

Minutes of the Meeting of the Board of Trustees of the University of Kentucky, Tuesday, September 20, 1983.

The Board of Trustees of the University of Kentucky met in regular statutory session at 2 p.m. (Eastern Daylight Time) on Tuesday, September 20, 1983 in the Board Room on the 18th floor of the Patterson Office Tower on the Lexington Campus.

A. Meeting Opened and Roll Called

Mr. William B. Sturgill, Chairman, called the meeting to order at 2:12 p.m., and the invocation was pronounced by Mr. William R. Black.

The following members of the Board of Trustees answered the call of the roll: Mr. William B. Sturgill (Chairman), Mr. Thomas P. Bell, Mr. William R. Black, Mr. David T. Bradford, Professor Timothy A. Cantrell, Governor Albert Benjamin Chandler (Honorary Trustee), Mr. Albert G. Clay, Mr. Tracy Farmer, Mr. Ronald G. Geary, Mr. George W. Griffin, Jr., Mrs. Edythe Jones Hayes, Mr. Brereton C. Jones, Mr. R. Larry Jones, Professor James D. Kemp, Mr. T. A. Lassetter, Mr. Frank Ramsey, Jr., Mr. Robert E. Watson, and Professor Constance P. Wilson. Absent from the meeting were Mr. W. Bruce Lunsford, Mr. Robert T. McCowan, and Mr. A. Stevens Miles. The University administration was represented by President Otis A. Singletary; Mr. James O. King, Vice President for Administration; Chancellors Peter P. Bosomworth, Art Gallaher, and Charles T. Wethington; Dr. Raymond R. Hornback, Vice President for University Relations; Mr. David I. Carter, Special Assistant for Business and Financial Affairs; Mr. John C. Darsie, General Counsel; Mr. Henry Clay Owen, Controller and Treasurer; and Dr. Paul G. Sears, Special Assistant for Academic Affairs.

Members of the various news media were also in attendance. A quorum being present, the Chairman declared the meeting officially open for the conduct of business at 2:14 p.m.

B. Minutes Approved

The Minutes of the August 26, 1983 meeting of the Board of Trustees were approved as written.

C. Nominating Committee Report

Under the Governing Regulations, officers of the Board and the Executive Committee are elected annually at the September meeting. Mr. Sturgill, who had appointed a Nominating Committee which was composed of Mr. Frank Ramsey, Jr., Mr. Thomas P. Bell, and Mr. William R. Black, called on the chairman of the committee, Mr. Ramsey, to present the committee's recommendations.

Mr. Ramsey placed in nomination for Secretary of the Board the name of Mr. George W. Griffin, Jr. There being no nominations from the floor, Mr. Ramsey moved that Mr. Griffin be elected Secretary. His motion was seconded by Mr. Bell and passed without dissent.

Mr. Ramsey next placed the name of Mr. Albert G. Clay in nomination for Vice Chairman of the Board. His motion was seconded by Mr. Bell. There were no nominations from the floor, and the motion was adopted unanimously.

Since the next office was for the chairmanship of the Board, Mr. Sturgill asked that Mr. Clay assume the Chair. Mr. Clay asked Mr. Ramsey to continue his report, and Mr. Ramsey placed in nomination the name of Mr. William B. Sturgill for Chairman of the Board and moved acceptance of the nomination. His motion was seconded by Mr. Black and, there being no nominations from the floor, Mr. Sturgill was elected Chairman of the Board by acclamation.

Mr. Sturgill resumed the Chair, and Mr. Ramsey continued his report by placing in nomination for membership on the Executive Committee the names of Mr. William B. Sturgill, Mr. Albert G. Clay, Mr. William R. Black, Mr. A. Stevens Miles, and Mr. Tracy Farmer, with Mr. Sturgill as Chairman. There being no nominations from the floor, on motion duly made, seconded, and carried, the slate was elected.

Mr. Sturgill thanked Mr. Ramsey and the other members of the Nominating Committee for their report.

D. Committees Appointed

Mr. Sturgill announced the following committee appointments for 1983-84:

FINANCE

Albert G. Clay, Chairman  
Tracy Farmer  
George W. Griffin, Jr.  
Brereton C. Jones  
Robert T. McCowan  
William B. Sturgill

STUDENT CODE

George W. Griffin, Jr., Chairman  
Thomas P. Bell  
David T. Bradford  
R. Larry Jones  
Robert E. Watson  
Constance P. Wilson

INVESTMENT

Ronald G. Geary, Chairman  
Albert G. Clay  
T. A. Lassetter  
W. Bruce Lunsford  
Frank Ramsey, Jr.

HEARING

Thomas P. Bell, Chairman  
William R. Black  
Timothy A. Cantrell  
Edythe Jones Hayes  
R. Larry Jones  
James D. Kemp  
W. Bruce Lunsford

HONORARY DEGREE

A. Stevens Miles

COUNCIL OF SUPERVISORS,  
UNIVERSITY HOSPITAL

Albert Benjamin Chandler, ex officio

E. President's Report to the Trustees (PR 1)

President Singletary called attention to his monthly report to the Trustees, copies of which had been distributed earlier, and recommended its acceptance. Without objection, it was so ordered.

F. Personnel Actions (PR 2)

After noting that the personnel actions in PR 2 were routine in nature, President Singletary recommended its approval. Without discussion, on motion made by Mr. Clay, seconded by Mr. Larry Jones, and carried, the appointments and staff changes recommended in PR 2 were approved. (See PR 2 at the end of the Minutes.)

G. Supplemental Recommendations of the President (PR 3A)

There were no supplemental recommendations.

H. 1983-84 Budget Revisions (PR 3B)

With President Singletary so recommending, on motion by Mr. Bradford and second by Mr. Black, the proposed routine revisions in the 1983-84 budget were authorized and approved. (See PR 3B at the end of the Minutes.)

I. Associate Degree Program in the Community College System (PR 4A)

President Singletary recommended that the Board authorize for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science in Industrial-Electrical Technology, for the Jefferson Community College, Southwest Campus. Professor Cantrell so moved. His motion was seconded by Mr. Watson and passed without dissent. (See PR 4A at the end of the Minutes.)

J. Naming of University Building (PR 4B)

President Singletary indicated his pleasure in recommending that the Board approve the name MITCHELL B. DENHAM BUILDING for the academic/technical building under construction at Maysville Community College. He pointed out that the late Dr. Denham was the individual most responsible for a community college being located in Maysville, and he spoke highly of Dr. Denham's loyalty and support of the College. President Singletary told the Trustees that the recommendation has the support of the faculty, staff and students and the strong support of the Maysville Community College Advisory Board.

On motion made by Mr. Black, seconded by Mrs. Hayes, and passed unanimously, approval was given to name the new building at Maysville Community College the MITCHELL B. DENHAM BUILDING. (See PR 4B at the end of the Minutes.)

K. Appointments to University of Kentucky Mining Engineering Foundation (PR 5A)

With President Singletary so recommending, on motion made by Mr. Clay, seconded by Mr. Griffin, and passed without dissent, the following members were appointed to the University of Kentucky Mining Engineering Foundation:

PUBLIC-AT-LARGE-MEMBERS

Stephen G. Allen  
Stonie Barker, Jr.  
Raymond A. Bradbury  
Catesby W. Clay  
Thomas D. Duncan  
Lawrence E. Forgy, Jr.  
Robert E. Garbesi  
Harry Laviers  
D. J. Patton, Jr.  
Paul E. Patton  
William R. Stamler  
Elmer Whitaker

FACULTY MEMBERS

Lyle V. A. Sendlein  
Konstanty F. Unrug

BOARD OF TRUSTEES MEMBERS

Frank Ramsey, Jr.  
William B. Sturgill

President Singletary indicated that additional names will be submitted at a later date. (See PR 5A at the end of the Minutes.)

L. Acceptance of Audit Reports for the University of Kentucky for 1982-83 (FCR 1)

Mr. Clay, Chairman of the Finance Committee, reported that the committee had met on the morning of September 20 and considered two agenda items to be presented for action. He stated that the Finance Committee reviewed the summary financial statements audited for the year ended June 30, 1983 by Arthur Andersen & Company and found everything to be in order. He then recommended that the Board of Trustees accept the University of Kentucky summary audit report for fiscal year 1982-83, consisting of the Accountant's Report from Arthur Andersen & Company, Balance Sheets, Statement of Current Funds Revenues, Expenditures and Transfers, Statement of Changes in Fund Balances, Summary of Significant Accounting Policies, Notes to the Financial Statements, and a Cash Reconciliation. Mr. Clay noted that a comprehensive annual financial report and a management letter will be submitted in October, 1983. Mr. Clay's motion was seconded by Mr. Farmer and carried without dissent. (See FCR 1 at the end of the Minutes.)

M. Resolution Amending and Affirming the Authorization and Accepting the Successful Bid for the \$3,500,000 University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E (FCR 2)

Thereupon, a motion was made by Mr. Clay and seconded by Mr. Griffin that the following titled Resolution, which was read in summary form to the Board of Trustees, be passed and adopted:

RESOLUTION AMENDING AND AFFIRMING THE AUTHORIZATION AND ACCEPTING THE SUCCESSFUL BID FOR THE \$3,500,000 UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BOND ANTICIPATION NOTES, SERIES E

(The full Resolution being attached to these Minutes as Exhibit 1.)

WHEREUPON, a vote being taken on the motion, the result was as follows:

<u>Yeas</u>	<u>Nays</u>
William B. Sturgill	None
Thomas P. Bell	
William R. Black	
David T. Bradford	
Timothy A. Cantrell	
Albert G. Clay	
Tracy Farmer	
Ronald G. Geary	
George W. Griffin, Jr.	
Edythe Jones Hayes	
Brereton C. Jones	
R. Larry Jones	
James D. Kemp	
T. A. Lassetter	
Frank Ramsey, Jr.	
Robert E. Watson	
Constance P. Wilson	

Thereupon, the Chairman declared that the motion had carried and that the Resolution had been passed and adopted and directed that the same be recorded in the Minutes of the Board. (See FCR 2 at the end of the Minutes.)

N. Report of Investments (ICR 1)

Acting on the recommendation of the Investment Committee, Mr. Geary moved that the report of changes made in investments for the University of Kentucky and its Affiliated Corporations for the three months ended June 30, 1983 be accepted. Mr. Geary's motion was seconded by Mr. Ramsey and passed without dissent. (See ICR 1 at the end of the Minutes.)

O. Meeting Adjourned

There being no further business, the meeting was adjourned at 2:26 p.m.

Respectfully submitted,

George W. Griffin, Jr.  
Secretary  
Board of Trustees

(PR's 2, 3B, 4A, 4B, and 5A; and FCR's 1, and 2 (Exhibit 1); and ICR 1 which follow are official parts of the Minutes of the meeting.)

PR 2

Members, Board of Trustees:

PERSONNEL ACTIONS

Recommendations: (1) that approval be given to the attached appointments and/or other staff changes which require Board action; and (2) that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: The attached recommended appointments and/or other staff changes require approval by the Board of Trustees in accordance with Part VIII-B of the Governing Regulations of the University. These recommendations are transmitted to the Board by the appropriate chancellor through the President and have his concurrence.

Under the Governing Regulations, the authority to make certain appointments and/or other staff changes is delegated to the President or other administrators who are required to report their actions to the Board. This report follows the recommendations requiring Board approval.

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

Date:   September 20  , 1983



COMMUNITY COLLEGE SYSTEM

I. BOARD ACTION

A. LEAVE OF ABSENCE

Ashland Community College

Pyles, Sarah P., Associate Professor in the Community College System (with tenure), Sick Leave, 8/3/83 through 9/30/83.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

Ashland Community College

Shields, Theodore C., Instructor in the Community College System, 8/1/83 through 6/30/84.

Hazard Community College

Coleman, Beverly, Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Jefferson Community College

Early, Glen A., Instructor in the Community College System, 8/1/83 through 6/30/84.

Eubanks, Sandra, Assistant Professor in the Community College System, 8/1/83 through 6/30/84.

Meredith, Barbara M., Instructor in the Community College System, 8/1/83 through 6/30/84.

Miller, Sarah, Instructor in the Community College System, 8/1/83 through 12/31/83.

Madisonville Community College

Smith, Joan T., Instructor in the Community College System, 8/1/83 through 6/30/84.

Paducah Community College

Harris, Peggy L., Instructor in the Community College System, 8/10/83 through 6/30/84.

Prestonsburg Community College

Barrentine, Carl D., Assistant Professor in the Community College System, 8/1/83 through 6/30/84.

Trimble, Dawn M., Instructor in the Community College System, 8/1/83 through 6/30/84.

Southeast Community College

Fraley, Douglas A., Instructor in the Community College System, 7/25/83 through 6/30/84.

Van Camp, Robert M., Instructor in the Community College System, 8/1/83 through 6/30/84.

B. ADMINISTRATIVE APPOINTMENTS

Lexington Technical Institute

Blake, Robert, Associate Professor in the Community College System, appointed Acting Associate Director, 8/24/83 through 6/30/84.

Connell, James, Associate Professor in the Community College System, appointed Acting Chairman of Division of Engineering and Related Technologies, 8/24/83 through 5/31/84.

C. REAPPOINTMENTS

Hazard Community College

Caudill, Jim S., Instructor in the Community College System (voluntary), 8/1/83 through 6/30/84.

Combs, Stephen D., Instructor in the Community College System (voluntary), 8/1/83 through 6/30/84.

Fields, Deborah C., Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Gabbard, Elmer T., Jr., Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Hall, Jeanette M., Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Jones, Carol, Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Lowe, Catherine K., Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Meador, S. M. Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Pennington, R. L., Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Steele, Marcus, Instructor in the Community College System (voluntary), 8/1/83 through 5/31/84.

Somerset Community College

Davidson, Betty, Instructor in the Community College  
System (voluntary), 8/1/83 through 5/31/84.

Pearson, Dale, Instructor in the Community College  
System (voluntary), 8/1/83 through 6/30/84.

LEXINGTON CAMPUS

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Arts and Sciences

Stiles, Martin, Adjunct Professor, Chemistry, 7/1/83 through 6/30/85.

College of Business and Economics

Ohn, Byunghoon, Professor (part-time), Economics, 8/16/83 through 12/31/83.

College of Education

Baird, Leonard, Professor (with tenure), Higher Education, effective 8/16/83.

College of Engineering

Akyurtlu, Ates, Visiting Associate Professor, Chemical Engineering, 8/1/83 through 7/31/84.

B. ADMINISTRATIVE APPOINTMENTS

College of Education

Omvig, Clayton, Professor (with tenure), Vocational Education, appointed Chairman, Vocational Education, 7/1/83 through 6/30/87.

College of Engineering

Leigh, Donald C., Professor (with tenure), Engineering Mechanics, appointed Associate Dean of Engineering, effective 9/1/83.

C. JOINT APPOINTMENTS

College of Arts and Sciences

Demski, Leo S., Associate Professor (with tenure), Biological Sciences, joint appointment as Associate Professor (without tenure), Anatomy, College of Medicine, 9/1/83 through 6/30/84.

D. REAPPOINTMENTS

College of Arts and Sciences

Pisacano, Nicholas J., Professor (part-time), Biological Sciences, 7/1/83 through 6/30/84.

E. CORRECTIONS IN MINUTES

College of Agriculture

Montgomery, Allen K., County Extension Agent, Extension Programs. At the September 21, 1982 meeting of the Board of Trustees, Mr. Montgomery was inadvertently approved for a sabbatical leave with half salary for the period of 8/9/82 through 8/8/83. Mr. Montgomery should have been approved for a leave without pay for this period.

F. RETIREMENTS

College of Agriculture

Brown, Elizabeth G., Senior Lab Technician, Regulatory Services, after 18.5 consecutive years of service, effective 10/31/83.  
Smith, Naomi, Research Analyst, Forestry, after 15 consecutive years of service, effective 10/1/83.

G. POST-RETIREMENT APPOINTMENTS

College of Education

Lytle, Catherine, Assistant Professor Emeritus, Dean's Office, 7/1/83 through 6/30/84.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Agriculture

Ringe, James M., Instructor, Forestry, 8/1/83 through 1/31/85.

College of Architecture

Lonnman, Bruce Eric, Visiting Assistant Professor, 8/16/83 through 6/30/84.  
Roccanova, Jean Cecil, Visiting Instructor (part-time), 8/16/83 through 12/31/83.

College of Arts and Sciences

Alauddin, Mohammad, Instructor, Chemistry, 8/16/83 through 5/31/84.  
Breckinridge, Scott D., Instructor (part-time), Political Science, 8/16/83 through 12/31/83.  
Kornecki, Andrzej, Assistant Professor, Computer Science, 8/16/83 through 6/30/85.

