

Minutes of the Meeting of the Executive Committee of the Board of Trustees of the University of Kentucky, Tuesday, November 17, 1970

The Executive Committee of the Board of Trustees of the University of Kentucky met in regular session on Tuesday, November 17, 1970, at 2:00 p.m., Eastern Standard Time, in the old Board Room of the Administration Building on the campus. Notice of such time and place and the purposes of the meeting, including all matters pertaining to the issuance of \$12,200,000 of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series A, and \$4,489,000 of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series B, had been given to each member of the Executive Committee in ample time for each member to attend. Members of the Executive Committee present were as follows: Mr. Albert G. Clay, Mrs. Rexford S. Blazer, Secretary, Mr. Thomas P. Bell, Mr. Richard E. Cooper and Mr. Robert H. Hillenmeyer. Mr. Jesse M. Alverson, a member of the Board of Trustees, was also present. There were no members absent. The administration was represented by President Otis A. Singletary and Vice Presidents Morris, Albright, Cochran, Forgy, Wall, Bosomworth and Zumwinkle. Members of the news media were also present.

A. Meeting Opened

The meeting was opened with the invocation pronounced by Mr. Bell. Following roll call, the Chairman reported a quorum was present and the meeting was declared officially open for the conduct of business at 2:05 o'clock.

B. Minutes Approved

On motion by Mr. Cooper, seconded by Mr. Hillenmeyer, and passed, the reading of the Minutes of the October 20, 1970 meeting of the Board of Trustees was dispensed with and the Minutes were approved as published.

C. Report on Activities

After pointing out some of the more outstanding activities mentioned in PR 1, President Singletary recommended more leisurely reading of the report by the members of the Board. Mr. Clay accepted the report with thanks and it was ordered filed.

D. Air Transportation of Athletics Teams to be Investigated

President Singletary announced that the recent accidents which had occurred this fall in connection with the air transportation of the football teams at

Wichita State College and Marshall University prompted him to request a thorough investigation of the University of Kentucky's arrangements in this area. He requested Mr. Lawrence E. Forgy, Jr., Vice President for Business Affairs and Treasurer, and the Director of Athletics, Mr. Harry C. Lancaster, to undertake such an investigation and to report to him on safety factors, insurance coverage, et cetera.

E. Progress Report on Development Program

As a follow-up to the report made at the October meeting, President Singletary said that he and Dr. Creech had paid a visit to Indiana University to study the foundation program there and had found the visit informative and helpful. Dr. Creech will pay visits to other institutions which have outstanding programs in this area. When he has completed his visitation program, the information so gathered will be assimilated and recommendations for the University's program prepared for presentation to the Board of Trustees.

F. Recommendations of the President (PR 2)

Mr. Clay noted that the Executive Committee members had had an opportunity to examine the recommendations in PR 2 prior to the meeting and asked if there were any questions. There being no questions, on motion by Mr. Hillenmeyer, seconded by Mr. Cooper, and passed, PR 2, Recommendations of the President, was approved as a whole and ordered made an official part of the Minutes of the meeting. (See PR 2 at the end of the Minutes.)

G. Budget Revisions for 1970-71 Authorized (PR 4)

The recommended budget revisions for 1970-71 as set forth in PR 4 being routine in nature, Mr. Clay called for a motion for approval. Mr. Hillenmeyer so moved. His motion was seconded by Mr. Bell and with all members present voting "aye", the budget revisions in PR 4 were authorized and approved. (See PR 4 at the end of the Minutes.)

H. Tobacco Research--Trust Fund Budget Expenditure Authorization Approved (PR 5)

Dr. Cochran explained that the Kentucky General Assembly in its 1970 session approved an additional one-half-cent tax on cigarettes which was earmarked for deposit to the Tobacco Research--Trust Fund. The legislation calls for the expenditure of the funds by the University of Kentucky after approval of a budget by the Kentucky Tobacco Research Board. The Tobacco Research Board has approved certain operating expenses of \$45,000 and a

budget of \$750,000. In order for the University to proceed with the expenditure of these funds, it is necessary to have an expenditure authorization from the Board of Trustees.

On motion by Mr. Hillenmeyer, seconded by Mrs. Blazer, and passed, an expenditure authorization of up to \$795,000 from the Tobacco Research--Trust Fund was approved for projects and expenses contained in a budget previously approved by the Kentucky Tobacco Research Board. (See PR 5 at the end of the Minutes.)

