

FCR 26

Office of the President
May 10, 2005

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE
UNIVERSITY OF KENTUCKY FOR THE NINE MONTHS ENDED
MARCH 31, 2005

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2005.

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, 2005, the University had realized income of \$1,213,169,000 representing 82 percent of the 2004-05 estimate of \$1,487,019,000. Expenditures and commitments total \$1,066,883,000 or 72 percent of the approved budget of \$1,487,019,000.

Action taken: Approved Disapproved Other _____



*Consolidated Financial
Statements*

For the nine months ended March 31, 2005

CONSOLIDATED BALANCE SHEET
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
MARCH 31, 2005

with comparative totals for March 31, 2004
(in thousands)

	2004-05					2003-04	
	Current Unrestricted Funds	Current Restricted Funds	Loan Funds	Endowment Funds	Plant Funds	Totals	Totals
ASSETS							
Cash and cash equivalents	\$ 169,009		\$ 4,551	\$ 1,440	\$ 254,636	\$ 429,636	\$ 421,356
Notes, loans, and A/R (less bad debt allowances of \$17,526)	86,585	\$ 33,939	26,400	500	355	147,779	159,808
Investments	51,863	114,724		541,417	46,765	754,769	727,225
Property, plant, and equipment, net of depreciation					1,019,689	1,019,689	944,425
Inventories and other	16,440	183				16,623	16,043
Total Assets	\$ 323,897	\$ 148,846	\$ 30,951	\$ 543,357	\$ 1,321,445	\$ 2,368,496	\$ 2,268,857
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable	\$ 30,235	\$ 1,791	\$ 987		\$ 694	\$ 33,707	\$ 36,468
Employee withholdings and deposits		14,455				14,455	8,425
Other liabilities	9,205	492	21,414	\$ 5,460	2,021	38,592	38,010
Liability for self insurance	57,259					57,259	53,119
Deferred income	23,903	22,780				46,683	39,344
Bonds payable					277,260	277,260	287,560
Capitalized lease obligation					43,086	43,086	45,453
Total Liabilities	120,602	39,518	22,401	5,460	323,061	511,042	508,379
Interfund Balances	(66,976)	48,697		13,667	4,612		
Net deferred revenues and appropriated fund balances	156,533	(2,622)				153,911	126,712
Fund Balances							
Current unrestricted							
Working capital	107,229					107,229	122,580
Future operating purposes	6,509					6,509	4,920
Other						-	8,133
Current restricted							
Loan		63,253	8,550			63,253	61,457
True endowments				450,179		450,179	416,566
Term endowments				3,003		3,003	3,489
Quasi endowments				68,194		68,194	71,411
Charitable trusts				2,436		2,436	2,781
Gift annuities				418		418	443
Plant							
Retirement of indebtedness					21,206	21,206	15,108
Renewal and replacement					168,836	168,836	140,499
Allocated for designated projects					76,115	76,115	112,337
Net investment in plant					727,615	727,615	665,605
Total Fund Balances	113,738	63,253	8,550	524,230	993,772	1,703,543	1,633,766
Total Liabilities and Fund Balances	\$ 323,897	\$ 148,846	\$ 30,951	\$ 543,357	\$ 1,321,445	\$ 2,368,496	\$ 2,268,857

**CONSOLIDATED STATEMENT OF CURRENT FUNDS REVENUES AND APPROPRIATED FUND BALANCES
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2005**

with comparative totals for March 31, 2004

(in thousands)