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\*Special Title Series

Shepherd, Russell G., Assistant Professor, Geology, 8/16/83 through 6/30/85.  
Sipos, Ivan, Assistant Professor, Computer Science, 8/16/83 through 6/30/85  
Sonnenburg, Reinhart, Assistant Professor, German, 8/16/83 5/31/84.

College of Business and Economics

Barrett, Charles F., Assistant Professor (part-time), Economics, 8/16/83 through 5/15/84  
Kwiatkowski, Vernon E., Instructor, Accounting, 1/1/84 through 6/30/84.  
Thalheimer, Richard, Assistant Professor, Economics, 8/16/83 5/15/84.  
Tighe, Robert, Instructor (part-time), Management, 8/16/83 through 5/15/84.  
Wells, Jane, Instructor (part-time), Accounting, 8/16/83 through 5/15/84.

College of Education

Cohen, David, Assistant Professor, Educational and Counseling Psychology, 8/16/83 through 5/15/84.

College of Engineering

Drake, William B., Lecturer (part-time), Civil Engineering, 7/1/83 through 6/30/84.

College of Fine Arts

Warren, Dale E., Assistant Professor\*, Music, 8/16/83 through 6/30/84.  
Zwierlein, Thomas P., Instructor (part-time), Art, 8/16/83 through 5/31/84.

College of Home Economics

Bennett, Karen H., Instructor (part-time), Human Environment: Textiles, 8/1/83 through 6/30/84.  
Botkin, Darla R., Assistant Professor, Family Studies, 8/1/83 through 6/30/84.  
Lemley-Jordan, Donna, Instructor (part-time), Family Studies, 8/1/83 through 12/31/83.  
Martin-Rutherford, John, Instructor, Human Environment: Design, 8/1/83 through 6/30/84.  
Mitchell, Treva E., Instructor (part-time), Family Studies, 8/1/83 through 12/31/83.

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\*Special Title Series

Routt, Mary Lou, Instructor, Family Studies, 8/1/83 through 6/30/84.  
Schmelzer, Claire D., Assistant Professor, Nutrition and Food Science, 8/1/83 through 6/30/84.  
Strangis, Diane E., Instructor (part-time), Family Studies, 8/1/83 through 6/30/84

LIBRARIES

Aken, Robert A., Librarian IV, Reference, 8/8/83 through 6/30/84.  
McComb, JoEllen S., Librarian IV, Law, 8/19/83 through 6/30/84.

B. ADMINISTRATIVE APPOINTMENTS

College of Business and Economics

Johnson, Keith, Associate Professor (with tenure), Finance, reappointed Acting Chairman, Finance, 7/1/83 through 6/30/84.  
Morley, William R., Management Consultant/District Director, Small Business Development District, Office for Research, effective 8/1/83.

College of Education

DeYoung, Alan, Associate Professor (with tenure), Social and Philosophical Studies, appointed Acting Chairman, Social and Philosophical Studies, 7/1/83 through 12/31/83.

College of Engineering

Kermode, Richard I., Professor (with tenure), Chemical Engineering, reappointed Acting Associate Dean for Graduate Affairs, 7/1/83 through 12/31/83.

C. REAPPOINTMENTS

College of Architecture

Deamer, Margaret, Assistant Professor, 7/1/83 through 6/30/85.

College of Arts and Sciences

Ades, Harriet, Instructor (part-time), Chemistry, 8/16/83 through 12/31/83.  
Hay, Jane, Instructor (part-time), Biological Sciences, 8/16/83 through 5/31/84.

Janecek, Susan, Instructor (part-time), Dean's Office,  
8/16/83 through 12/31/83.  
Lyon, Edmund D., Instructor (part-time), History, 8/16/83  
through 12/31/83.  
Mozur, Gerald E., Instructor (part-time), Philosophy, 8/16/83  
through 12/31/83.  
Sorokin, Larisa, Instructor (part-time), Slavic and Oriental  
Languages, 8/16/83 through 12/31/83.

College of Business and Economics

Baldwin, William T., Assistant Professor (part-time), Economics,  
8/16/83 through 5/15/84.  
Bates, Clyde T., Assistant Professor (part-time), Economics,  
8/16/83 through 5/15/84.  
Mann, Ronald, Assistant Professor (part-time), Economics, 8/16/83  
through 5/15/84.  
Webster, Allen L., Assistant Professor (part-time), Economics,  
8/16/83 through 5/15/84.

College of Engineering

Dickinson, Bartlett G., Visiting Instructor (part-time), Engineer-  
ing Mechanics, 8/16/83 through 12/31/83.

College of Fine Arts

Andrews, Edwin C., Assistant Professor, Art, 8/16/83 through  
6/30/84.  
Davenport, David, Instructor\* (part-time), Music, 7/1/83 through  
6/30/84.  
Fogler, Michael, Instructor\* (part-time), Music, 7/1/83 through  
6/30/84.  
Goodwin, Allen W., Assistant Professor, Music, 7/1/83 through  
6/30/84.  
Humphreys, Elaine, Instructor\* (part-time), Music, 7/1/83  
through 6/30/84.  
Muir, Gerald A., Instructor (part-time), Art, 8/16/83 through  
5/31/84.  
Taylor, Ellsworth, Instructor (part-time), Music, 8/16/83  
through 5/31/84.

D. CHANGES

College of Arts and Sciences

Das, Nobel V., from Instructor (part-time), Chemistry, to  
Instructor (full-time), Chemistry, 8/16/83 through 5/31/84.

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\*Special Title Series



E. LEAVES OF ABSENCE

College of Communications

Donohew, Robert L., Professor (with tenure), Communication,  
Sabbatical leave with full salary, 7/1/84 through 12/31/84.  
Rush, Ramona, Professor (with tenure), Communication, Sabbatical  
leave with full salary, 1/1/84 through 6/30/84.

College of Engineering

Vaziri, Manouchehr, Assistant Professor, Civil Engineering, Leave  
without pay, 10/1/83 through 8/15/84.

College of Fine Arts

Tuska, John R., Professor (with tenure), Art, Sabbatical leave  
with full salary, 1/1/84 through 6/30/84.  
Wang, Cecilia H., Associate Professor\* (with tenure), Music,  
Leave without pay, 7/1/83 through 6/30/84.

MEDICAL CENTER

I. BOARD ACTION

A. ACADEMIC APPOINTMENTS

College of Medicine

Saxena, Suresh C., Associate Clinical Professor (voluntary),  
Pediatrics, 9/1/83 through 6/30/85.

Subbarao, Bondada, Assistant Professor, Medical Microbiology  
& Immunology, 9/1/83 through 6/30/84.

Vanaman, Thomas C., Professor (with tenure), Biochemistry,  
effective 9/1/83.

College of Nursing

Phillips, Alice, Visiting Professor, 8/22/83 through 6/30/84.

B. ADMINISTRATIVE APPOINTMENTS

College of Medicine

Vanaman, Thomas C., Professor (with tenure), Biochemistry,  
named Chairman, Biochemistry, 9/1/83 through 8/31/89.

C. JOINT APPOINTMENTS

College of Dentistry

Cooper, Thomas M., Professor (with tenure), Restorative  
Dentistry, joint appointment as Professor (without  
tenure), Community Dentistry, effective 7/1/83.

D. PROMOTIONS

College of Pharmacy

Kadaba, Pankaja K., from Assistant Professor (part-time),  
to Associate Research Professor (part-time), 1/1/83  
through 6/30/84.

E. CHANGES

College of Medicine

Reeb, Arvil C., from Associate Professor\* (with tenure),  
Psychiatry, to Associate Clinical Professor (voluntary),  
Psychiatry, 9/1/83 through 6/30/85.

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\*Special Title Series

F. EARLY RETIREMENTS

College of Medicine

Leonidakis, Mary G., Professor (with tenure), Neurology,  
after 18 consecutive years of service, effective  
10/14/83.

II. ADMINISTRATIVE ACTION

A. ACADEMIC APPOINTMENTS

College of Allied Health Professions

Heierman, Vickie Noger, Clinical Instructor (voluntary),  
Physical Therapy, 8/15/83 through 6/30/85.

College of Dentistry

Killiary-Macapanpan, Lina, Assistant Professor (part-time),  
Orthodontics, 9/1/83 through 6/30/84.  
Milman, Jacquelyn, Assistant Research Professor, Community  
Dentistry, 8/1/83 through 6/30/84.

College of Medicine

Johnstone, John Moser, Assistant Clinical Professor (voluntary),  
Medicine, 8/1/83 through 6/30/85.  
Kinzel, Terry, Clinical Instructor (voluntary), Medicine,  
9/1/83 through 6/30/85.  
Mousa, Shaker A., Adjunct Instructor (voluntary), Pharmacology,  
9/1/83 through 6/30/85.

College of Nursing

Gentry, Nadine W., Assistant Professor\*, 8/1/83 through  
6/30/84.  
Hunt, Margaret W., Instructor, 1/1/84 through 6/30/84.  
Miller, Patricia C., Instructor, 8/22/83 through 6/30/84.  
Teague, Barbara R., Instructor (temporary), (part-time),  
8/10/83 through 6/30/84.

College of Pharmacy

Miller, Eric C., Assistant Clinical Professor (voluntary),  
8/1/83 through 6/30/84.

B. ADMINISTRATIVE APPOINTMENTS

College of Allied Health Professions

Clark, Sherry, Associate Professor\* (with tenure), Physical  
Therapy, reappointed Acting Chairman, Physical Therapy,  
10/1/83 through 6/30/84.

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\*Special Title Series

College of Medicine

Robertson, H. David, Assistant Professor\*, Medicine,  
named Acting Chairman, Emergency Medicine, 9/1/83  
through 6/30/84.

C. REAPPOINTMENTS

College of Allied Health Professions

Bryant, Jane G., Assistant Professor\* (part-time), Medical  
Technology, 7/1/83 through 6/30/84.  
Lloyd, Brenda M., Instructor (part-time), Medical Technology,  
7/1/83 through 6/30/84.  
Overman, Sue, Instructor (part-time), Medical Technology,  
7/1/83 through 6/30/84.  
Robertson, Denver, Assistant Professor (part-time),  
Medical Technology, 7/1/83 through 6/30/84.

D. CHANGES

College of Medicine

Hall, Tom M., from Assistant Professor, Psychiatry, to  
Assistant Professor\*, Psychiatry, 9/1/83 through  
6/30/84.

E. LEAVES OF ABSENCE

College of Medicine

DeSimone, Philip, Associate Professor (with tenure), Medicine,  
Leave without pay, 9/1/83 through 12/31/83 and Sabbatical  
leave at full salary, 1/1/84 through 6/30/84. NOTE: Change  
in dates of 8/15/83 through 8/14/84 at half salary approved  
on 4/5/83.  
Lee, Tai-Shion, Associate Professor (with tenure), Anesthesiology,  
Leave without pay, 9/15/83 through 9/14/84.  
Maultsby, Maxie C., Professor (with tenure), Psychiatry,  
Sabbatical leave with half salary, 7/1/84 through  
6/30/85.

College of Nursing

McKenna, Marion E., Professor (with tenure), and Dean,  
Sabbatical leave with full salary, 7/1/84 through  
12/31/84.

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\*Special Title Series

PR 3B

Members, Board of Trustees:

1983-84 BUDGET REVISIONS  
CENTRAL ADMINISTRATION

Recommendation: that the following revisions in the 1983-84 budget be authorized and approved.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<u>A. General Fund</u>			
1. Income Estimates			
Student Fees			
Registration Fees			
University Extension	\$1,557,400	\$1,568,700	\$ 11,300
Continuing Education	2,788,300	2,813,300	25,000
Federal Appropriations			
Vocational Education	189,300	211,700	22,400
Sales and Services			
Departmental Sales and Services	5,795,300	5,879,900	<u>84,600</u>
			143,300
2. Expenditures			
Lexington Campus			
Academic Affairs			
College of Arts and Sciences			
Geology	634,800	642,800	8,000
History	1,041,600	1,043,400	1,800
Psychology	911,600	919,600	8,000
Language Laboratory	111,200	116,700	5,500
College of Education			
Health, Physical Education and Recreation	614,000	617,000	3,000
Vocational Education			
Business and Office Education	40,000	62,400	22,400
Summer Gifted and Talented Program	45,000	70,000	25,000
College of Fine Arts			
University Artist Series	70,000	103,200	33,200
College of Law	1,741,300	1,747,300	6,000

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
2. Expenditures (Continued)			
Lexington Campus			
Academic Affairs			
Agricultural Experiment Station			
Agronomy	\$1,953,700	\$1,965,400	\$ 11,700
University Extension			
Office of International Programs	73,900	85,200	11,300
Academic Support			
Counseling and Testing	222,000	222,900	900
General Library	4,158,400	4,163,400	5,000
Art Museum	176,600	178,100	1,500
			<u>143,300</u>

3. Comments -- The increase to Student Fees for the University Extension will provide increased expenditure authority for International Programs. Increased Continuing Education Fees will provide expenditure authority for the College of Education Gifted and Talented Program. The increase to Federal Appropriations for Vocational Education will provide increased expenditure authority for the College of Education Business and Office Education. Increases to Departmental Sales and Services will provide additional expenditure authority in Geology, History, Psychology, Language Laboratory, Health, Physical Education, and Recreation, University Artist Series, Law, Agronomy, Counseling and Testing, Library, and the Art Museum.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
B. <u>Auxiliary Funds</u>			
1. Income Estimates	\$26,623,600	\$26,628,300	\$ 4,700
2. Expenditures			
Lexington Campus			
Student Affairs			
Student Center	1,117,000	1,121,700	4,700
3. <u>Comments</u> -- The proposed expenditure increase will be supported by additional income generated by the respective auxiliary operation.			

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
<b>C. <u>Restricted Funds</u></b>			
1. Income Estimates	\$21,133,600	\$21,276,900	\$ 143,300
2. Expenditures			
Lexington Campus			
Academic Affairs			
College of Business and Economics			
Administration	80,000	125,300	45,300
Accounting	-0-	25,300	25,300
College of Engineering			
Electrical	10,300	16,200	5,900
Agricultural Experiment Station			
Agricultural Economics	34,800	35,600	800
Animal Science	363,700	384,700	21,000
Academic Support			
Art Museum	150,000	155,000	5,000
Medical Center			
College of Dentistry			
Orthodontics	27,000	37,000	10,000
College of Medicine			
Obstetrics and Gynecology	274,600	298,600	24,000
Community College System			
Henderson	26,200	27,300	1,100
Prestonsburg	68,000	72,500	4,500
Student Aid			
Community College Scholarships	189,800	190,200	400
			<u>143,300</u>
3. <u>Comments</u> -- Income restricted for the purposes indicated above will fund the proposed additional expenditures.			

D. Contracts and Grants Received

Amount

Lexington Campus  
 Academic Affairs  
 Arts and Sciences  
 English  
 That Southern Thing: Black Fiction of  
 the Civil Rights Era and After (T0365) \$ 25,000

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

Date:   September 20  , 1983

Office of the President  
September 20, 1983

PR 4A

Members, Board of Trustees:

ASSOCIATE DEGREE PROGRAM IN THE  
COMMUNITY COLLEGE SYSTEM

Recommendation: that the Board of Trustees authorize for submission to the Council on Higher Education a new degree program, Associate Degree in Applied Science in Industrial-Electrical Technology, for the Jefferson Community College, Southwest Campus.

Background: The Council on Higher Education is empowered to define and approve all higher education associate degree programs.

Jefferson Community College, Southwest Campus, has worked with the local advisory board and other groups in determining the need for the program. This program will meet the need of local industries for technicians with basic knowledge in the areas of manufacturing, electronics, hydraulics, mechanics, and mathematics, who can understand and resolve problems associated with high volume, automated production machinery.

Approval by the Board of Trustees is required prior to submission to the Council on Higher Education.

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

Date: September 20, 1983



Office of the President  
September 20, 1983

PR 4B

Members, Board of Trustees:

NAMING OF UNIVERSITY BUILDING

Recommendation: that the Board of Trustees approve the name MITCHELL B. DENHAM BUILDING for the academic/technical building under construction at Maysville Community College, Maysville, Kentucky.

Background: Dr. Mitchell B. Denham was the one person most responsible for a community college being located in Maysville, Kentucky. Dr. Denham, who at one time served as Speaker of the House of Representatives in the Kentucky General Assembly, introduced the legislation which established Maysville Community College. Dr. Denham, a well-known and respected physician in Maysville, was a great friend to the Maysville Community College from its beginning, providing financial and other support. The faculty, staff and students support the naming of this building for Dr. Mitchell B. Denham. This recommendation has the strong support of the Maysville Community College Advisory Board. Because of his continuing commitment to the college until his death July 12, 1983, it is only fitting that the academic/technical building be named the MITCHELL B. DENHAM BUILDING.

In accordance with University policy on naming buildings, the Committee for Naming University Buildings has made its recommendation to the Chancellor of the Community College System who recommends to the President and Board of Trustees that this building be named the MITCHELL B. DENHAM BUILDING.