I. Interim Financial Report Accepted (FCR 1)

There being no questions, on motion by Mr. Hillenmeyer, seconded by Mr. Cooper, and passed without dissent, the interim financial report for the three-months' period ending September 30, 1970 was accepted and ordered filed. (See FCR 1 at the end of the Minutes.)

J. Audit Reports for the University of Kentucky for 1969-70 Accepted (FCR 2)

Mr. Hillenmeyer reported that copies of the audit reports had been mailed to the Executive Committee members in advance of the meeting and the Finance Committee had studied said reports and recommended their acceptance.

On motion by Mrs. Blazer, duly seconded, and passed, the following reports submitted by the firm of Peat, Marwick, Mitchell and Company were accepted and ordered filed:

1. University of Kentucky Detailed Financial Report June 30, 1970
2. University of Kentucky Financial Report (Short Form) 1969-70
3. Purchasing Letter 1969-70
4. Cash Reconciliation June 30, 1970
5. Management Letter June 30, 1970

(See FCR 2 at the end of the Minutes.)

K. Bids Received on \$28, 100, 000 Revenue Bond Anticipation Notes of 1970

The University of Kentucky currently has outstanding Revenue Bond Anticipation (Second Renewal) Notes in the amount of \$28, 800, 000 which mature

as to principal on December 14, 1970. The Board of Trustees at its meeting on October 20, 1970 approved payment of \$700,000 principal amount and authorized the issuance of a Third Renewal evidenced by the issuance of \$28,100,000 principal amount of Revenue Bond Anticipation Notes of 1970. Mr. Lawrence E. Forgy, Jr., Vice President for Business Affairs and Treasurer, reported that in accordance with this action an invitation to submit proposals had been issued and the University had received as of 2:00 p.m. on Tuesday, November 17, 1970 the following bids:

<u>Firm</u>	<u>Principal Amount</u>	<u>Premium or Discount</u>	<u>Interest Rate</u>	<u>Effective Interest</u>
Northern Trust Company	\$ 5,000,000	Premium \$150.00	3.64	3.643
Second National Bank	100,000	Par	4.60	4.600
Second National Bank	100,000	Par	4.70	4.7000
Louisville Trust Company	100,000	Premium \$10.00	4.25	4.2495
Bank of America Bankers Trust Company	28,100,000	Premium \$990.00	3.75	3.746
	2,000,000	\$ 99.95	3.75	
	2,000,000	\$ 99.98	3.90	
Chemical Bank	4,000,000	Par	4.00	
	4,000,000	Par	4.10	
	4,000,000	Par	4.20	4.192
	4,000,000	Par	4.30	
	4,000,000	Par	4.40	
	4,100,000	Par	4.50	
First National City Bank John Nuveen	28,100,000	\$ 99.95	3.88	3.93
Chase Manhattan Bank	28,100,000	Premium \$156.00	4.00	3.9999

Mr. Forgy then recommended that the bids on the \$28,100,000 Revenue Bond Anticipation Notes of 1970 from the following firms be accepted and that Bankers Trust Company, New York, New York, be designated as Paying Agent:

<u>Firm</u>	<u>Principal Amount</u>	<u>Premium or Discount</u>	<u>Interest Rate</u>	<u>Effective Interest</u>
Bank of America Bankers Trust Company	\$23,100,000	Premium \$813.84	3.75	3.746
Northern Trust Company	\$ 5,000,000	Premium \$150.00	3.64	3.637
Average Interest Cost				3.727

Noting that the net interest rate of 3.727% compared most favorably with the net interest rate of 6.47% on the current notes, on motion by Mr. Hillenmeyer, seconded by Mrs. Blazer, and all members present voting "aye", the recommendation of Mr. Forgy relative to the awarding of bids was approved.

L. Adoption of Resolution Amending the Resolution Providing for
Community Colleges Educational Buildings Revenue Bonds

Thereupon, it was pointed out by the administration that, due to the passage of time, there had been certain changes in the procedures involved by which the United States of America makes grants and loans in connection with financing facilities for public higher education, and other changes which make it advisable for the Resolution adopted on May 6, 1969, which created and established a new issue of Community Colleges Educational Buildings Revenue Bonds to be amended. Thereupon, Mr. Hillenmeyer introduced, caused to be read and moved the immediate adoption of a resolution, the form of which was presented to the meeting, and is attached to the Minutes at which such resolution was introduced, and the title to which is as follows:

A RESOLUTION amending "A RESOLUTION creating and establishing a Community Colleges Educational Buildings Project of the University of Kentucky; creating and establishing a new issue of Community Colleges Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution."

