 2,433,190	\$ 1,070,340	44	\$ 1,019,815	46

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

with comparative totals for December 31, 2008

(in thousands)

	2009-10				2008-09	
	Original Budget	Revised Budget	Expended To Date	%	Expended To Date	%
Personnel costs	\$ 1,114,016	\$ 1,120,649	\$ 611,249	55	\$ 581,721	53
Operating expenses	1,108,173	1,088,983	398,931	37	385,283	37
Mandatory transfers (debt service)	61,610	61,610	43,425	70	34,737	77
Capital outlay	155,892	161,948	16,734	10	18,074	36
Total Expenditure by Category	\$ 2,439,691	\$ 2,433,190	\$ 1,070,340	44	\$ 1,019,815	46

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2009**

with comparative totals for December 31, 2008
(in thousands)

	<u>2009-10</u>	<u>2008-09</u>
Realized Revenues	\$ 1,147,567	\$ 1,074,331
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	1,243,447	1,177,559
Expenditures	<u>1,070,340</u>	<u>1,019,815</u>
Net Deferred Revenues and Appropriated Fund Balances	<u><u>\$ 173,107</u></u>	<u><u>\$ 157,744</u></u>