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

Date:   September 20  , 1983

Office of the President  
September 20, 1983

PR 5A

Members, Board of Trustees:

APPOINTMENTS TO UNIVERSITY OF KENTUCKY  
MINING ENGINEERING FOUNDATION

Recommendation: that approval be given to the appointment of the following as members of the University of Kentucky Mining Engineering Foundation.

Background: The Chancellor of the Lexington Campus recommended these appointments to the President, who in turn recommends them to the Board of Trustees. These recommended appointments require approval by the Board of Trustees in accordance with the Articles of Incorporation for the University of Kentucky Mining Engineering Foundation approved by the Board of Trustees at its meeting on December 14, 1982.

Public-At-Large Members

Stephen G. Allen  
Stonie Barker, Jr.  
Raymond A. Bradbury  
Catesby W. Clay  
Thomas D. Duncan  
Lawrence E. Forgy, Jr.  
Robert E. Garbesi  
Harry Laviers  
D. J. Patton, Jr.  
Paul E. Patton  
William R. Stampler  
Elmer Whitaker

Faculty Members

Lyle V. A. Sendlein  
Konstanty F. Unrug

Board of Trustees Members

Frank Ramsey, Jr.  
William B. Sturgill

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

Date: September 20 1983.

Office of the President  
September 20, 1983

# FCR 1

Members, Board of Trustees:

ACCEPTANCE OF AUDIT REPORTS  
FOR THE UNIVERSITY OF KENTUCKY FOR 1982-83

Recommendation: that the Board of Trustees accept the University of Kentucky summary audit report for fiscal year 1982-83, consisting of the Accountant's Report from Arthur Andersen & Company, Balance Sheets, Statement of Current Funds Revenues, Expenditures and Transfers, Statement of Changes in Fund Balances, Summary of Significant Accounting Policies, Notes to the Financial Statements, and a Cash Reconciliation .

Background: The Finance Committee of the University of Kentucky has reviewed the summary financial statements audited for the year ended June 30, 1983 by Arthur Andersen & Company, Certified Public Accountants. A comprehensive annual financial report and a management letter will be submitted in October, 1983.

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Action taken: Approved   x   Disapproved            Other           

Date:   September 20  , 1983

ARTHUR ANDERSEN & CO.  
LOUISVILLE, KENTUCKY

To the Board of Trustees of the  
University of Kentucky  
and  
the Secretary of Finance and  
Administration Cabinet of the  
Commonwealth of Kentucky

In connection with our examination of the financial statements of the University of Kentucky (an agency of the Commonwealth of Kentucky) for the year ended June 30, 1983, we have also examined the accompanying reconciliation of appropriations and trust and revolving funds, as reported on the University of Kentucky's financial statements, with unexpended balances reported by the Commonwealth Department of Finance as of June 30, 1983. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying schedule presents fairly the reconciliation of appropriations and trust and revolving funds with unexpended balances reported by the Commonwealth Department of Finance as of June 30, 1983.

*Arthur Andersen & Co.*

August 30, 1983.

UNIVERSITY OF KENTUCKY

Reconciliation of Appropriations and Trust and Revolving Funds  
With Unexpended Balances Reported by the Commonwealth Department of Finance

As of June 30, 1983

	Total	Mines and Minerals Trust Funds	Trust and Revolving Funds	Tobacco Research Trust Funds	Unexpended Plant Funds	Retirement of Indebtedness Funds	Debt Service Revolving Funds	Basic Compensation Funds	General Appropriations Expended & Waiting Clearance of In-Transit Items
Cash balance reported on University of Kentucky financial statements as of June 30, 1983, representing cash on deposit with State Treasurer and unexpended balances of state appropriations	\$50,652,908	\$56,561	\$ (461,983)	\$2,915,171	\$25,624,269	\$50,000	\$21,857,401	\$712,532	\$(100,993)
Cash balances held as temporary investments by the Commonwealth Department of Finance	(34,721,645)				(20,293,187)		(14,428,458)		
Net amount of items in transit between the Commonwealth Department of Finance and the University of Kentucky	680,259		3,655,691	(1,606,563)	(1,453,636)		(83,124)		167,891
Unexpended balances as reported by the Commonwealth Department of Finance as of June 30, 1983	\$16,611,522	\$56,561	\$3,193,708	\$1,308,558	\$ 3,877,446	\$50,000	\$ 7,345,819	\$712,532	\$ 66,898

ARTHUR ANDERSEN & CO.  
LOUISVILLE, KENTUCKY

To the Board of Trustees of the  
University of Kentucky

and

the Secretary of Finance and  
Administration Cabinet of the  
Commonwealth of Kentucky

We have examined the balance sheet of the UNIVERSITY OF KENTUCKY (an agency of the Commonwealth of Kentucky) as of June 30, 1983, and the related statements of changes in fund balances and current funds revenues, expenditures, and transfers for the year then ended. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The financial statements of the University of Kentucky for the year ended June 30, 1982, were examined by the Auditor of Public Accounts of the Commonwealth of Kentucky whose report dated September 7, 1982, expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly the financial position of the University of Kentucky as of June 30, 1983, and the changes in fund balances and the current funds revenues, expenditures, and transfers for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Arthur Andersen & Co.*

August 30, 1983.

UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982

A S S E T S

	<u>1983</u>	<u>1982</u>
<b>CURRENT FUNDS-</b>		
<b>UNRESTRICTED--</b>		
<b>GENERAL:</b>		
Cash in banks and cash equivalents	\$ 8,865,512	\$ 8,345,824
Cash on deposit with State Treasurer	<u>10,768,046</u>	<u>10,392,627</u>
Total cash	\$19,633,558	\$18,738,447
Accounts receivable, less allowance of \$512,625 in 1983 and \$236,504 in 1982	2,399,986	1,807,197
Investments	855,865	384,238
Due from other funds and affiliated corporations	14,139,398	9,621,395
Inventories	<u>5,283,755</u>	<u>4,668,951</u>
Total general	<u>\$42,312,562</u>	<u>\$35,220,228</u>
<b>HOSPITAL AND CLINICS:</b>		
Accounts receivable, less allowance of \$4,107,622 in 1983 and \$6,081,125 in 1982	\$15,814,594	\$11,706,915
Due from other funds and affiliated corporations	11,032,020	7,501,096
Inventories	<u>788,792</u>	<u>819,212</u>
Total hospital and clinics	<u>\$27,635,406</u>	<u>\$20,027,223</u>
<b>AUXILIARY ENTERPRISES:</b>		
<b>Housing and dining system--</b>		
Cash in bank	\$ 443,020	\$ 296,590
Cash on deposit with State Treasurer	<u>1,193,007</u>	<u>1,556,617</u>
Total cash	\$ 1,636,027	\$ 1,853,207
Accounts receivable, less allowance of \$159,168 in 1983 and \$156,890 in 1982	298,401	181,744
Inventories	<u>1,559,144</u>	<u>1,283,555</u>
Total housing and dining system	<u>\$ 3,493,772</u>	<u>\$ 3,318,506</u>
<b>Other auxiliary enterprises--</b>		
Cash in banks	\$ 447,631	\$ 324,509
Cash on deposit with State Treasurer	<u>127,014</u>	<u>          </u>
Total cash	\$ 574,645	\$ 324,509
Accounts receivable	174,401	136,095
Due from other funds and affiliated corporations	329,017	319,727
Inventories	<u>702,757</u>	<u>768,870</u>
Total other auxiliary enterprises	<u>\$ 1,780,820</u>	<u>\$ 1,549,197</u>
Total auxiliary enterprises	<u>\$ 5,274,592</u>	<u>\$ 4,867,727</u>
Total current funds-Unrestricted	<u>\$75,222,560</u>	<u>\$60,115,177</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982

LIABILITIES AND FUND BALANCES

	<u>1983</u>	<u>1982</u>
<b>CURRENT FUNDS--</b>		
<b>UNRESTRICTED--</b>		
<b>GENERAL:</b>		
Accounts payable	\$ 4,863,345	\$ 3,221,568
Accrued wages	2,953,670	2,679,817
Accrued expenses	5,995,165	4,872,184
Due to United States Government	737,069	208,474
Advance from state for imprest cash fund		1,300,000
Deferred revenues	1,956,066	1,964,778
Fund balances allocated--		
Working capital	7,683,741	6,476,148
Malpractice self insurance fund	712,532	590,436
Future operating purposes	12,375,000	9,950,000
Private gifts	<u>5,035,974</u>	<u>3,956,823</u>
<b>Total fund balances</b>	<b>\$25,807,247</b>	<b>\$20,973,407</b>
<b>Total general</b>	<b><u>\$42,312,562</u></b>	<b><u>\$35,220,228</u></b>
<b>COMMITMENT (see Note 3)</b>		
<b>HOSPITAL AND CLINICS:</b>		
Accounts payable	\$ 2,118,691	\$ 1,068,345
Other payables	1,851,025	1,496,375
Accrued expenses	2,953,317	2,371,356
Estimated settlements of cost reimbursement programs	5,673,122	4,008,810
Fund balances allocated for working capital	<u>15,039,251</u>	<u>11,082,337</u>
<b>Total hospital and clinics</b>	<b><u>\$27,635,406</u></b>	<b><u>\$20,027,223</u></b>
<b>AUXILIARY ENTERPRISES:</b>		
<b>Housing and dining system--</b>		
Accounts payable	\$ 128,861	\$ 201,858
Accrued expenses	475,646	421,417
Refundable deposits	99,106	84,730
Deferred revenues	879,224	786,302
Due to other funds and affiliated corporations	921,111	1,041,278
Fund balances allocated for working capital	<u>989,824</u>	<u>782,940</u>
<b>Total housing and dining system</b>	<b><u>\$ 3,493,772</u></b>	<b><u>\$ 3,318,525</u></b>
<b>Other auxiliary enterprises--</b>		
Accounts payable	\$ 127,576	\$ 150,642
Accrued wages	50,163	50,059
Fund balances allocated--		
Working capital	998,438	904,965
Future operating purposes	<u>604,643</u>	<u>443,531</u>
<b>Total fund balances</b>	<b><u>\$ 1,603,081</u></b>	<b><u>\$ 1,348,496</u></b>
<b>Total other auxiliary enterprises</b>	<b><u>\$ 1,780,820</u></b>	<b><u>\$ 1,549,197</u></b>
<b>Total auxiliary enterprises</b>	<b><u>\$ 5,274,592</u></b>	<b><u>\$ 4,867,722</u></b>
<b>Total current funds--Unrestricted</b>	<b><u>\$75,222,560</u></b>	<b><u>\$60,115,173</u></b>



UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982

A S S E T S

	<u>1983</u>	<u>1982</u>
CURRENT FUNDS-		
RESTRICTED:		
Cash in banks and cash equivalents	\$ 16,853,309	\$12,378,287
Cash on deposit with State Treasurer	<u>2,971,682</u>	<u>3,590,955</u>
Total cash	\$ 19,824,991	\$15,969,242
Accounts receivable, less allowance of \$19,098 in 1983 and \$ 20,391 in 1982	670,679	648,094
Accrued interest receivable	890,969	759,037
Investments	29,473,480	19,923,366
Inventories	<u>113,500</u>	<u></u>
Total current funds--Restricted	<u>\$ 50,973,619</u>	<u>\$37,299,734</u>
Total all current funds	<u>\$126,196,179</u>	<u>\$97,414,907</u>
LOAN FUNDS-		
Cash in banks and cash equivalents	\$ 1,881,288	\$ 1,728,774
Accounts receivable	13,897	
Notes receivable, less allowance of \$2,522,054 in 1983 and \$2,356,773 in 1982	11,031,091	10,694,589
Due from other funds and affiliated corporations	<u>2,913</u>	<u></u>
Total loan funds	<u>\$ 12,929,189</u>	<u>\$12,423,363</u>
ENDOWMENT AND SIMILAR FUNDS-		
Cash in banks	\$ 53,258	\$ 3,508
Due from other funds and affiliated corporations		3,977
Investments	<u>9,052,959</u>	<u>7,394,552</u>
Total endowment and similar funds	<u>\$ 9,106,217</u>	<u>\$ 7,402,037</u>
AGENCY FUNDS-		
Cash in banks	\$ 213,137	\$ 264,488
Accounts receivable	3,412	5,844
Investments	15,000	15,000
Due from other funds and affiliated corporations	<u>25,538</u>	<u></u>
Total agency funds	<u>\$ 257,087</u>	<u>\$ 285,332</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982  
LIABILITIES AND FUND BALANCES

	<u>1983</u>	<u>1982</u>
<b>CURRENT FUNDS-</b>		
<b>RESTRICTED:</b>		
Accounts payable	\$ 1,315,544	\$ 1,352,620
Accrued wages	183,551	189,875
Outstanding check liability	144,382	88,575
Advance from state for imprest cash fund		50,000
Payroll withholdings, deposits and clearing accounts	7,897,576	2,327,653
Due to other funds and affiliated corporations	25,709,300	17,475,730
Fund balances-		
Restricted	12,528,436	11,748,774
Restricted contracts and grants	453,327	859,279
Tobacco Research Trust Fund	2,684,942	3,207,228
Mining & Minerals Trust Fund	56,561	
Total fund balances	<u>\$ 15,723,266</u>	<u>\$15,815,281</u>
Total current funds--Restricted	<u>\$ 50,973,619</u>	<u>\$37,299,734</u>
Total all current funds	<u>\$126,196,179</u>	<u>\$97,414,907</u>
<b>LOAN FUNDS-</b>		
Accounts payable	\$ 51,796	\$ 71,319
Due to other funds and affiliated corporations		61,466
Fund balances-		
U.S. Government grants refundable	10,346,764	9,922,717
University funds-		
Restricted	2,436,367	2,284,026
Unrestricted	94,262	83,835
Total fund balances	<u>\$ 12,877,393</u>	<u>\$12,290,578</u>
Total loan funds	<u>\$ 12,929,189</u>	<u>\$12,423,363</u>
<b>ENDOWMENT AND SIMILAR FUNDS-</b>		
Due to other funds and affiliated corporations	\$ 7,210	
Fund balances-		
Endowment	5,532,900	\$ 4,649,327
Term endowment	539,866	489,370
Quasi-endowment	3,026,241	2,263,340
Total fund balances	<u>\$ 9,099,007</u>	<u>\$ 7,402,037</u>
Total endowment and similar funds	<u>\$ 9,106,217</u>	<u>\$ 7,402,037</u>
<b>AGENCY FUNDS-</b>		
Accounts payable	\$ 13,768	\$ 10,775
Due to other funds and affiliated corporations		39,800
Deposits held in custody for others	243,319	234,757
Total agency funds	<u>\$ 257,087</u>	<u>\$ 285,332</u>

UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982

A S S E T S

	<u>1983</u>	<u>1982</u>
<b>PLANT FUNDS-</b>		
<b>UNEXPENDED:</b>		
Cash on deposit with State Treasurer	\$ 33,777,811	\$ 19,169,011
Due from other funds and affiliated corporations	7,660,567	5,701,494
Construction in progress	<u>18,452,772</u>	<u>20,879,939</u>
Total unexpended	<u>\$ 59,891,150</u>	<u>\$ 45,750,444</u>
<b>RENEWAL AND REPLACEMENT:</b>		
Cash in banks	\$ 43,396	\$ 36,018
Cash on deposit with State Treasurer	1,765,347	1,220,674
Cash on deposit with Trustee	<u>180,687</u>	<u>19,523</u>
Total cash	<u>\$ 1,989,430</u>	<u>\$ 1,276,215</u>
Due from other funds and affiliated corporations	\$ 240,102	\$ 389,791
Accrued interest receivable	34,113	33,322
Investments	<u>1,251,453</u>	<u>1,246,064</u>
Total renewal and replacement	<u>\$ 3,515,098</u>	<u>\$ 2,945,392</u>
<b>RETIREMENT OF INDEBTEDNESS:</b>		
Cash on deposit with Trustees	\$ 281,200	\$ 39,303
Cash on deposit with State Treasurer	<u>50,000</u>	<u>50,000</u>
Total cash	<u>\$ 331,200</u>	<u>\$ 89,303</u>
Accounts receivable	\$ 13,012	\$ 214,260
Accrued interest receivable	209,233	187,877
Due from other funds and affiliated corporations	1,399,792	1,089,663
Investments	<u>10,088,392</u>	<u>10,579,631</u>
Total retirement of indebtedness	<u>\$ 12,041,629</u>	<u>\$ 12,160,734</u>
<b>INVESTMENT IN PLANT:</b>		
Land	\$ 10,220,616	\$ 10,102,917
Land improvements	9,557,032	9,283,770
Buildings	294,986,928	283,683,810
Equipment and library books	<u>115,563,205</u>	<u>112,306,281</u>
Total investment in plant	<u>\$430,327,781</u>	<u>\$415,376,778</u>
Total all plant funds	<u>\$505,775,658</u>	<u>\$476,233,348</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY  
BALANCE SHEETS AS OF JUNE 30, 1983,  
WITH COMPARATIVE FIGURES AT JUNE 30, 1982  
LIABILITIES AND FUND BALANCES