Such motion was seconded by Mr. Cooper. Upon a vote being taken upon such motion and upon call of the roll, the vote was recorded as follows:

Voting "Aye": Mr. Albert G. Clay, Mrs. Rexford S. Blazer, Mr. Thomas P. Bell, Mr. Richard E. Cooper, Mr. Robert H. Hillenmeyer.

Voting "Nay": None.

Thereupon, it was announced that the resolution had been duly adopted and was in full force and effect.

M. Adoption of Resolution Providing for the Issuance of Series A and Series B Community Colleges Educational Buildings Revenue Bonds

The administration pointed out that, for similar reasons, it was deemed advisable for the resolution adopted on May 6, 1969, authorizing Series A and Series B University of Kentucky Community Colleges Educational Buildings Revenue Bonds to be amended. Thereupon, Mr. Hillenmeyer introduced, caused to be read and moved the immediate adoption of a resolution, the form of which was presented to the meeting at which such resolution was proposed, and is attached to the Minutes of such meeting, the title to which is as follows:

A RESOLUTION AMENDING "A RESOLUTION AUTHORIZING THE ISSUANCE OF \$12,200,000 COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES A, AND \$4,489,000 COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES B, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

AND

IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS, AUTHORIZING THE ISSUANCE, JOINTLY WITH THE STATE PROPERTY AND BUILDINGS COMMISSION OF KENTUCKY, AND SUBJECT TO THE APPROVAL AND CONCURRENCE OF SAID COMMISSION, OF REVENUE BOND ANTICIPATION NOTES IN THE MANNER AUTHORIZED BY KRS 56.513, THE SAME TO BE PAYABLE (A) AS TO PRINCIPAL SOLELY FROM THE PROCEEDS OF THE COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES A AND SERIES B, HEREIN AUTHORIZED, WHEN SAID BONDS ARE SOLD AND DELIVERED (OR FROM THE PROCEEDS OF RENEWAL NOTES OR IN PART FROM THE SOURCE HEREIN PROVIDED THEREFOR), AND (B) AS TO INTEREST FROM THE SOURCES HEREIN PROVIDED THEREFOR; AND REQUESTING APPROVAL AND CONCURRENCE OF SAID COMMISSION."

Such motion was seconded by Mr. Cooper. Upon a vote being taken upon such motion and upon call of the roll, the vote was recorded as follows:

Voting "Aye": Mr. Albert G. Clay, Mrs. Rexford S. Blazer, Mr. Thomas P. Bell, Mr. Richard E. Cooper, Mr. Robert H. Hillenmeyer.

Voting "Nay": None.

Thereupon, it was announced that the resolution had been duly adopted and was in full force and effect.

N. Adoption of Resolution Approving Papers to be Used in Connection with Sale of \$4,489,000 of Series B Community Colleges Educational Buildings Revenue Bonds

Thereupon, Mr. Hillenmeyer introduced, caused to be read and moved the immediate adoption of a resolution reading as follows:

"BE IT RESOLVED that the forms of Notice of Sale of Bonds, Official Bid Form and Official Statement with reference to the sale of \$4,489,000 of Series B University of Kentucky Community Colleges Educational Buildings Revenue Bonds presented to the meeting at which this resolution was proposed be and are hereby approved for use in connection with the sale of such bonds."

Such motion was seconded by Mr. Cooper. Upon a vote being taken upon such motion and upon call of the roll, the vote was recorded as follows:

Voting "Aye": Mr. Albert G. Clay, Mrs. Rexford S. Blazer, Mr. Thomas P. Bell, Mr. Richard E. Cooper, and Mr. Robert H. Hillenmeyer.

Voting "Nay": None.

Thereupon, it was announced that the resolution had been duly adopted and was in full force and effect.

O. Meeting Adjourned

There being no further business to be considered at this time, on motion and vote, the meeting was duly adjourned.

Respectfully submitted,

Lucile T. Blazer, Secretary
Board of Trustees

(PRs 2, 4, and 5 and FCRs 1 and 2, and Resolutions which follow are official parts of the November 17, 1970 meeting of the Executive Committee of the Board of Trustees.)

PRI

PRESIDENT'S REPORT TO THE TRUSTEES

November 17, 1970

1. ASHLAND BUILDING DEDICATED TOMORROW

Dedication of a new college building at Ashland Community College has been set for Wednesday, November 18, at 2:30 p.m. The ceremony will begin with a noon luncheon for invited guests of the Ashland Area Chamber of Commerce.