	2004-05				2003-04	
	Original Budget	Revised Budget	Realized To Date	%	Realized To Date	%
General Fund						
(1) State appropriations	\$ 295,808	\$ 295,808	\$ 228,795	77	\$ 240,854	78
(2) Student fees	171,815	172,159	170,049	99	160,007	101
(3) County appropriations	10,897	12,024	8,361	70	6,688	61
(4) Endowment and investment income	3,740	3,740	4,207	112	6,311	88
(5) Non governmental grants and contracts	89,538	89,589	61,137	68	58,274	69
(6) Grants, donations, pledges						
Affiliated corporations	23,896	23,896	17,613	74	15,185	72
Other	1,617	1,617	1,368	85	3,067	86
(7) Sales and services	21,216	20,284	20,865	103	24,846	74
(8) Transfers	13,979	16,874	11,111	66	4,609	63
(9) Fund balance	27,018	39,241	39,241	100	32,557	100
(10) Total General Fund	659,524	675,232	562,749	83	552,398	83
(11) Auxiliary Enterprises	56,975	57,322	49,850	87	44,529	91
Restricted Funds						
(12) Federal appropriations	15,861	15,861	12,017	76	12,046	75
(13) Other	97,367	88,429	62,707	71	67,240	69
(14) Affiliated Corporations	286,848	287,270	219,029	76	196,033	75
(15) Hospital						
Revenues	362,905	362,905	306,818	85	259,101	81
(16) Fund balance						
(17) Total Revenues and Appropriated Fund Balances	<u>\$ 1,479,480</u>	<u>\$ 1,487,019</u>	<u>\$ 1,213,169</u>	82	<u>\$ 1,131,347</u>	80

**CONSOLIDATED STATEMENT OF CURRENT FUNDS EXPENDITURE SUMMARY BY PROGRAM - ALL FUNDS
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2005**

with comparative totals for March 31, 2004
(in thousands)

	2004-05				2003-04	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(1) Instruction	\$ 271,916	\$ 270,738	\$ 175,786	65	\$ 187,659	68
(2) Research	250,388	251,121	163,667	65	155,101	66
(3) Public service	184,595	186,943	143,733	77	128,670	73
(4) Academic support	77,893	81,557	47,504	58	52,344	65
(5) Student services	20,867	21,290	15,271	72	16,154	66
(6) Institutional support	59,971	71,188	39,854	56	39,683	67
(7) Student financial aid	74,925	65,713	75,717	115	80,168	107
(8) Operation and maintenance	47,013	46,209	32,784	71	34,643	70
(9) Mandatory transfers (debt service)	18,676	18,676	17,573	94	13,633	82
(10) Hospital	365,099	365,099	268,700	74	225,337	70
(11) Auxiliary enterprises	108,137	108,485	86,293	80	80,167	84
(12) Total Expenditure by Program	<u>\$ 1,479,480</u>	<u>\$ 1,487,019</u>	<u>\$ 1,066,883</u>	72	<u>\$ 1,013,559</u>	72

**EXPENDITURE SUMMARY BY CATEGORY OF EXPENDITURE
UNIVERSITY OF KENTUCKY AND AFFILIATED CORPORATIONS
FOR THE NINE MONTHS ENDED MARCH 31, 2005**

with comparative totals for March 31, 2004
(in thousands)

	2004-05				2003-04	
	Original Budget	Revised Budget	Expended/ Encumbered To Date	%	Expended/ Encumbered To Date	%
(13) Personnel costs	\$ 832,263	\$ 829,707	\$ 577,090	70	\$ 566,381	72
(14) Operating expenses	574,526	576,163	435,225	76	393,269	72
(15) Mandatory transfers (debt service)	29,945	29,945	22,227	74	16,333	58
(16) Capital outlay	42,746	51,204	32,341	63	37,576	83
(17) Total Expenditure by Category	<u>\$ 1,479,480</u>	<u>\$ 1,487,019</u>	<u>\$ 1,066,883</u>	72	<u>\$ 1,013,559</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, 2005**

with comparative totals for March 31, 2004
(in thousands)

	<u>2004-05</u>	<u>2003-04</u>
(1) Realized Revenues	\$ 1,173,928	\$ 1,098,790
Appropriated Fund Balances		
(2) Current Unrestricted Fund	\$ 39,241	32,557
(3) University Hospital	<u> </u>	<u> </u>
(4) Total Appropriated Fund Balances	<u>39,241</u>	<u>32,557</u>
(5) Total Revenues and Appropriated Fund Balances	1,213,169	1,131,347
(6) Expenditures/Encumbrances	1,066,883	1,013,559
(7) Less: Reserve for Encumbrances	<u>(7,625)</u>	<u>(8,924)</u>
(8) Total Expenditures	<u>1,059,258</u>	<u>1,004,635</u>
(9) Net Deferred Revenues and Appropriated Fund Balances	<u>\$ 153,911</u>	<u>\$ 126,712</u>