	<u>1983</u>	<u>1982</u>
<b>PLANT FUNDS-</b>		
<b>UNEXPENDED:</b>		
Accounts payable	\$ 500,059	\$ 884
Bond anticipation notes payable		21,300,000
Bonds payable	33,400,000	
Fund balances-		
Restricted	5,433,223	7,002,655
Unrestricted	<u>20,557,868</u>	<u>17,446,905</u>
Total fund balances	<u>\$ 25,991,091</u>	<u>\$ 24,449,560</u>
Total unexpended	<u>\$ 59,891,150</u>	<u>\$ 45,750,444</u>
<b>RENEWAL AND REPLACEMENT:</b>		
Accounts payable	\$ 3,001	\$ 11,686
Fund balances-		
Restricted	1,154,000	1,298,909
Unrestricted	<u>2,358,097</u>	<u>1,634,797</u>
Total fund balances	<u>\$ 3,512,097</u>	<u>\$ 2,933,706</u>
Total renewal and replacement	<u>\$ 3,515,098</u>	<u>\$ 2,945,392</u>
<b>RETIREMENT OF INDEBTEDNESS:</b>		
Accrued interest payable	\$ 1,354,792	\$ 1,089,663
Bonds payable	1,278,000	1,432,000
Fund balances-Restricted-funded debt service	<u>9,408,837</u>	<u>9,639,071</u>
Total retirement of indebtedness	<u>\$ 12,041,629</u>	<u>\$ 12,160,734</u>
<b>INVESTMENT IN PLANT:</b>		
Note payable	\$ 556,872	\$ 742,497
Bonds payable	98,920,000	101,945,000
Bond anticipation notes payable	4,200,000	
Capitalized lease obligation	4,270,000	4,470,000
Net investment in plant	<u>322,380,909</u>	<u>308,219,281</u>
Total investment in plant	<u>\$430,327,781</u>	<u>\$415,376,778</u>
Total all plant funds	<u>\$505,775,658</u>	<u>\$476,233,348</u>

UNIVERSITY OF KENTUCKY

STATEMENT OF CHANGES IN FUND BALANCES  
CURRENT FUNDS  
YEAR ENDED JUNE 30, 1983

	Current Unrestricted Funds					Current Restricted Funds
	General	Hospital and Clinics	Housing and Dining	Other Auxiliary Enterprises	Total	
<b>REVENUES AND OTHER ADDITIONS:</b>						
Educational and general	\$216,389,758	\$ 7,149,497			\$223,539,255	
Hospital and clinics		61,847,495			61,847,495	
Housing and dining system			\$19,435,594		19,435,594	
Other auxiliary enterprises				\$5,345,473	5,345,473	
Federal and state grants and contracts						\$ 7,897,129
Private gifts and grants						6,344,539
Mining and Minerals Trust Fund						56,561
Tobacco Research Trust Fund						3,363,933
Other revenues						87,583
Endowment and investment income						1,202,027
<b>Total revenues and other additions</b>	<b>\$216,389,758</b>	<b>\$68,996,987</b>	<b>\$19,435,594</b>	<b>\$5,345,473</b>	<b>\$310,167,812</b>	<b>\$18,951,772</b>
<b>EXPENDITURES:</b>						
Educational and general	\$203,112,688				\$203,112,688	
Hospital and clinics		\$61,340,429			61,340,429	
Housing and dining system			\$15,387,488		15,387,488	
Other auxiliary enterprises				\$4,921,338	4,921,338	
<b>Total expenditures</b>	<b>\$203,112,688</b>	<b>\$61,340,429</b>	<b>\$15,387,488</b>	<b>\$4,921,338</b>	<b>\$284,761,943</b>	<b>\$18,218,686</b>
<b>TRANSFERS AMONG FUNDS-ADDITIONS (DEDUCTIONS):</b>						
Mandatory transfers-						
Debt service	\$ (7,025,877)		\$ (2,304,479)	\$ (161,291)	\$ (9,491,647)	
Loan fund matching grant	(50,322)				(50,322)	
Restricted fund matching grant	(176,328)				(176,328)	
Retirement of indebtedness			70,806		70,806	\$ 176,328
Nonmandatory transfers-						
Endowment fund						(164,476)
Renewal and replacements			(1,607,549)	(8,259)	(1,615,808)	
Unexpended plant	(5,073,252)				(5,073,252)	
Hospital and clinics	3,072,258				3,072,258	
Restricted funds	407,857				407,857	
Tobacco Research Trust Fund	402,434				402,434	
<b>Total transfers</b>	<b>\$ (8,443,230)</b>	<b>\$ (3,699,644)</b>	<b>\$ (3,841,222)</b>	<b>\$ (169,550)</b>	<b>\$ (16,153,646)</b>	<b>\$ (825,101)</b>
<b>NET INCREASES (DECREASES) FOR THE YEAR</b>	<b>\$ 4,833,840</b>	<b>\$ 3,956,914</b>	<b>\$ 206,884</b>	<b>\$ 254,585</b>	<b>\$ 9,252,223</b>	<b>\$ (92,015)</b>
<b>FUND BALANCES, June 30, 1982</b>	<b>\$ 20,973,407</b>	<b>\$11,082,337</b>	<b>\$ 782,940</b>	<b>\$1,348,496</b>	<b>\$ 34,187,180</b>	<b>\$15,815,281</b>
<b>FUND BALANCES, June 30, 1983</b>	<b>\$ 25,807,247</b>	<b>\$15,039,251</b>	<b>\$ 989,824</b>	<b>\$1,603,081</b>	<b>\$ 43,439,403</b>	<b>\$15,723,266</b>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY

STATEMENT OF CHANGES IN FUND BALANCES

LOAN FUNDS

YEAR ENDED June 30, 1983

	N D S L				Health Professions		University Loan Programs
	Total Loan Funds	U. S. Government Funds	University Matching Funds	U. S. Government Funds	University Matching Funds	Federal Revolving Loan Funds	
<b>ADDITIONS:</b>							
U. S. Government contributions	\$ 452,888	\$ 443,004	\$ 11,214	\$ 9,884	\$ 8,705	\$ 8,296	\$ 15,253
Interest income	222,740	100,928		78,344			64,454
Endowment income	64,454						35,817
Gifts	35,817						
Investment income	91,840	43,284	4,809	38,828	4,314	605	
Other	74,069	66,662	7,407				
<b>Total additions</b>	<b>\$ 941,808</b>	<b>\$ 653,878</b>	<b>\$ 23,430</b>	<b>\$ 127,056</b>	<b>\$ 13,019</b>	<b>\$ 8,901</b>	<b>\$ 115,524</b>
<b>DEDUCTIONS:</b>							
Notes receivable cancellations-							
For training and health professional services	\$ 74,452	\$ 32,626	\$ 3,625	\$ 33,864	\$ 3,763	\$ 574	\$ 574
Due to death or disability	21,361	3,618	402	14,878	1,653	810	810
Refunded to federal government	66,129					66,129	
Assigned to federal government	16,446	14,802	1,644				
Collection costs	61,646	38,474	4,275	14,870	1,653	2,374	2,374
Adjustment for allowances	165,281	(30,929)	(3,437)	161,782	17,976	11,916	7,973
<b>Total deductions</b>	<b>\$ 405,315</b>	<b>\$ 58,591</b>	<b>\$ 6,509</b>	<b>\$ 225,394</b>	<b>\$ 25,045</b>	<b>\$ 81,803</b>	<b>\$ 7,973</b>
<b>TRANSFER AMONG FUNDS--ADDITIONS (DEDUCTIONS):</b>							
Mandatory transfers-							
General fund matching grant	\$ 50,322		\$ 49,223		\$ 1,099		
<b>Total transfers</b>	<b>\$ 50,322</b>		<b>\$ 49,223</b>		<b>\$ 1,099</b>		
<b>NET INCREASES (DECREASES) FOR THE YEAR</b>	<b>\$ 506,815</b>	<b>\$ 595,287</b>	<b>\$ 66,144</b>	<b>\$ (98,338)</b>	<b>\$ (10,927)</b>	<b>\$ (72,902)</b>	<b>\$ 107,551</b>
<b>FUND BALANCES, June 30, 1982</b>	<b>12,290,578</b>	<b>6,122,375</b>	<b>741,785</b>	<b>3,649,220</b>	<b>405,897</b>	<b>151,122</b>	<b>1,220,179</b>
<b>FUND BALANCES, June 30, 1983</b>	<b>\$12,877,393</b>	<b>\$6,717,662</b>	<b>\$807,929</b>	<b>\$3,550,882</b>	<b>\$394,970</b>	<b>\$ 78,220</b>	<b>\$1,327,730</b>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY

STATEMENT OF CHANGES IN FUND BALANCES

ENDOWMENT AND SIMILAR FUNDS

YEAR ENDED JUNE 30, 1983

ADDITIONS:	
Gifts	\$ 520,390
Income added to principal	638,575
Gain from sale of investments	<u>373,529</u>
Total additions	<u>\$1,532,494</u>
TRANSFERS AMONG FUNDS--ADDITIONS:	
Nonmandatory transfers-	
Current restricted funds	<u>\$ 164,476</u>
Total transfers	<u>\$ 164,476</u>
NET INCREASE FOR THE YEAR	\$1,696,970
FUND BALANCES, June 30, 1982	<u>\$7,402,037</u>
FUND BALANCES, June 30, 1983	<u>\$9,099,007</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY  
STATEMENT OF CHANGES IN FUND BALANCES  
PLANT FUNDS  
YEAR ENDED JUNE 30, 1983

	<u>Unexpended</u>	<u>Renewal and Replacement</u>	<u>Retirement of Indebtedness</u>	<u>Investment in Plant</u>
<b>ADDITIONS:</b>				
Grants of equipment from sponsored programs				\$ 1,335,804
Grants from affiliated corporations	\$ 1,961,782			584,130
Private gifts	117,479	\$ 7,513		470,898
Income from investments	2,116,420	172,444	\$ 1,286,823	
Expended for plant facilities (including \$10,371,371 charged to current funds expenditures)-				
Land				117,699
Buildings				7,126,788
Equipment and library books				10,550,144
Land improvements				273,262
Retirement of indebtedness				3,025,000
Reduction of capitalized lease				200,000
Reduction of notes payable				185,624
<b>Total additions</b>	<u>\$ 4,195,681</u>	<u>\$ 179,957</u>	<u>\$ 1,286,823</u>	<u>\$ 23,869,349</u>
<b>DEDUCTIONS:</b>				
Land, buildings and equipment transferred to investment in plant	\$7,345,571	\$ 350,951		
Current non-capital expenditures	1,165,229	737,073		
Retirement of indebtedness			\$ 3,025,000	
Interest on indebtedness			7,863,134	
Trustees fees			49,764	
Disposal of plant facilities-				
Buildings				\$ 23,669
Equipment				9,684,052
<b>Total deductions</b>	<u>\$ 8,510,800</u>	<u>\$1,088,024</u>	<u>\$10,937,898</u>	<u>\$ 9,707,721</u>
<b>TRANSFERS AMONG FUNDS--ADDITIONS (DEDUCTIONS):</b>				
<b>Mandatory-</b>				
<b>Debt service-</b>				
General funds			\$ 7,025,877	
Housing and dining system			2,304,479	
Auxiliary enterprises			161,291	
Housing and dining system			(70,806)	
<b>Nonmandatory-</b>				
Unrestricted general funds	\$ 5,073,252			
Current restricted funds	26,662			
Hospital	627,386			
Renewal and replacement funds	129,350			
Auxiliary enterprises		\$ 8,259		
Housing and dining system		1,607,549		
Unexpended plant funds		(129,350)		
<b>Total transfers</b>	<u>\$ 5,856,650</u>	<u>\$1,486,458</u>	<u>\$ 9,420,841</u>	<u>\$</u>
<b>NET INCREASE (DECREASE) FOR THE YEAR</b>	<u>\$ 1,541,531</u>	<u>\$ 578,391</u>	<u>\$ (230,234)</u>	<u>\$ 14,161,628</u>
<b>FUND BALANCES, June 30, 1982</b>	<u>\$24,449,560</u>	<u>\$2,933,706</u>	<u>\$ 9,639,071</u>	<u>\$308,219,281</u>
<b>FUND BALANCES, June 30, 1983</b>	<u>\$25,991,091</u>	<u>\$3,512,097</u>	<u>\$ 9,408,837</u>	<u>\$322,380,909</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statement



UNIVERSITY OF KENTUCKY

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS

YEAR ENDED JUNE 30, 1983

WITH COMPARATIVE FIGURES FOR 1982

	1983				1982 Total
	General	Unrestricted Hospital and Clinics	Housing and Dining	Other Auxiliary Enterprises	
REVENUES:					
Educational and general-					
Student tuition and fees	\$ 32,401,321				\$ 20,887,763
Governmental appropriations-					
Federal	13,118,135				13,223,014
State	147,371,364	\$ 7,149,492			139,463,306
County	2,906,857				2,467,437
Governmental grants and contracts-					
Federal	12,947			\$ 8,030,918	8,505,175
State	16,537			37,043	53,580
Tobacco Research Trust Fund				3,483,785	2,574,893
Private gifts and grants	1,007,351			5,651,479	6,658,830
Grants from affiliated corporations-					
University of Kentucky Research Foundation	3,645,108				4,071,942
The Fund for Advancement of Education and Research in the University of Kentucky					
Medical Center	1,379,518				845,561
Endowment income	218,151		512,990		662,298
Sales and service of educational activities	8,020,971		66,959		7,186,890
Investment income	6,291,498		186,570		8,335,584
Other income			72,614		71,065
Total educational and general	\$216,389,758	\$ 7,149,492	\$18,042,358	\$223,492,701	\$223,492,701
Hospital and clinics-					
Service fees-					
In-patient	\$76,343,288				\$ 56,228,575
Out-patient	7,956,199				6,255,935
Other services	1,146,578				1,104,206
Service fees-gross billings	\$85,446,065				\$ 63,588,716
Less- Financial and contractual allowances	23,114,176				13,135,461
Service fees, net billing	\$62,331,889				\$ 50,453,255
Less- Provision for bad debts	1,802,155				3,403,313
Net service fees	\$60,529,734				\$ 47,049,942
Student health program	21,472				21,507
Excess receipts on patient accounts					624,102
Other sales and services	1,296,289				1,246,808
Total hospital and clinics	\$61,847,495				\$ 48,932,359

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS  
 YEAR ENDED JUNE 30, 1983  
 WITH COMPARATIVE FIGURES FOR 1982

	1	9	8	3	
	Unrestricted			Other	1982
	General	Hospital and Clinics	Housing and Dining	Auxiliary Enterprises	Total
REVENUES (Continued):					
Auxiliary enterprises-					
Housing and dining system-					
Housing		\$ 8,115,599	\$ 8,115,599		\$ 8,115,599
Dining and food storage		6,950,787	6,950,787		6,950,787
University bookstore		2,949,148	2,949,148		2,949,148
Student Center		943,743	943,743		943,743
Investment income		467,757	467,757		467,757
Vending		2,133	2,133		2,133
Student typewriters		6,427	6,427		6,427
		\$19,435,594	\$19,435,594		\$19,435,594
Total housing and dining system					\$ 18,128,417
Other auxiliary enterprises-					
Fraternity and sorority housing			\$ 164,458	\$ 164,458	\$ 203,126
Community colleges bookstores and grills			2,612,222	2,612,222	2,240,293
University service enterprises			1,602,217	1,602,217	1,597,683
Camps			636,372	636,372	467,412
Others			330,204	330,204	324,784
			\$5,345,473	\$5,345,473	\$ 4,833,298
Total other auxiliary enterprises					\$ 24,781,067
Total auxiliary enterprises		\$19,435,594	\$19,435,594	\$5,345,473	\$ 22,961,715
Total revenues	\$216,389,758	\$68,996,987	\$19,435,594	\$5,345,473	\$328,210,170

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.



