

# FCR 1

Office of the President  
May 6, 2003

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE  
UNIVERSITY OF KENTUCKY FOR NINE MONTHS ENDED  
MARCH 31, 2003

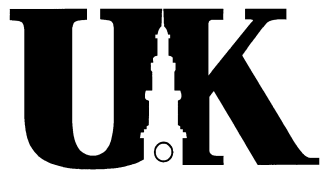
Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2003.

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 Health Care Collection Service.

As of March 31, 2003, the University had realized income of \$1,080,260,000 representing 80% of the 2002-03 estimate of \$1,350,054,000. Expenditures and commitments total \$977,706,000 or 72% of the approved budget of \$1,350,054,000.

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



*Consolidated Financial  
Statements*

*For the nine months ended March 31, 2003*

**CONSOLIDATED BALANCE SHEET**  
**UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS**  
**MARCH 31, 2003**

with comparative totals for March 31, 2002  
(in thousands)

	2002-03					2001-02	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ 145,249		\$ 5,950	\$ 268	\$ 229,562	\$ 381,029	\$ 368,717
Notes, loans, and A/R (less bad debt allowances of \$52,562)	109,938	\$ 28,947	22,916	1,331	5,389	168,521	171,598
Investments	39,240	130,873		384,724	43,636	598,473	658,395
Property, plant, and equipment, net of depreciation					875,806	875,806	845,338
Inventories and other	14,183	278				14,461	14,144
<b>Total Assets</b>	<b>\$ 308,610</b>	<b>\$ 160,098</b>	<b>\$ 28,866</b>	<b>\$ 386,323</b>	<b>\$ 1,154,393</b>	<b>\$ 2,038,290</b>	<b>\$ 2,058,192</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts payable	\$ 39,283	\$ 5,777	\$ 506		\$ 1,105	\$ 46,671	\$ 33,766
Employee withholdings and deposits		22,203				22,203	22,223
Other liabilities	5,794	1,591	20,215	\$ 5,670	2,576	35,846	36,632
Liability for self insurance	51,371					51,371	54,058
Deferred income	16,191	20,947				37,138	35,149
Bonds payable					208,606	208,606	227,301
Capitalized lease obligation					48,806	48,806	45,773
<b>Total Liabilities</b>	<b>112,639</b>	<b>50,518</b>	<b>20,721</b>	<b>5,670</b>	<b>261,093</b>	<b>450,641</b>	<b>454,902</b>
Interfund Balances	(60,920)	52,579		12,353	(4,012)		
Net deferred revenues and appropriated fund balances	112,926	(2,538)				110,388	91,316
<b>Fund Balances</b>							
<b>Current unrestricted</b>							
Working capital	133,136					133,136	156,051
Future operating purposes	7,849					7,849	6,674
Other	2,980					2,980	1,246
<b>Current restricted</b>		<b>59,539</b>				<b>59,539</b>	<b>58,979</b>
Loan			8,145			8,145	7,894
<b>True endowments</b>				<b>312,220</b>		<b>312,220</b>	<b>357,520</b>
Term endowments				2,695		2,695	3,228
<b>Quasi endowments</b>				<b>52,541</b>		<b>52,541</b>	<b>67,835</b>
Charitable trusts				680		680	1,845
Gift annuities				164		164	-
<b>Plant</b>							
Retirement of indebtedness					24,841	24,841	27,382
Renewal and replacement					117,085	117,085	78,219
Allocated for designated projects					153,928	153,928	193,666
Net investment in plant					601,458	601,458	551,435
<b>Total Fund Balances</b>	<b>143,965</b>	<b>59,539</b>	<b>8,145</b>	<b>368,300</b>	<b>897,312</b>	<b>1,477,261</b>	<b>1,511,974</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 308,610</b>	<b>\$ 160,098</b>	<b>\$ 28,866</b>	<b>\$ 386,323</b>	<b>\$ 1,154,393</b>	<b>\$ 2,038,290</b>	<b>\$ 2,058,192</b>