A variety of activities has been planned in conjunction with the dedication, including a special gallery showing of East Kentucky art, entitled "The Three Rivers Gallery." The "Three Rivers" theme refers to the Ohio, Big Sandy, and Little Sandy Rivers. A special exhibit of the literary works of Jesse Stuart and a costume panorama will be designed and constructed by the Basic Design class under the supervision of Mrs. Carole Griffiths. The Kentucky Creative Arts Club will assist with the gallery showing. The play "A Man for All Seasons," is being presented during dedicatory week under the director of John B. Sowards. Both Gov. Louie B. Nunn, chairman of the board, and President Singletary will take part.

2. ALCORN REPORTS ON PLACEMENT SERVICE ACTIVITIES

James P. Alcorn, Placement Service director, this week presented a brief summary of Placement Service activities for 1969-1970. He said the number of students and alumni registering with the Service was 2,773, with 60,393 vacancies reported by telephone, letter or brochure. The number of recruiters visiting the campus was 891 with 6,928 interviews conducted; "however, we had 1,297 students who were unable to see a recruiter due to lack of facilities or the inability of the company to furnish another recruiter." He said 651 students reported their annual salary to the office, which totaled \$5,361,878, or an average of \$823.16 monthly per student; 2,122 registrants failed to notify the office of their employment status. During the year the office produced 6,915 sets of credentials for the recruiters and mailed 3,557 sets of credentials for students to companies not interviewing on campus. The GRAD System, a computerized nationwide service for alumni seeking employment, is available. In 1969-70 the office enrolled 68 alumni in the GRAD System, resulting in their resumes being referred to 216 employers for job opportunities. During the year the number of offers for employment declined; however, salaries continued to climb. At the non-technical undergraduate level, salaries rose 7.5 per cent, with accounting reflecting the largest increase of 9.9 per cent.

3. RAP ROOM AT STUDENT CENTER ADDS TO BETTER COMMUNICATIONS

One way the University is attempting to overcome communications problems and make faculty and key administrators more accessible to students is through a "rap room"--a late night, informal drop-in center for discussion and assistance held each Thursday, Friday and Saturday nights in the Student Center. Jon Dalton, director of the Human Relations Center, which sponsors the Rap Room, said the idea grew from an experiment instituted during finals week last spring. "During times of tension and frustration, such as those experienced while taking final exams, students need a place where they can unwind." And the students do come and they do unwind, he said.

The Rap Room opens at 10 p.m. and runs until the Student Center closed at 2 a.m. In addition to members of the Human Relations staff, various members of the faculty and administration and the campus ministers have volunteered their time to serve as monitors and make sure the building is locked following the session. "We do not pretend to serve as counselors for major personal problems," Dalton said. "The volunteer staff is instructed to refer any problems to professionals in the Medical Center or to the appropriate authorities." Besides faculty and staff members who volunteer their time on weekends, at least one student volunteer is on duty each night. If the group is too large for the office, they move into a lounge area immediately outside the Human Relations office on the ground floor of the Student Center. "Our group ranges in size from 20 to 50 or even 75 students--depending on the mood of the student body and whether we have scheduled a special guest," Dalton said.

4. CLINIC FOR COMMUNICATIVE DISORDERS OPENED AT MED CENTER

Dr. Vernon L. James, director of the University Center for the Handicapped, and Walter Lindley, assistant director, have announced the opening of the Clinic for Communicative Disorders at the Albert B. Chandler Medical Center. The clinic is funded by the Bureau of Rehabilitation Services, Kentucky Department of Education, and the University. Open five days a week, the facility will provide diagnostic and therapeutic services in the area of audiology and speech pathology for both children and adults. A complete range of hearing and speech evaluation and therapy will be provided to both inpatients and outpatients. The services of the clinic include hearing aid consultation, speech reading therapy, special infant and child hearing evaluation, parent counseling, individual and group speech therapy, and vocational rehabilitation counseling. Established as a unit of the University Center for the Handicapped, policies and procedures of the clinic will be identical to those established by hospital administration. Admission to the clinic is on a referral basis. Staff members include Dr. William Green, director of audiology, Robert A. Valyo, director of speech pathology, Clive White, rehabilitation counselor, Gerald Popelka, audiologist, Janie Lynch, speech pathologist, Betsy Runyon, speech pathologist, Carolyn Duckworth, clinic coordinator, and Janie Ohr, assistant clinic coordinator.

5. CHANDLER PORTRAIT TO HANG IN MEDICAL CENTER LOBBY

The Albert B. Chandler Medical Center on October 18 officially received a portrait of the man for whom the facility was named. On hand for the ceremony in the receiving lobby of University Hospital were the honoree and members of Gov. Chandler's family, several of his friends, University officials, and representatives of the Fayette County Medical Society. Chandler was governor in 1956 when the Kentucky General Assembly made its initial appropriation of \$5 million for the establishment of the Medical Center.