UNIVERSITY OF KENTUCKY

STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND TRANSFERS  
YEAR ENDED JUNE 30, 1983,  
WITH COMPARATIVE FIGURES FOR 1982

	1 9 8 3					1982
	Unrestricted		Housing and Dining	Other Auxiliary Enterprises	Restricted	Total
	General	Hospital and Clinics				Total
<b>EXPENDITURES (Continued):</b>						
Auxiliary enterprises (continued)-						
Other auxiliary enterprises-						
Fraternity and sorority housing				\$ 9,148	\$	\$ 9,148
Community colleges bookstores and grills				2,382,044	2,382,044	2,382,044
University service enterprises				1,754,012	1,754,012	1,754,012
Camps				476,877	476,877	476,877
Others				299,257	299,257	299,257
				<u>\$4,921,338</u>	<u>\$ 4,921,338</u>	<u>\$ 4,921,338</u>
Total other auxiliary enterprises						<u>\$ 4,921,338</u>
Total auxiliary enterprises			<u>\$15,387,488</u>	<u>\$4,921,338</u>	<u>\$ 20,308,826</u>	<u>\$ 18,521,091</u>
<b>MANDATORY TRANSFERS FOR:</b>						
Debt service	\$ 7,025,877		\$ 2,304,479	\$ 161,291	\$ 9,491,647	\$ 7,697,570
Loan fund matching grant	50,322				50,322	73,088
Restricted fund matching grant	176,328		(70,806)		(70,806)	(81,063)
From retirement of indebtedness						
Total mandatory transfers	<u>\$ 7,252,527</u>		<u>\$ 2,233,673</u>	<u>\$ 161,291</u>	<u>\$ 9,471,163</u>	<u>\$ 7,689,595</u>
Total expenditures and mandatory transfers	<u>\$210,365,215</u>	<u>\$61,340,429</u>	<u>\$17,621,161</u>	<u>\$5,082,629</u>	<u>\$18,042,350</u>	<u>\$312,451,792</u>
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>						
Endowment fund					\$ (164,476)	\$ (199,790)
Loan funds						(20,062)
Excess of restricted receipts over transfers to revenues					909,414	4,056,358
Unexpended plant funds	\$ (5,073,252)	\$ (627,386)			(26,662)	(4,033,114)
Hospital and clinics funds--Working capital	(3,956,914)	3,956,914				
Hospital and clinics funds--Operations	7,029,172	(7,029,172)				
Renewal and replacement fund					(1,615,808)	(1,568,804)
Restricted funds	407,857				(407,857)	
Tobacco Research Trust Fund	402,434				(402,434)	
Total other transfers and additions (deductions)	<u>\$ (1,190,703)</u>	<u>\$ (3,699,644)</u>	<u>\$ (1,607,549)</u>	<u>\$ (8,259)</u>	<u>\$ (92,015)</u>	<u>\$ (1,765,412)</u>
Total expenditures and transfers	<u>\$211,555,918</u>	<u>\$65,040,073</u>	<u>\$19,228,710</u>	<u>\$5,090,888</u>	<u>\$18,134,373</u>	<u>\$319,049,962</u>
Net increase (decrease) in fund balances	<u>\$ 4,033,840</u>	<u>\$ 3,956,914</u>	<u>\$ 206,884</u>	<u>\$ 254,585</u>	<u>\$ (92,015)</u>	<u>\$ 9,160,208</u>
						<u>\$ 7,052,480</u>

The accompanying summary of significant accounting policies and notes are an integral part of the financial statements.

UNIVERSITY OF KENTUCKY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Scope of Statements

Note 1 to these financial statements includes a summary of certain financial information relating to other private non-profit corporations which are affiliated with the University of Kentucky (the University) but not consolidated with these financial statements, as follows:

<u>Organization</u>	<u>Purpose</u>
The University of Kentucky Research Foundation (Research Foundation)	To receive, invest and expend funds in promoting and implementing scientific, educational and developmental activities of the University.
The Fund for Advancement of Education and Research in the University of Kentucky Medical Center (Medical Center Fund)	To promote, advance and support the educational, research, charitable and other purposes of the University of Kentucky Medical Center.
University of Kentucky Athletic Association (Athletic Association)	To promote athletics and physical culture for students at the University of Kentucky and residents of the Commonwealth of Kentucky.
Health Care Collection Services, Inc. (HCCS)	To provide collection services for the health care facilities of the University of Kentucky and the Medical Center Fund.
University of Kentucky Mining Engineering Foundation, Inc. (Mining Engineering Foundation)	To receive, invest and expend funds for the enhancement and improvement of the Mining Engineering Department of the College of Engineering.
University of Kentucky Business Partnership Foundation, Inc. (Business Partnership Foundation)	To receive, invest and expend funds for the enhancement and improvement of the College of Business and Economics.

Separate audited financial statements are issued for these affiliated corporations.

### Accrual Basis

The financial statements of the University have been prepared on the accrual basis of accounting, except that costs of an unfunded pension plan adopted prior to 1965 are not accrued as a liability but are expensed when paid to retirees (see Note 3).

### Current Funds

The statement of current funds revenues, expenditures, and transfers is a summary of financial activities of current funds related to the current reporting period.

To the extent that current funds are used to finance plant asset acquisitions, the amounts are accounted for as (1) expenditures, in the case of normal replacement of movable equipment and library books; (2) mandatory transfers, in the case of required provisions for debt amortization and interest; and (3) transfers of a nonmandatory nature for all other cases.

The Board allocates unrestricted current fund balances for specific purposes. These purposes are for the working capital needs of the University (including the hospital, the housing and dining system, and other auxiliary enterprises); certain unrestricted income from private sources; and budget appropriations for future operating purposes.

### Fund Accounting

The University maintains its accounts and reports its financial transactions in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified into funds that are in accordance with activities or objectives specified and funds that have similar characteristics are combined for reporting purposes into fund groups.

Within each fund group, fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes by action of the Board of Trustees. The Board retains full control over allocated fund balances to use in achieving its institutional purposes.

Restricted gifts, grants, appropriations, endowment income, and other restricted resources are accounted for in the appropriate restricted funds. Restricted current funds are reported as revenues and expenditures when expended for current operating purposes.

Endowment funds are subject to the restrictions of gift instruments requiring in perpetuity that the principal be invested permanently and only the income be utilized by the donee. Term endowment funds are similar to endowment funds except that upon the passage of a stated period of time or the occurrence of a particular event, all or part of the principal may be expended as well. Quasi-endowment funds are established by the governing board for the same general purposes as endowment funds, and any portion may be expended.

Ordinary income derived from investments, notes receivable, and the like, is accounted for in the fund owning the assets, except that income derived from investments of endowments and similar funds and the majority of current restricted funds is accounted for in the fund to which the income is designated.

All unrestricted revenue is accounted for in the unrestricted fund.

#### Investments

Investments are stated at cost or, in the case of gifts, at market value at the date of donation.

#### Inventories

Inventories are stated principally at the lower of average cost or market.

#### Liability for Self-Insurance

The University self-insures certain employee benefits to the extent not covered by insurance carriers. Current fund expenditures include claims paid by the University and an estimated liability for asserted claims at the end of the year.

The University and its hospital are self-insured for medical malpractice claims for the first \$2,500,000 of liability per year. As of June 30, 1983, the University has an appropriated fund balance of \$712,532 for malpractice claims. To the extent judgements might exceed this amount and are not covered by insurance, the Commonwealth of Kentucky has made provision for such consideration in its budget.

The University has established a 501(c)(9) trust with the Second National Bank, Lexington, as trustee, to administer a self funded long term disability income program. The University remits premiums to the Trustee for purposes of paying claims and establishing necessary reserves.

### Land, Buildings, and Equipment-Depreciation

Land, land improvements, buildings and equipment are stated at cost at date of acquisition or, in the case of gifts, at fair market value at date of gift except for the following: (1) the University has title to certain tracts of land which were either donated or purchased at a nominal price with no book value assigned to these properties; and (2) buildings acquired prior to June 30, 1958, were recorded at appraised value of \$33,000,000 at that date. In conformity with college and university accounting practices, no provision is made for depreciation of buildings and equipment.

### Other

Other significant accounting policies are set forth in the financial statements and notes thereto.



UNIVERSITY OF KENTUCKY  
NOTES TO FINANCIAL STATEMENTS

(1) Affiliated Corporations-

A summary of certain financial information of other corporations affiliated with the University not included in the accompanying financial statements is presented below: (In thousands of dollars)

	Research Foundation		Medical Center Fund		Athletic Association		MCCS		Mining Engineering Foundation		Business Partnership Foundation	
	1983	1982	1983	1982	1983	1982	1983	1982	1983	1982**	1983	1982**
At June 30:												
Assets-												
Current funds	\$ 3,510	\$ 4,513	\$ 5,079	\$ 5,757	\$ 11,387	\$ 9,151	\$ 47	\$ 34	\$ 109	\$	\$ 176	\$
Endowment funds	\$ 1,145	\$ 1,069	\$ 56	\$ 52					\$ 751	\$	\$ 264	\$
Plant funds	\$ 2,579	\$ 2,496			\$ 2,097	\$ 2,099	\$ 4	\$ 4				
Liabilities and fund balances-												
Current funds-												
Due to University and other affiliates			\$ 161	\$ 102	\$ 8,148	\$ 6,207	\$ 45	\$ 30				
Other liabilities	\$ 961	\$ 731	78	121	2,834	2,631	2	4			\$ 2	
Fund balances	2,549	3,782	4,840	5,534	385	313			\$ 109	\$	\$ 177	\$
Total	\$ 3,510	\$ 4,513	\$ 5,079	\$ 5,757	\$ 11,387	\$ 9,151	\$ 47	\$ 34	\$ 109	\$	\$ 176	\$
Endowment funds-												
Other liabilities	\$ 1,145	\$ 1,069	\$ 56	\$ 52					\$ 751	\$	\$ 264	\$
Fund balances	\$ 1,145	\$ 1,069	\$ 56	\$ 52					\$ 751	\$	\$ 264	\$
Total	\$ 1,145	\$ 1,069	\$ 56	\$ 52					\$ 751	\$	\$ 264	\$
Plant funds-												
Fund balances	\$ 2,579	\$ 2,496			\$ 2,097	\$ 2,099	\$ 4	\$ 4				
Current funds, years ended June 30-												
Revenues	\$ 31,783	\$ 32,276	\$ 3,191	\$ 3,183	\$ 9,178	\$ 9,022	\$ 517	\$ 513	\$ 21	\$	\$ 19	\$
Expenditures-												
Grants to University	\$ 3,452	\$ 4,191	\$ 2,019	\$ 1,024	\$ 1,900	\$ 1,371	\$ 224	\$ 240				
Other	28,311	29,119	1,663	2,349	7,219	6,831	291	273	\$ 21	\$	\$ 19	\$
Other (additions)deductions	1,053	278	203	7	(14)				(109)	\$	(177)	\$
Total expenditures and other (additions)deductions	\$ 33,016	\$ 33,588	\$ 3,885	\$ 3,376	\$ 9,105	\$ 8,202	\$ 517	\$ 513	\$ (88)	\$	\$ (177)	\$
Net increase (decrease) in fund balance	\$ (1,233)	\$ (1,312)	\$ (694)	\$ (193)	\$ 73	\$ (180)	\$	\$	\$ 109	\$	\$ 177	\$

\*\* There were no transactions for fiscal year ended June 30, 1982.

(2) Pension Plans-

Regular full-time employees, including faculty, are participants in the University of Kentucky Retirement Plan administered by the Teachers Insurance and Annuity Association (TIAA). The University of Kentucky Retirement Plan consists of four Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF) group retirement plans as follows:

- |           |  |
|-----------|--|
| Group I   | Established July 1, 1964, for faculty and certain administrative officials.                            |
| Group II  | Established July 1, 1971, for staff members in the clerical, technical and service categories.         |
| Group III | Established July 1, 1972, for staff members in the managerial, professional and scientific categories. |
| Group IV  | Established January 1, 1973, for staff members having U. S. Civil Service appointments.                |

Participation in the University of Kentucky Retirement Plan in groups I, II, and III is mandatory for all faculty and staff members age 30 and older who have completed one year of service. Participation is voluntary to age 30 (after completion of one year of service). Participation in group IV is always voluntary.

Under these fully funded TIAA/CREF group retirement plans, the University and plan participants make annual contributions to TIAA to purchase individual annuities. The University's share of costs for these plans was \$11,496,138 and \$10,788,970 for 1983 and 1982, respectively. The University makes retirement contributions to the U. S. Civil Service for certain Cooperative Extension Service Employees in the College of Agriculture. These contributions amounted to \$951,457 and \$900,199 for 1983 and 1982, respectively.

In addition to retirement benefits provided from the TIAA/CREF retirement plans, the University provides supplemental retirement income benefits to certain eligible employees in each of the retirement groups (see Note 3).

(3) Minimum Annual Retirement Benefits and Supplemental Retirement Income-

Employees in TIAA/CREF Retirement Groups I through III who were age 40 or older prior to the date of establishment of each group plan, and who were employed by the University prior to that date, qualify for supplemental retirement income to assure a minimum annual retirement benefit.

Benefits for these eligible employees are based upon a percentage, determined through years of service, of the participant's annual salary in the last year of employment prior to retirement. Retirement benefits as determined are funded partially by each individual retiree's accumulation in the TIAA/CREF Retirement Plan, with the balance provided by the University as supplemental retirement income.

The costs of supplemental retirement income benefits are not accrued but are recognized as payments are made to retirees. Supplemental retirement income payments to retirees were \$3,429,030 and \$3,237,248 for 1983 and 1982, respectively. The projected estimate of annual payments for supplemental retirement income for the next five fiscal years is as follows:

1984	\$3,641,000
1985	\$3,896,000
1986	\$4,129,000
1987	\$4,393,000
1988	\$4,666,000

The Legislature of the Commonwealth of Kentucky has appropriated funds to the University for the payment of supplemental retirement income benefits since adoption of the TIAA/CREF group retirement plans, and is expected to continue this practice; however, the Constitution of the Commonwealth of Kentucky prohibits the commitment of future revenues beyond the end of the current biennium. Accordingly, the University does not recognize the liability for supplemental retirement income benefits during the service life of covered employees, but recognizes their costs as funds are appropriated by the Legislature and payments are made.

The University intends to continue paying supplemental retirement income benefits contingent upon the Legislature continuing to appropriate funds required to make these payments.

The latest actuarial valuation was prepared as of June 30, 1982, by TIAA. The actuarial present value of vested and nonvested accumulated supplemental retirement income benefits as determined by this valuation, utilizing an assumed rate of return of 7.5%, was \$46,370,000 (\$40,595,000 vested and \$5,775,000 nonvested) as of June 30, 1982.

(4) Investments-

A comparison of the carrying value and approximate market values of the University's investments is shown below:

	<u>Carrying Value</u>	<u>Approximate Market Value</u>
June 30, 1983:		
Type of investment-		
United States Government securities (maturity value of \$22,522,065)	\$22,001,347	\$21,947,471
Certificates of deposit	19,544,210	19,544,210
Equity in pooled endowment funds	4,158,139	5,444,827
Equity in First Kentucky Trust Company, Collective Fixed Income Fund	1,910,208	1,925,154
Equity in First Kentucky Trust Company, Temporary Fund for Trusts	2,397,606	2,397,606
Real property and mineral rights	269,817	269,817
Common stocks	133,737	170,769
Other	322,085	318,286
	<u>\$50,737,149</u>	<u>\$52,018,140</u>
Fund Group-		
Current unrestricted	\$ 855,865	\$ 925,606
Current restricted	29,473,480	29,785,284
Endowment	9,052,959	10,358,803
Plant	11,339,845	10,934,366
Agency	15,000	14,081
	<u>\$50,737,149</u>	<u>\$52,018,140</u>
June 30, 1982:		
Type of investment-		
United States Government securities (maturity value of \$29,318,808)	\$27,125,290	\$26,064,194
Certificates of deposit	4,740,863	4,740,863
Equity in pooled endowment funds	3,672,073	3,666,569
Equity in First Kentucky Trust Company, Collective Fixed Income Fund	1,452,062	1,452,062
Equity in First Kentucky Trust Company, Temporary Fund for Trusts	1,638,599	1,446,883
Real property and mineral rights	326,109	326,109
Common stocks	142,849	113,048
Other	445,006	438,650
	<u>\$39,542,851</u>	<u>\$38,248,378</u>
Fund Group-		
Current unrestricted	\$ 384,238	\$ 382,248
Current restricted	19,923,366	20,108,228
Endowment	7,394,552	7,183,935
Plant	11,825,695	10,561,789
Agency	15,000	12,178
	<u>\$39,542,851</u>	<u>\$38,248,378</u>

(5) Funds Held in Trust by Others-

The University is the income beneficiary of various trusts which are held and controlled by independent trustees. For the years ended June 30, 1983 and 1982, the University received from these trusts income amounting to \$388,168 and \$445,287, respectively. The University has no equity interest in the principal of the trusts which, accordingly, is recorded at a nominal value of \$1 each. The income received from these funds is recorded in the current unrestricted fund for \$276,674 and in the current restricted fund for \$111,494.