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2003**

with comparative totals for March 31, 2002  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
<b>General Fund</b>						
(1) State appropriations	\$ 313,431	\$ 313,431	\$ 250,596	80	\$ 239,228	74
(2) Student fees	139,852	139,886	138,229	99	126,519	97
(3) County appropriations	9,070	9,883	7,585	77	6,434	72
(4) Trust income	876	876	678	77	615	74
(5) Investment income	10,707	10,707	7,504	70	7,848	70
(6) Non governmental grants and contracts	84,600	84,613	55,634	66	51,417	64
(7) Grants, donations, pledges						
Affiliated corporations	19,717	20,135	14,821	74	16,335	104
Other	6,930	12,974	12,968	100	5,361	68
(8) Sales and services	35,098	29,173	25,241	87	25,060	86
(9) Fund balance	21,837	29,181	29,181	100	20,115	100
(10) Total General Fund	642,118	650,859	542,437	83	498,932	80
(11) Auxiliary Enterprises	43,242	43,278	40,732	94	38,244	93
<b>Restricted Funds</b>						
(12) Federal appropriations	16,078	16,078	10,259	64	11,977	74
(13) Other	86,562	86,597	64,343	74	53,768	65
(14) Affiliated Corporations	232,024	232,153	170,967	74	160,422	77
(15) Hospital						
Revenues	321,089	321,089	251,521	78	237,140	75
(16) Fund balance						
(17) Total Revenues and Appropriated Fund Balances	<u>\$ 1,341,113</u>	<u>\$ 1,350,054</u>	<u>\$ 1,080,260</u>	80	<u>\$ 1,000,483</u>	77

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2003**

with comparative totals for March 31, 2002  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 269,420	\$ 270,237	\$ 184,879	68	\$ 180,390	69
(2) Research	208,439	207,692	143,621	69	130,594	71
(3) Public service	170,278	167,657	122,240	73	116,691	71
(4) Academic support	83,577	84,550	57,647	68	59,005	74
(5) Student services	19,989	21,533	15,504	72	15,030	62
(6) Institutional support	52,962	58,484	36,773	63	32,704	62
(7) Student financial aid	63,554	65,350	68,266	104	56,614	101
(8) Operation and maintenance	49,750	51,371	36,522	71	32,858	68
(9) Mandatory transfers (debt service)	19,451	19,451	16,912	87	18,574	88
(10) Hospital	319,460	319,460	220,464	69	205,050	65
(11) Auxiliary enterprises	84,233	84,269	74,878	89	70,699	87
(12) Total Expenditure by Program	<u>\$ 1,341,113</u>	<u>\$ 1,350,054</u>	<u>\$ 977,706</u>	72	<u>\$ 918,209</u>	71

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2003**

with comparative totals for March 31, 2002  
(in thousands)

	2002-03				2001-02	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 781,258	\$ 776,013	\$ 549,109	71	\$ 521,087	73
(14) Operating expenses	493,537	502,276	370,436	74	337,567	67
(15) Mandatory transfers (debt service)	30,723	30,723	21,149	69	23,113	70
(16) Capital outlay	35,595	41,042	37,011	90	36,442	84
(17) Total Expenditure by Category	<u>\$ 1,341,113</u>	<u>\$ 1,350,054</u>	<u>\$ 977,706</u>	72	<u>\$ 918,209</u>	71

**CONSOLIDATED SUMMARY OF NET DEFERRED REVENUES AND APPROPRIATED FUND BALANCES  
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS  
FOR THE NINE MONTHS ENDED MARCH 31, 2003**

with comparative totals for March 31, 2002  
(in thousands)

	<u>2002-03</u>	<u>2001-02</u>
(1) <b>Realized Revenues</b>	\$ 1,051,079	\$ 980,368
<b>Appropriated Fund Balances</b>		
(2) Current Unrestricted Fund	\$ 29,181	20,115
(3) University Hospital	<u>                    </u>	<u>                    </u>
(4) Total Appropriated Fund Balances	<u>29,181</u>	<u>20,115</u>
(5) Total Revenues and Appropriated Fund Balances	1,080,260	1,000,483
(6) <b>Expenditures/Encumbrances</b>	977,706	918,209
(7) Less: Reserve for Encumbrances	<u>(7,834)</u>	<u>(9,042)</u>
(8) Total Expenditures	<u>969,872</u>	<u>909,167</u>
(9) <b>Net Deferred Revenues and Appropriated Fund Balances</b>	<u>\$ 110,388</u>	<u>\$ 91,316</u>