(6) Capitalized Lease Obligation-

The University has the primary lease obligation to the State Property and Buildings Commission for the Commonwealth Stadium. The stadium has been subleased to the Athletic Association. The Commission holds title to the facility until the revenue bonds issued by the Commission have been fully retired in the year 2002, at which time the title passes to the University; accordingly, the Stadium has been capitalized with a corresponding liability entitled "Capitalized Lease Obligation." Under the terms of the agreements, the annual rentals equal the annual debt service on the revenue bonds, which range in amounts from \$590,000 to \$630,000, less investment income from funds placed in escrow with the bond trustees by the Commonwealth of Kentucky. Rental payments are made by the Athletic Association from game revenues. For the years ended June 30, 1983 and 1982, the capitalized lease obligation was reduced by \$200,000 and \$190,000, respectively which represents the principal reduction in the related revenue bonds.

(7) Bonds and Notes Payable-

Bonds payable at June 30, 1983, consisted of the following:

	<u>Outstanding</u>	<u>Current Maturities 1983-84</u>
Lexington Campus:		
Consolidated Educational Buildings Revenue Bonds, Series A-H, issued 1960 to 1983 maturities to 2003, interest rates 3.0% to 9.3%	\$ 73,245,000	\$2,125,000
Consolidated Housing and Dining System Revenue Bonds, Series A-K, issued 1965 to 1978, maturities to 2018, interest rates 2.75% to 6.40%	31,055,000	875,000
Other, issued 1954 to 1968, maturities to 2004, interest rates 2.75% to 5.4%	2,573,000	175,000
Community Colleges Buildings Revenue Bonds, issued 1969 to 1982, maturities to 2009, interest rates 3.0% to 10.2%	<u>26,725,000</u>	<u>450,000</u>
Total	<u>\$133,598,000</u>	\$ 3,625,000

Interest:

Fully funded issues	39,758
Other issues	<u>7,927,774</u>
Total debt service	<u>\$11,592,532</u>

Debt service requirements for the unfunded bond issues do not fluctuate significantly from year to year.

Certain of these bond issues are fully funded by investments on deposit with the bond trustees, totalling \$1,542,862 at June 30, 1983. Income on these investments will be allocated to pay current interest indebtedness.

Revenues from student housing and dining facilities, certain other auxiliary enterprises and student fees are pledged for the retirement of the bonds.

Series L Consolidated Housing and Dining System anticipation notes of \$4,200,000 at an interest rate of 7.89% were issued during 1980-81 for the construction of the student center addition. These notes were renewed at an interest rate of 9.1% on June 1, 1982, to mature June 1, 1986, with provision for redemption beginning June 1, 1984.

A non-interest bearing note was issued to the Commonwealth of Kentucky for the purchase of the Department of Transportation building and equipment located at the main campus in Lexington. The total amount of the loan is \$1,113,745 and is being repaid in six equal annual installments of \$185,624 beginning June 30, 1981. The balance on June 30, 1983 is \$556,872.

(8) Construction Commitments-

Estimated cost to complete construction under contract at June 30, 1983, is approximately \$ 8,913,000. Such construction is principally financed by Commonwealth of Kentucky appropriations and long-term bonds payable.

(9) Contingencies-

As of June 30, 1983, the University Hospital has recorded a liability of \$5,673,122 as an estimate of the amounts the Medicare and Medicaid reimbursements exceeded allowable costs for the years 1980, 1981, 1982, and 1983. The liability per year is:

	<u>Medicaid</u>	<u>Medicare</u>	<u>Total</u>
1980	\$ 131,028	\$ 134,548	\$ 265,576
1981	979,137	Settled	979,137
1982	412,350	141,264	553,614
1983	<u>822,305</u>	<u>3,052,490</u>	<u>3,874,795</u>
	<u>\$2,344,820</u>	<u>\$3,328,302</u>	<u>\$5,673,122</u>

The University is defendant in several lawsuits; however, University officials are of the opinion, based on advice of inhouse legal counsel, that the ultimate outcome of all litigation will not have a material effect on the future operations or financial position of the University.

(10) Reclassifications-

Certain current funds revenues and expenditures for fiscal 1982 have been reclassified to reflect comparability with account classifications adopted for fiscal 1983 with no effects on previously reported fund balances.



Office of the President  
September 22, 1983

# FCR 2

Members, Board of Trustees:

RESOLUTION AMENDING AND AFFIRMING THE  
AUTHORIZATION AND ACCEPTING THE SUCCESSFUL BID  
FOR THE \$3,500,000 UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS  
REVENUE BOND ANTICIPATION NOTES, SERIES E

Recommendation: That the Board of Trustees approve a Resolution that affirms the actions of the Finance Committee on September 6, 1983 to sell Bond Anticipation Notes, amends the Alternate Series E Resolution, accepts the bids to purchase on September 20, 1983 and awards the Notes to Dupree & Company who submitted the lowest bid of 6.63516% Net interest to Maturity. The Resolution also authorizes future actions to sell the Series E Bonds.

Background: On September 6, 1983 the Finance Committee was polled and due to the recent rise in long term interest rates approved the sale of Bond Anticipation Notes. The amendemnts to the Alternate Series E Resolution include; (i) changes to dates relating to the date of issuance, maturity schedule, and optional redemption provisions of the Series E Bonds when issued (ii) making the notes noncallable and (iii) to provide for payment of \$70,000 on May 1, 1984 and \$85,000 on May 1, 1985 into the Bond Fund. These amounts are equal to the amounts that would have matured had bonds been issued. New Exhibits were also prepared to reflect these changes.

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Action: Approved     X     Disapproved            Other           

Date:     September 20    , 1983.

EXHIBIT 1

RESOLUTION AMENDING AND AFFIRMING THE  
AUTHORIZATION AND ACCEPTING THE SUCCESSFUL BID  
FOR THE \$3,500,000 UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS  
REVENUE BOND ANTICIPATION NOTES, SERIES E

WHEREAS, the Board of Trustees of the University of Kentucky ("the Board") at its meeting on August 26, 1983, passed and adopted two Resolutions entitled, respectively,

RESOLUTION AUTHORIZING THE ISSUANCE OF \$3,500,000  
UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCA-  
TIONAL BUILDINGS REVENUE BONDS, SERIES E

-and-

RESOLUTION AUTHORIZING THE ISSUANCE OF \$3,500,000  
UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCA-  
TIONAL BUILDINGS REVENUE BONDS, SERIES E, AND THE  
ISSUANCE OF \$3,500,000 UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE  
BOND ANTICIPATION NOTES, SERIES E, IN ANTICIPATION  
THEREOF,

said Resolutions being referred to herein, respectively, as "the Series E Resolution" and "the Alternate Series E Resolution"; and

WHEREAS, pursuant to the procedures established in Section 5.3 of the Alternate Series E Resolution, the Series E Resolution has been repealed and the Alternate Series E Resolution is now in full force and effect; and

WHEREAS, the Board has been advised by the Financial Adviser to the Board that in its opinion marketability of the notes authorized by the Alternate Series E Resolution ("the Series E Notes") would be enhanced by eliminating the provision of the Alternate Series E Resolution authorizing their prior redemption; and

WHEREAS, the Board has determined that sound financial administration of the Community Colleges Educational Buildings Project ("the Project") requires that provisions of the

Alternate Series E Resolution for the date of issuance, principal amount, maturity, and optional redemption of the bonds authorized by the Alternate Series E Resolution ("the Series E Bonds") be amended and that a portion of the Revenues of the Project during 1984 and 1985 be transferred from the Community Colleges Educational Buildings Project Revenue Fund and deposited to the credit of the Community Colleges Educational Buildings Project Bond and Interest Sinking Fund; and

WHEREAS, pursuant to Section 3.11 of the Alternate Series E Resolution, the Treasurer of the Board has caused to be published a Notice of Note Sale with respect to the Series E Notes for the information of potential bidders and has furnished copies of an Official Statement and Official Terms and Conditions of Note Sale to interested persons requesting the same; and

WHEREAS, under the terms of the Notice of Note Sale and the Official Terms and Conditions of Note Sale, it is provided that proposals for purchase of the Series E Notes would be received until 10:30 A.M. on September 20, 1983; and

WHEREAS, the following proposals for purchase of the Series E Notes have been received in due time and acceptable form:

A. Bidder:

Dupree & Company, Inc.  
Lexington, Kentucky

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.49%	6.63516%

B. Bidder:

Morgan, Keegan & Company, Inc.  
Memphis, Tennessee

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.60%	6.74399%

C. Bidder:

Merrill Lynch Capital Markets & Associates  
Lexington, Kentucky

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.625%	6.8139%

D. Bidder:

Union Planters National Bank of Memphis  
Memphis, Tennessee

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.75%	6.904839%

E. Bidder:

J.J.B. Hilliard, W.L. Lyons, Inc.  
Louisville, Kentucky

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.74%	6.9320%

F. Bidder:

Seasongood & Mayer  
Cincinnati, Ohio

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.75%	6.942387%

G. Bidder:

Citicorp Capital Markets Group  
New York, New York

<u>Interest Rate Offered</u>	<u>Net Interest Cost</u>
6.80%	6.9931%

WHEREAS, the Board, upon the advice of the Finance Committee of the Board, has considered the matter of which bid is most advantageous to the University of Kentucky;

NOW, THEREFORE, THE BOARD HEREBY RESOLVES AS FOLLOWS:

1. that SECTION 2.1 of the Alternate Series E Resolution be amended to read, in its entirety, as follows:

SECTION 2.1. Series E Bonds Authorized. Pursuant to the provisions of the Basic Resolution, there is hereby authorized to be issued by the Board, in its corporate capacity, a further series of Bonds in the aggregate principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000) or such sum as may be necessary to pay the principal of the Series E Notes at their maturity. Such Bonds shall be designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E." The Series E Bonds are hereby declared to have been authorized under the Basic Resolution and in conformity with the provisions of Section 7.10 of the Basic Resolution.

2. that SECTION 2.3 of the Alternate Series E Resolution be amended to read, in its entirety, as follows:

SECTION 2.3. Bond Maturities. The Series E Bonds shall be dated on a date selected by the Board and bear interest payable semi-annually from date of issuance on May 1 and November 1 at an interest rate or interest rates to be fixed as a result of advertised sale and competitive bidding for the Series E Bonds as hereinafter provided. The Board shall fix a schedule of maturities for the Series

E Bonds substantially in accordance with the following schedule:

<u>Aggregate Principal Amount</u>	<u>Date of Maturity May 1</u>
\$ 70,000	1984
85,000	1985
90,000	1986
95,000	1987
100,000	1988
110,000	1989
115,000	1990
125,000	1991
135,000	1992
150,000	1993
160,000	1994
175,000	1995
190,000	1996
205,000	1997
225,000	1998
245,000	1999
265,000	2000
290,000	2001
320,000	2002
350,000	2003

3. that SECTION 2.7 of the Alternate Series E Resolution be amended to read, in its entirety, as follows:

SECTION 2.7 Provisions for Prior Redemption. The Series E Bonds maturing May 1, 1994, and thereafter shall be subject to redemption at the option of the Board in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1993, at the redemption prices, expressed in percentages of principal amount with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1993 and prior to May 1, 1995	103%
On or after May 1, 1995 and prior to May 1, 1998	102%
On or after May 1, 1998 and prior to final maturity	101%

Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the registered owners of the Bonds to be redeemed, by first-class mail, a notice fixing the redemption date and the premium, if any, to be paid. The Series E Bonds called for redemption and for the payment of which funds are deposited with the Registrar and paying Agent on the specified redemption date shall cease to bear interest on said redemption date. Any of the Series E Bonds that is to be redeemed only in part shall be surrendered to the Registrar and Paying Agent (with, if the Registrar and Paying Agent so requires, due endorsement by, or a written instrument of transfer in form and with guarantee satisfactory to the Registrar and Paying Agent duly executed by the holder or his duly authorized attorney) and the Registrar and Paying Agent shall authenticate and deliver to the holder of such Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

4. that paragraph A of SECTION 2.12 of the Alternate Series E Resolution be amended to read, in its entirety, as follows:

A. a sum equal to the interest accrued, if any, on the Series E Bonds from the date of issuance to the date the Series E Bonds are delivered shall be deposited in the "Community Colleges Educational

Buildings Project Bond and Interest Sinking Fund" (the "Bond Fund" established by the Basic Resolution) and applied to the payment of the interest becoming due on the Series E Bonds on the first interest payment date.

5. that SECTION 3.7 of the Alternate Series E Resolution be amended to read, in its entirety, as follows:

SECTION 3.7. Provisions for Prior Redemption.  
The Series E Notes shall not be subject to redemption prior to their stated maturity.

6. that ARTICLE 3 of the Alternate Series E Resolution be amended by adding thereto a new Section 3.13 to read as follows:

SECTION 3.13. Supplemental Payments to Bond Fund.  
The Treasurer shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund the sum of \$70,000 on May 1, 1984 and the sum of \$85,000 on May 1, 1985 for application to the payment of principal on all Bonds (including the Series E Notes) scheduled to become due on May 1, 1986.

7. that the Alternate Series E Resolution as amended hereby, and the delegation of functions therein to the Finance Committee of the Board, the Treasurer of the Board, the Fiscal Adviser to the Board and Bond Counsel, and all proceedings for the authorization of the Series E Notes, and the Series E Bonds, and the revised forms of the Series E Bonds, the Series E Notes, the Notice of Note Sale and Official Terms and Conditions of Note Sale in the forms of Exhibits A, B, C and D hereto, are hereby affirmed.

8. that repeal of the Series E Resolution as a result of the proceedings of the Finance Committee of the Board on September 6, 1983, and such proceedings, are hereby ratified and confirmed;



9. that the proposal of Dupree & Company, Inc., as follows, for the purchase of the Series E Notes is hereby accepted and confirmed as the highest and best bid.

<u>Interest</u>	<u>Net</u>
<u>Rate</u>	<u>Interest Cost</u>
6.49%	6.63516%

and the Series E Notes are hereby awarded to Dupree & Company, Inc. in accordance with such bid.

10. that the interest rate on the Series E Notes is hereby fixed at the rate set out in the said accepted proposal;

11. that the Series E Notes shall be delivered by the officers of the Board in accordance with the terms of the Alternate Series E Resolution as soon as ready;

12. that the confirmation of the said accepted proposal subjects the Board to no liability if it is unable to obtain the final approving legal opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, or if the interest on the Series E Notes should become subject to federal or Kentucky income taxation, or if the Series E Notes should become subject to Kentucky ad valorem taxation, prior to the delivery of the Series E Notes; but also that the purchaser shall not be required to take up the Series E Notes without the final approving legal opinion of Bond Counsel aforesaid or if the Series E Notes or interest thereon should become so subject to taxation;

13. that this Resolution shall be in full force and effect from and after its adoption.

UK1/123  
9/9/83

FRONT

(FORM OF SERIES E BOND)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BOND  
SERIES E

No. \_\_\_\_\_

\$ \_\_\_\_\_

The Board of Trustees of the University of Kentucky, a body corporate, as an educational institution and agency of the Commonwealth of Kentucky (sometimes hereinafter called the "Board of Trustees"), for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to \_\_\_\_\_ or registered assigns, on May 1, \_\_\_\_\_, the principal sum of \_\_\_\_\_ Dollars, and to pay, solely from said special fund, interest thereon from the date hereof until payment of principal at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum, semiannually on May 1 and November 1 in each year, commencing \_\_\_\_\_, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto, both principal and interest being payable in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent, Liberty National Bank and Trust Company of Louisville, in the City of Louisville, Kentucky, (or any successor appointed pursuant to the provisions of the Basic Resolution herein mentioned). Payment of interest hereon shall be made to the registered holder hereof as the same appears from the registration books of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date by check or draft mailed to such registered holder at his address as it appears on such books or at such other address as is timely furnished in writing by such registered holder to the Registrar and Paying Agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

EXHIBIT A

UK1/123  
9/9/83

This Bond shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Basic Resolution, until it shall have been authenticated by the execution by the Registrar and Paying Agent of the certificate hereon endorsed.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond, do exist, have happened, and have been performed in due time, form and manner as required by law, and the amount of this Bond, together with all other obligations of the Board of Trustees and of the University of Kentucky, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project herein mentioned will be continuously operated; and that a sufficient portion of the gross revenues therefrom has been pledged to and will be set aside into the Bond Fund herein mentioned for the payment of the principal of and interest on this Bond and the issue of which it is one, and all other bonds which by their terms and the terms of the Basic Resolution are payable from the Bond Fund, as and when the same will respectively become due.

IN TESTIMONY WHEREOF, the Board of Trustees of the University of Kentucky has caused this Bond to be executed on its behalf by the reproduced facsimile signature of its Chairman and attested by the manual signature of its Secretary, and the facsimile of its corporate seal to be imprinted hereon, all being done as of the \_\_\_ day of \_\_\_\_\_.

This Bond is dated \_\_\_\_\_.

[Facsimile of Seal]

[Facsimile Signature]  
Chairman  
Board of Trustees  
University of Kentucky

ATTEST:

[Manual Signature]  
Secretary or Assistant Secretary  
Board of Trustees  
University of Kentucky

UK1/123  
9/9/83

AUTHENTICATION CERTIFICATE

This Bond is one of the Series E Bonds described or provided for in the within-mentioned Alternate Series E Resolution. Printed on the reverse hereof is the complete text of the opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, dated the date of the original delivery of and payment for such Bonds, a signed counterpart of which opinion is on file with the undersigned Registrar and Paying Agent.

LIBERTY NATIONAL BANK AND  
TRUST COMPANY OF LOUISVILLE  
REGISTRAR AND PAYING AGENT  
Louisville, Kentucky

By           [Manual Signature]            
Authorized Officer

UK1/123  
9/9/83

REVERSE

This Bond is one of a duly authorized issue of Bonds designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the resolution adopted by the Board of Trustees on May 6, 1969, as clarified, amended, and restated pursuant to resolutions adopted on May 5, 1970, November 17, 1970, and December 11, 1973, respectively (collectively herein referred to as the "Basic Resolution"), and the Alternate Series E Resolution adopted by the Board of Trustees on August 26, 1983.

As provided in the Basic Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise vary as in the Basic Resolution provided. The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in the Basic Resolution, and all Bonds issued and to be issued under the Basic Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Basic Resolution.

This Bond is one of a series of Bonds of various maturities designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E" (herein called the "Series E Bonds") issued in the aggregate principal amount of \$\_\_\_\_\_ under the Basic Resolution and the Alternate Series E Resolution for the purpose of paying and retiring \$3,500,000 of "University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E," originally issued for the purpose of financing the costs (to the extent not otherwise provided) of erecting and completing educational buildings and necessary appurtenances as parts of the Community Colleges Educational Buildings Project of said University (herein referred to as the "Project"). Copies of the Basic Resolution and the Alternate Series E Resolution are on file at the office of the Trustee. Reference is hereby made to the Basic Resolution pursuant to which The Second National Bank and Trust Company of Lexington, in the City of Lexington, Kentucky, has been designated as Trustee for the holders of the Bonds of which this Bond is one and for the provisions, among others, with respect to the custody and

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application of the proceeds of the Bonds; the rights, duties and obligations of said Board of Trustees, and of the Trustee, and the rights of the holders of the Bonds; and by the acceptance of this Bond, the holder hereof assents to all of the provisions of the Basic Resolution and the Alternate Series E Resolution.

The holder of this Bond shall have no right to enforce the provisions of the Basic Resolution or the Alternate Series E Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Basic Resolution or the Alternate Series E Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Basic Resolution. The Basic Resolution provides for fixing, charging and collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on the Bonds payable out of the Revenues of the Project as the same become due and provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Community Colleges Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross revenues of the Project to pay interest on the Bonds as the same becomes due, and to pay or retire the principal of the Bonds at or prior to the maturity thereof, and to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The issue of Series E Bonds of which this Bond is one and all other Bonds outstanding from time to time under the Basic Resolution, are payable only from a fixed amount of the gross revenues derived from the operation of said Project which will be set aside in said Bond Fund, and this Bond does not constitute any indebtedness of the University of Kentucky or of the Board of Trustees or of the Commonwealth of Kentucky within the meaning of any provisions or limitations of the Constitution of the Commonwealth of Kentucky.

This Bond is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Alternate Series E Resolution, and upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond or Bonds of

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the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Board of Trustees and the Registrar and Paying Agent may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

This Bond may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of registered Bonds of the same maturity and interest rate and of any other authorized denomination at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Alternate Series E Resolution, and upon surrender and cancellation of this Bond. The Board of Trustees and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Bonds after the mailing of a notice calling such Bond for redemption as provided in the Alternate Series E Resolution, nor to transfer or exchange any Bonds selected, called or being called for redemption in whole or in part.

The Series E Bonds maturing May 1, 1994, and thereafter shall be subject to redemption at the option of the Board of Trustees in whole or from time to time in part in the inverse order of their maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1993, at the redemption prices, expressed in percentages of principal amount, with respect to each Bond as set forth below, plus in each case accrued interest to the date of redemption:

<u>If Redeemed:</u>	<u>Redemption Price</u>
On or after May 1, 1993, and prior to May 1, 1995	103%
On or after May 1, 1995, and prior to May 1, 1998	102%
On or after May 1, 1998, and prior to final maturity	101%

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Notice of any such optional redemption shall be given at least thirty (30) days prior to the redemption date by mailing to the registered owner of this Bond, by first-class mail, a notice fixing such redemption date, and the premium, if any, to be paid. If funds for the payment of this Bond are deposited on the specified redemption date, this Bond shall cease to bear interest on said redemption date. If this Bond is redeemed only in part, upon its surrender the Registrar and Paying Agent shall authenticate and deliver to the holder of this Bond a new fully registered Bond or Bonds of the same maturity, of authorized denomination or denominations, for the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so redeemed.

A statutory mortgage lien, which is hereby recognized as valid and binding on the Project, is created and granted to and in favor of the holder or holders of this Bond and the issue of Bonds of which it is one, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Bond and the issue of Bonds of which it is one.

#### ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name, address and tax identification number of transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_



FRONT

(FORM OF SERIES E NOTE)

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
UNIVERSITY OF KENTUCKY  
COMMUNITY COLLEGES EDUCATIONAL BUILDINGS  
REVENUE BOND ANTICIPATION NOTE  
SERIES E

No. \_\_\_\_\_

\$ \_\_\_\_\_

The Board of Trustees of the University of Kentucky, a body corporate, as an educational institution and agency of the Commonwealth of Kentucky (sometimes hereinafter called the "Board of Trustees"), for value received, hereby promises to pay, solely from the special source provided therefor, as hereinafter set forth, to \_\_\_\_\_ or registered assigns, on May 1, 1986, the principal sum of \_\_\_\_\_ Dollars, and to pay, solely from the special fund provided therefor, interest thereon from the date hereof until payment of principal at the rate of \_\_\_\_\_ percent (\_\_\_%) per annum, semiannually on May 1 and November 1 in each year, commencing May 1, 1984, both principal and interest being payable in any coin or currency which at the time of payment thereof is legal tender for the payment of public and private debts at the principal office of the Registrar and Paying Agent, Liberty National Bank and Trust Company of Louisville, in the City of Louisville, Kentucky, (or any successor appointed pursuant to the provisions of the Basic Resolution herein mentioned). Payment of interest hereon shall be made to the registered holder hereof as the same appears from the registration books of the Registrar and Paying Agent at the close of business on the fifteenth day of the month preceding each interest payment date by check or draft mailed to such registered holder at his address as it appears on such books or at such other address as is timely furnished in writing by such registered holder to the Registrar and Paying Agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS NOTE SET FORTH ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH AT THIS PLACE.

EXHIBIT B

This Note shall not be valid or become obligatory for any purpose, or be entitled to any security or benefit, under the Basic Resolution, until it shall have been authenticated by the execution by the Registrar and Paying Agent of the certificate hereon endorsed.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Note, do exist, have happened, and have been performed in due time, form and manner as required by law, and the amount of this Note, together with all other obligations of the Board of Trustees and of the University of Kentucky, does not violate any provisions or exceed any limit prescribed by the Constitution or Statutes of Kentucky; that the Project herein mentioned will be continuously operated; and that a sufficient portion of the gross revenues therefrom has been pledged to and will be set aside into the Bond Fund herein mentioned for the payment of the interest on this Note and the issue of which it is one, and for the payment of principal and interest on all bonds which by their terms and the terms of the Basic Resolution are payable from the Bond Fund, as and when the same will respectively become due, including the bonds from the proceeds of which the principal hereof shall be payable.

IN TESTIMONY WHEREOF, the Board of Trustees of the University of Kentucky has caused this Note to be executed on its behalf by the reproduced facsimile signature of its Chairman and attested by the manual signature of its Secretary, and the facsimile of its corporate seal to be imprinted hereon, all being done as of the 1st day of October, 1983.

This Note is dated \_\_\_\_\_.

[Facsimile of Seal]

[Facsimile Signature]

Chairman  
Board of Trustees  
University of Kentucky

ATTEST:

[Manual Signature]

Secretary or Assistant Secretary  
Board of Trustees  
University of Kentucky

AUTHENTICATION CERTIFICATE

This Note is one of the Series E Notes described or provided for in the within-mentioned Alternate Series E Resolution. Printed on the reverse hereof is the complete text of the opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, dated the date of the original delivery of and payment for such Notes, a signed counterpart of which opinion is on file with the undersigned Registrar and Paying Agent.

LIBERTY NATIONAL BANK AND  
TRUST COMPANY OF LOUISVILLE,  
REGISTRAR AND PAYING AGENT  
Louisville, Kentucky

By           [Manual Signature]            
Authorized Officer

REVERSE

This Note is one of a duly authorized issue of Bonds designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bonds" (hereinafter referred to as the "Bonds") issued and to be issued under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including among others, Section 56.513 and Sections 162.350 to 162.380, inclusive, of the Kentucky Revised Statutes now in full force and effect, and under and pursuant to the resolution adopted by the Board of Trustees on May 6, 1969, as clarified, amended, and restated pursuant to resolutions adopted on May 5, 1970, November 17, 1970, and December 11, 1973, respectively (collectively herein referred to as the "Basic Resolution"), and the Alternate Series E Resolution adopted by the Board of Trustees on August 26, 1983.

As provided in the Basic Resolution, the Bonds may be issued from time to time pursuant to separate resolutions in one or more series, in various principal amounts, may bear interest at different rates and may otherwise vary as in the Basic Resolution provided. The aggregate principal amount of Bonds which may be issued under the Basic Resolution is not limited except as provided in the Basic Resolution, and all Bonds issued and to be issued under the Basic Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Basic Resolution.

This Note is one of a series of Notes of equal maturity designated as "University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E" (herein called the "Series E Notes") issued in the aggregate principal amount of \$3,500,000 under the Basic Resolution and the Alternate Series E Resolution for the purpose of financing the costs (to the extent not otherwise provided) of erecting and completing educational buildings and necessary appurtenances as parts of the Community Colleges Educational Buildings Project of said University (herein referred to as the "Project"). Copies of the Basic Resolution and the Alternate Series E Resolution are on file at the office of the Trustee. Reference is hereby made to the Basic Resolution pursuant to which The Second National Bank and Trust Company of Lexington, in the City of Lexington, Kentucky, has been designated as Trustee for the holders of the Bonds of which this Note is one and for the provisions, among others, with respect to the custody and application of the proceeds of the Bonds; the rights, duties and obligations of said Board of Trustees, and of the Trustee, and the rights of the holders of the

Bonds; and by the acceptance of this Note, the holder hereof assents to all of the provisions of the Basic Resolution and the Alternate Series E Resolution.

By the adoption of the Alternate Series E Resolution, the Board of Trustees has authorized the issuance of up to \$3,500,000 of "University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series E," (hereinafter referred to as the Series E Bonds) and has covenanted to issue said Series E Bonds, or Renewal Notes, in order to provide for the complete payment of the principal amount of the Notes on May 1, 1986. Said Alternate Series E Resolution pledges the proceeds of the Series E Bonds or Renewal Notes to the payment of said Notes and grants to the holders of said Series E Notes a first lien upon said proceeds.

The holder of this Note shall have no right to enforce the provisions of the Basic Resolution or the Alternate Series E Resolution or to institute action to enforce the covenants therein, or to take any action with respect to any default under the Basic Resolution or the Alternate Series E Resolution, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Basic Resolution. The Basic Resolution provides for fixing, charging and collecting fees for the services of the Project, which fees will be sufficient to pay the principal of and interest on the Bonds payable out of the Revenues of the Project as the same become due and provide reserves for such purposes and also to pay the costs of operation and maintenance of the Project to the extent the same are not otherwise provided. The Basic Resolution provides for the creation of a special account designated "Community Colleges Educational Buildings Project Bond and Interest Sinking Fund" (herein called the "Bond Fund") and for the deposit to the credit of the Bond Fund of a fixed amount of the gross revenues of the Project to pay interest on the Bonds as the same becomes due, and to pay or retire the principal of the Bonds at or prior to the maturity thereof, and to provide a reserve for such purpose, which Bond Fund is pledged to and charged with the payment of said principal and interest.

The issue of Series E Notes of which this Note is one and all other Bonds outstanding from time to time under the Basic Resolution, are payable as to interest only from a fixed amount of the gross revenues derived from the operation of said Project which will be set aside in said Bond Fund, and this Note does not constitute an indebtedness of the University of Kentucky or of the Board of Trustees or of the Commonwealth of Kentucky within the meaning of any

provisions or limitations of the Constitution of the Commonwealth of Kentucky.

This Note is transferable by the registered owner hereof in person or by his attorney duly authorized in writing, at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Alternate Series E Resolution, and upon surrender and cancellation of this Note. Upon such transfer, a new registered Series E Note or Notes of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Board of Trustees and the Registrar and Paying Agent may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Note shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Issuer nor the Registrar and Paying Agent shall be affected by any notice to the contrary.

This Note may, at the option of the registered holder thereof, be exchanged for an equal aggregate principal amount of registered Series E Notes of the same maturity and interest rate and of any other authorized denomination at the principal office of the Registrar and Paying Agent, but only in a manner and subject to the limitations provided in the Basic Resolution and the Alternate Series E Resolution, and upon surrender and cancellation of this Note. The Board of Trustees and the Registrar and Paying Agent shall not be required to issue, transfer, or exchange any of the Notes after the mailing of a notice calling such Note for redemption as provided in the Alternate Series E Resolution, nor to transfer or exchange any Notes selected, called or being called for redemption in whole or in part.

The Series E Notes shall not be subject to redemption prior to their stated maturity.

A statutory mortgage lien, which is hereby recognized as valid and binding on the Project, is created and granted to and in favor of the holder or holders of this Note and the issue of Bonds of which it is one, and the Project shall remain subject to such statutory mortgage lien until the payment in full of the principal of and interest on this Note and the issue of Bonds of which it is one.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (please print or typewrite name, address and tax identification number of transferee) the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

Date \_\_\_\_\_

Signature guaranteed:

\_\_\_\_\_

NOTICE OF NOTE SALE

UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

\$3,500,000 University of Kentucky Community Colleges  
Educational Buildings Revenue Bond  
Anticipation Notes, Series E

The Treasurer of the Board of Trustees of the University of Kentucky (the "Board"), hereby gives notice that the Board will until the hour of 10:30 a.m., E.D.T., on September 20, 1983 receive in the Office of the Treasurer, 369 Peterson Service Building, South Limestone Street, University of Kentucky Campus, Lexington, Kentucky 40506, sealed competitive bids for the purchase of \$3,500,000 of its University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E, dated October 1, 1983 (the "Notes"). Proposals for the purchase of the Notes will be considered by the Finance Committee of the Board at 11:00 a.m. and referred to the full Board for acceptance or rejection at its meeting at 2:00 p.m., E.D.T., on September 20, 1983.

The Notes are issued pursuant to the provisions of a Resolution of the Board dated May 5, 1969, as clarified, amended and restated by resolutions of the Board dated May 6, 1970, November 17, 1970, and December 11, 1973, respectively, a Series Resolution of the Board, dated August 26, 1983 and Sections 56.513 and 162.340 through 162.380 of the Kentucky Revised Statutes as fully registered Notes in denominations of \$5,000 and integral multiples thereof, maturing on May 1, 1986; not subject to redemption prior to maturity.

The Notes are not general obligations of the Board, the University or the Commonwealth of Kentucky but are special obligations payable as to interest from a first lien and charge upon the defined Revenues of the Community Colleges Educational Building Project and as to principal from the proceeds of any Renewal Notes or the proceeds of Series E Bonds, which in turn shall be payable from a first lien and charge upon the defined Revenues of the Community Colleges Educational Buildings Project.

Bids must be on Official Bid Form contained in Information for Bidders available from the undersigned or Dupree & Company, Inc., 600 First National Bank Building, 167 West Main Street, Post Office Box 1149, Lexington,

EXHIBIT C



Kentucky 40589. Reference should be made to Official Terms and Conditions of Note Sale and the Official Statement for details and bidding conditions.

Sale on usual tax exempt basis, subject to approving Legal Opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel. The right to reject bids or waive informality is reserved. Delivery prior to October 30, 1983 anticipated.

Henry Clay Owen  
Treasurer, Board of Trustees  
University of Kentucky

OFFICIAL TERMS AND CONDITIONS OF NOTE SALE  
UNIVERSITY OF KENTUCKY  
Lexington, Kentucky

\$3,500,000 University of Kentucky  
Community Colleges Educational  
Buildings Revenue Bond Anticipation Notes, Series E

The Board of Trustees of the University of Kentucky (the "Board"), a public body corporate, educational agency and instrumentality, and a political subdivision of the Commonwealth of Kentucky, hereby gives notice that until September 20, 1983, at the hour of 10:30 a.m., E.D.T., the Board will receive in the Office of the Treasurer, 369 Peterson Service Building, South Limestone Street, on the Campus of the University at Lexington, Kentucky 40506, sealed competitive bids for the purchase of its \$3,500,000 University of Kentucky Community Colleges Educational Buildings Revenue Bond Anticipation Notes, Series E (the "Notes"), dated October 1, 1983. Proposals for the purchase of the Notes will be considered by the Finance Committee of the Board at 11:00 a.m. and referred to the full Board for acceptance or rejection at its meeting at 2:00 p.m., E.D.T. on September 20, 1983.

The Notes mature May 1, 1986, and are to be issued in the form of fully registered bonds without coupons in the denomination of \$5,000 or integral multiples thereof. The Notes bear interest from their date payable on May 1, 1984 and semiannually thereafter by check or draft mailed to registered holders as of the 15th day of the month preceding each interest payment date.

The Notes shall not be subject to redemption prior to their stated maturity.

The Notes are issued for the purpose of providing funds to construct new buildings and related improvements located in Pulaski and McCracken Counties, Kentucky, for the use of the Somerset Community College and the Paducah Community College, respectively. The Notes are being issued pursuant to the provisions of Sections 56.513 and 162.340 et seq. of the Kentucky Revised Statutes and the Resolution adopted by the Board on May 5, 1969, as clarified, amended, and restated by resolutions adopted by the Board on May 6, 1970, November 17, 1970, and December 11, 1973, respectively (collectively, "the Basic Resolution"), as amended by the Series E Resolution adopted by the Board on August 26, 1983. The Notes are secured pursuant to the terms of the Basic Resolution whereunder The Second National Bank and Trust

EXHIBIT D

Company of Lexington, Lexington, Kentucky, is named Trustee for the holders of all Notes and Bonds issued under the Basic Resolution and by a statutory mortgage lien upon the buildings and appurtenances constituting the Community Colleges Educational Buildings Project. In addition, the Notes are secured by a pledge of the revenues derived from the operation of the Community Colleges Educational Buildings Project. The Notes will rank on the basis of parity as to security and source of payment with four previous issues, Series A, B, C, and D Bonds now outstanding, and any subsequent issues under the Basic Resolution.

The Notes are not general obligations of the Board, the University, or the Commonwealth of Kentucky, but are special obligations payable as to interest solely from a first lien and charge upon the defined Revenues of the Community Colleges Educational Buildings Project to which the Revenues derived from all Student Registration Fees of the Community Colleges are pledged and made subject to a first lien and paramount charge (subject to a prior pledge of revenues of one Community College prior to its joining the Community College System) for the security and source of payment of the University of Kentucky Community Colleges Educational Buildings Revenue Bonds. The Notes are payable as to principal from the proceeds of the Series E Bonds or any Renewal Notes, which are pledged to such payment.

The Notes are issued in anticipation of the issuance by the Board of up to \$3,500,00 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, (the "Bonds") which have been authorized by the Board pursuant to the terms of the Series E Resolution or Renewal Notes. The Bonds are to be issued in the form of fully registered bonds with principal maturities on May 1 in years through 2003.

The purchasers of the Notes will be furnished at delivery, at the cost of the Board, the unqualified approving opinion of Wyatt, Tarrant & Combs, Louisville, Kentucky, Bond Counsel, which will contain a statement that in Bond Counsel's opinion, based upon statutes, regulations, court decisions and administrative rulings as interpreted and applied at that date, interest on the Notes will be exempt from federal income taxation and that the Notes and interest thereon are exempt from all Kentucky ad valorem and income taxation.

The Board expressly reserves the right to reject all bids and to waive informalities and irregularities which in the judgment of the Board do not impair the integrity of the bidding process. Delivery is guaranteed within forty-

five days after awards are made and it is now anticipated that delivery will be made prior to October 30, 1983. The Board will tender the Notes to the purchasers thereof, at its own expense, anywhere in the continental United States (exclusive of Alaska); provided, however, that the purchaser shall bear any bank service charge for processing the delivery of the Notes and closing the transaction. Payment for the Notes must be made in FEDERAL FUNDS.

BIDDING CONDITIONS: The Notes shall be offered as a whole, at not less than 99-1/2% of par (not less than \$3,482,500), plus accrued interest. The single interest rate must be in multiples of 1/100 of 1%. A good faith check in the amount of \$35,000 is required. Only bids submitted on the Official Bid Form shall be given favorable consideration. CUSIP identification numbers shall be provided on the Notes at the expense of the Board. Neither the improper provision nor the failure to provide CUSIP numbers shall constitute a cause for failure or refusal by the purchaser to accept delivery and pay for the Notes.

The purchasers of the Notes must supply the name(s) and tax identification number(s) of the registered holder(s) of the Notes to be delivered, and the denomination of each such Note, not later than seven days prior to the date of delivery, by written direction to the Registrar and Paying Agent for the Notes, Liberty National Bank and Trust Company of Louisville, Louisville, Kentucky.

Details regarding the Notes, the Official Bid Form and financial and other pertinent information concerning the University and the Community Colleges Educational Buildings Project are contained in the "Official Statement" which may be obtained by addressing Mr. Henry Clay Owen, Treasurer of the Board, Peterson Service Building, University of Kentucky Campus, Lexington, Kentucky 40506, or the Financial Advisor, Dupree & Company, Inc., 600 First National Bank Building, 167 West Main Street, Post Office Box 1149, Lexington, Kentucky 40589.

BY ORDER OF THE BOARD:

Henry Clay Owen  
Treasurer, Board of Trustees  
University of Kentucky

Office of the President  
September 20, 1983

# ICR 1

Members, Board of Trustees:

## REPORT OF INVESTMENTS

Recommendation: that the report of changes made in investments for the University of Kentucky and its Affiliated Corporations for the three months ended June 30, 1983, be accepted.

Background: a part of the Board policy regarding investments is a provision that a quarterly report be submitted by the Investment Committee of the Board. The attached reports reflect the purchases and sales made during the Second Quarter of 1983, for the University of Kentucky Athletic Association, the Fund for Advancement of Education and Research in the University of Kentucky Medical Center, the University of Kentucky, the University of Kentucky Research Foundation, the University of Kentucky Business Partnership Foundation, and the University of Kentucky Mining Engineering Foundation.

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Action taken: Approved   X   Disapproved            Other           

Date:   September 20  , 1983

University of Kentucky  
 Statement of Portfolio Changes  
 Short Term Current Fund Investments  
 For the Three Months Ended June 30, 1983

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Yield</u>	<u>Net Amount of Purchase</u>
U. S. Treasury Bills	5/20/83	8.40%	\$ 7,054,020
Certificate of Deposit # 8179	6/16/83	9.126%	<u>3,000,000</u>
Total-Purchases			<u>\$10,054,020</u>

<u>Maturities:</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Par Value</u>
U. S. Treasury Bills	5/19/83	13.98%	\$ 5,999,086
U. S. Treasury Bills	6/16/83	15.10%	<u>2,997,470</u>
Total-Maturities			<u>\$ 8,996,556</u>

University of Kentucky Research Foundation  
Statement of Portfolio Changes  
Short Term Current Fund Investments  
For the Three Months Ended June 30, 1983

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Yield</u>	<u>Net Amount of Purchase</u>
None			

  

<u>Maturities:</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Par Value</u>
None			

The Fund for the Advancement of Education and Research  
 in the University of Kentucky Medical Center  
 Statement of Portfolio Changes  
 Short Term Current Fund Investments  
 For the Three Months Ended June 30, 1983

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Yield</u>	<u>Net Amount of Purchases</u>
Certificate of Deposit # 52864	6/29/83	9.40%	\$ 1,000,000
U. S. Treasury Bills	6/30/83	9.24%	<u>1,495,541</u>
Total-Purchases			<u>\$ 2,495,541</u>
<u>Maturities:</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Par Value</u>
Certificate of Deposit # 5997	6/24/83	14.0%	\$ 2,500,000
Total-Maturities			<u>\$ 2,500,000</u>



University of Kentucky Athletic Association  
Statement of Portfolio Changes  
Short Term Current Fund Investments  
For the Three Months Ended June 30, 1983

<u>Purchases:</u>	<u>Purchase Date</u>	<u>Yield</u>	<u>Net Amount of Purchase</u>
Certificate of Deposit # 8036	4/21/83	8.86%	\$ 5,000,000
Certificate of Deposit # 52865	6/29/83	9.40%	1,000,000
U. S. Treasury Bills	6/30/83	9.24%	<u>1,495,541</u>
Total-Purchases			<u>\$ 7,495,541</u>
<u>Maturities:</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Par Value</u>
U. S. Treasury Bills	4/21/83	14.09%	\$ 4,497,095
Total-Maturities			<u>\$ 4,497,095</u>

University of Kentucky  
 University of Kentucky Research Foundation  
 The Fund for Advancement of Education and Research  
 in the University of Kentucky Medical Center and  
 University of Kentucky Business Partnership Foundation  
 Statement of Portfolio Changes for the Regular Endowment Pool  
 For the Three Months Ended June 30, 1983

Purchases:

No. of Shares	Security	Date of Purchase	Amount of Purchase
1,000	Master Note-South Central Bell Telephone	4/04/83	1,000.00
650	Pope Evans & Robbins, Inc.	4/07/83	10,445.50
50,000	Citicorp Note, floating rate	4/08/83	47,187.50
5,350	Pope Evans & Robbins, Inc.	4/08/83	85,164.66
95,000	Master Note-Louisville Gas & Electric	4/25/83	95,000.00
67,000	Master Note-South Central Bell Telephone	4/26/83	67,000.00
89,000	Master Note-South Central Bell Telephone	4/29/83	89,000.00
3,000	Master Note-South Central Bell Telephone	5/02/83	3,000.00
3,900	Lear Pete Corporation	5/03/83	67,622.81
103,000	Master Note-American Express Credit	5/04/83	103,000.00
1,100	Lear Pete Corporation	5/04/83	20,988.00
200,000	Dallas Power & Light Co., 16%, 7/01/2012	5/06/83	240,500.00
85,000	U.S. Treasury Notes, 13.75%, 5/15/92	5/06/83	100,300.00
1,000	Master Note-South Central Bell Telephone	5/09/83	1,000.00
16,000	Master Note-Louisville Gas & Electric	5/10/83	16,000.00
150,000	Johns Manville Corp., 7.850%, 1/01/2004	5/12/83	100,875.00
100,000	Master Note-South Central Bell Telephone	5/16/83	100,000.00
1,200	Value Line, Inc.	5/17/83	20,400.00
72,000	Pantry Pride, Inc, 8.75%, 5/15/98	5/18/83	73,355.50
100,000	Kinney Systems, Inc., wts. 8/19/88	5/20/83	90,000.00
150,000	Johns Manville Corp., 9.70%, 5/01/85	6/03/83	125,625.00
64,000	Master Note-Sears Roebuck Acceptance Corp.	6/15/83	64,000.00
81,000	Master Note-Sears Roebuck Acceptance Corp.	6/22/83	81,000.00
3,300	Academy Insurance Group	6/22/83	98,538.68
1,000	Master Note-South Central Bell Telephone	6/24/83	1,000.00
	Total-Purchases		<u>\$ 1,702,002.65</u>

University of Kentucky  
 University of Kentucky Research Foundation  
 The Fund for Advancement of Education and Research  
 in the University of Kentucky Medical Center and  
 University of Kentucky Business Partnership Foundation  
 Statement of Portfolio Changes for the Pooled Endowment Funds  
 For the Three Months Ended June 30, 1983.

Sales:

No. of  
 Shares

<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
Master Note-South Central Bell	\$ 11,000.00	\$ 11,000.00	
Master Note-South Central Bell	84,000.00	84,000.00	
Citicorp Note, floating rate	47,000.01	44,750.00	\$ 2,250.01
Master Note-South Central Bell	1,000.00	1,000.00	
Long Island Lighting Co.	73,752.52	75,600.00	(1,847.48)
Security Pacific, 9.75%, 6/15/2006	65,437.50	52,750.00	12,687.50
Master Note-South Central Bell	2,000.00	2,000.00	
Pantry Pride Inc.	4,763.84	4,122.40	641.44
U. S. Tr. Corp.	84,150.00	48,766.67	35,383.33
Pantry Pride Inc.	2,729.16	2,318.85	410.31
Master Note-South Central Bell	38,000.00	38,000.00	
Pantry Pride, Inc.	2,977.40	2,576.50	400.90
Chicago, Milwaukee, St. Paul & Pac. R.R., 4.5%, 1/01/2044	123,000.00	90,000.00	33,000.00
Pantry Pride, Inc.	1,187.96	1,030.60	157.36
Master Note-South Central Bell	26,000.00	26,000.00	
Master Note-American Express Credit	215,000.00	215,000.00	
Master Note-Louisville Gas & Electric	38,000.00	38,000.00	
Amax Inc., zero coupon, 3/15/92	105,072.00	67,500.00	37,572.00
Litton Industries Inc.	372.12	261.38	110.74
Master Note-South Central Bell	91,000.00	91,000.00	
U.S. Treasury Notes, 7.875%, 5/15/83	100,000.00	99,531.26	468.74
Master Note-South Central Bell	18,000.00	18,000.00	
Master Note-South Central Bell	88,000.00	88,000.00	
Pantry Pride Inc.	73,189.21	67,129.30	6,059.91
Master Note-South Central Bell	23,000.00	23,000.00	
Johns Manville Corp., 7.85%, 1/01/2004	102,000.00	100,875.00	1,125.00
Norton Simon, Inc.	64,023.86	41,390.00	22,633.86
E.F. Hutton Group	12.33	7.98	4.35
Master Note-Sears Roebuck Acceptance	51,000.00	51,000.00	
Master Note-South Central Bell	48,000.00	48,000.00	
R. J. Reynolds Industries	81,340.81	49,208.75	32,132.06
<b>Total-Sales</b>	<b>\$1,665,008.72</b>	<b>\$1,481,818.69</b>	<b>\$183,190.03</b>

University of Kentucky  
 University of Kentucky Research Foundation  
 University of Kentucky Business Partnership Foundation  
 Pooled Endowment Funds-Fixed Income Securities  
 For the Three Months Ended June 30, 1983

Purchases:

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
44,000	Temporary Fund for Trusts	4/25/83	\$ 44,000.00
50,000	U.S. Treasury Notes, 10.75%, 11/15/89	4/28/83	51,218.75
50,000	U.S. Treasury Notes, 10.125%, 2/15/88	4/28/83	50,328.13
60,000	U.S. Treasury Notes, 9.875%, 2/15/86	4/28/83	60,356.25
60,000	U.S. Treasury Notes, 10.25%, 3/31/87	4/28/83	60,768.75
3,000	Temporary Fund for Trusts	5/03/83	3,000.00
1,000	Temporary Fund for Trusts	5/04/83	1,000.00
5,000	Temporary Fund for Trusts	5/06/83	5,000.00
4,000	Temporary Fund for Trusts	5/18/83	4,000.00
7,000	Temporary Fund for Trusts	6/01/83	7,000.00
75,000	Temporary Fund for Trusts	6/13/83	75,000.00
	Total-Purchases		<u>\$ 361,671.88</u>

Sales:

<u>No. of Shares</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>	<u>Gain or (Loss)</u>
10,000	U.S. Treasury Notes, 10.25%, 3/31/87	\$ 10,131.25	\$ 10,128.12	\$ 3.13
221,000	Temporary Fund for Trusts	221,000.00	221,000.00	
5,000	Temporary Fund for Trusts	5,000.00	5,000.00	
	Total-Sales	<u>\$ 236,131.25</u>	<u>\$ 236,128.12</u>	<u>\$ 3.13</u>

University of Kentucky  
 University of Kentucky Research Foundation  
 University of Kentucky Mining Engineering Foundation  
 Pooled Endowment Funds-Money Market  
 For the Three Months Ended June 30, 1983

Purchases:

<u>No. of Shares</u>	<u>Security</u>	<u>Date of Purchase</u>	<u>Amount of Purchase</u>
780,000	Temporary Fund for Trusts	4/01/83	\$ 780,000.00
54,000	Temporary Fund for Trusts	4/25/83	54,000.00
60,000	Temporary Fund for Trusts	5/12/83	60,000.00
38,000	Temporary Fund for Trusts	6/01/83	38,000.00
11,000	Temporary Fund for Trusts	6/13/83	11,000.00
5,000	Temporary Fund for Trusts	6/29/83	5,000.00
	Total-Purchases		<u>\$ 948,000.00</u>

Sales:

<u>No. of Shares:</u>	<u>Security</u>	<u>Net Proceeds from Sales</u>	<u>Book Value</u>
None			