Groundbreaking was in December, 1957, and dedication of the Medical Sciences building was in September, 1960. University Hospital opened two years later and the College of Dentistry dedication ceremonies were held the same year, in September, 1962. Total construction cost of the Center was \$27,800,000. State funds provided over \$17 million of this amount, with about \$10 million coming from Federal appropriations. Presiding at the portrait unveiling ceremony was Dr. Francis Massie, a Lexington surgeon now retired who was among the strongest early advocates for the creation of the facility and later a member of the committee that helped the Center become a reality.

Dr. William R. Willard, vice president for the Medical Center from mid-1956 until October 1 of this year when he became a special assistant for health affairs to the University president, traced the history of the Center. Two students, John R. Allen of the College of Medicine and Thomas F. Goeke of the College of Dentistry, also spoke. The artist, Lexington resident Alfred Domene, was introduced. Albert B. Chandler III, grandson of Gov. Chandler, presided at the unveiling. Eight of the former governor's grandchildren were on hand for the ceremony. President Singletary accepted the portrait for the University, and the honoree spoke briefly. A reception followed in the Health Service Lobby. The Chandler portrait will hang in the hospital's central lobby, on the wall to the left of the visitor's entrance. Funds for the portrait were contributed by friends of Gov. Chandler.

6. LATE CARL TATUM HONORED AT PROFESSIONAL DINNER

The 10th annual Professional Education Dinner on November 5 featured the first program of the Tatum Lecture Series, honoring the late Carl Tatum of the College of Education. Sponsored by the campus chapter of Kappa Delta Pi, education honorary, the new lecture series is supported by funds from former students and friends of Dr. Tatum. The speaker was Dr. Arthur W. Combs, University of Florida professor of education. His subject was "Can Education Be Relevant?"

7. TASK FORCE NAMED TO STUDY COMMUNITY COLLEGES

Formation of a statewide committee to study the Community College System was announced on October 14. The committee will be a "task force of community college people," and it has been asked to study in depth the organization of the entire system, the programs which are being and which should be offered, and the total relationship of the System to the Lexington campus and the central administration. The task force is made up of the directors of two colleges, two members of Advisory Boards for individual colleges, two faculty members from the System and one from the Lexington campus, and two students. The committee began its work the same afternoon. The timetable of work will be set by the committee. It is the President's expectation that the recommendations of the committee will have a most significant impact on the future of the community colleges and the entire University.

The committee will study the existing organization of the System, its programs and its policies, and recommend needed changes and improvements. It will consult with Dr. Stanley Wall, vice president for the System, studying administration organization and make recommendations concerning the title of the chief administrative officer of individual colleges, now known as director. Specific documents to be evaluated include a policy statement issued in 1964 when the two-year colleges were put into a Community College System, the University's Governing Regulations, recommendations of visitation committees from the Southern Association of Colleges and Schools, and a report of the University's Self-Study Committee on Community Colleges.

Dr. Roscoe D. Kelley of Somerset Community College will serve as chairman. Other members will be: Dr. Charles T. Wethington, director of Maysville Community College; Miss Effie Kemp, instructor at Paducah; Dr. J. Brooks Major, assistant professor at Hopkinsville; Alva Howard, president of the Inter-Community College Student Council and a student at Southeast; Miss Cheryl Rolston, former student at Prestonsburg now attending the University-Lexington; Dr. E. M. Hammaker, member of the chemistry faculty on the Lexington campus and chairman of the Faculty Senate Advisory Committee on Community Colleges; Hecht Lackey, president and general manager of the Henderson Broadcasting Co. and member of the Advisory Board of Henderson Community College.

8. 80-FOOT FLUME SHOWN AT CIVIL ENGINEERING OPEN HOUSE

An 80-foot open channel flume, the only one of its kind in the nation, was placed on display at the College of Engineering on November 6 as part of a Department of Civil Engineering seminar. The push-button operated flume is in three sections, each of which has a different slope. An associate professor of civil engineering from the University of Illinois, Urbana, was featured in the second part of the seminar. Dr. Ben-Chie Yen spoke on "A Watershed Experimentation System." The flume was developed by Dr. David Kao.

9. BEERS' BOOK TRACES UNIVERSITY'S TEN YEARS IN INDONESIA

Dr. Howard W. Beers, director of the Center for Developmental Change, is the editor of a new book, "Indonesia: Resources and Their Technological Development," just published by the University Press of Kentucky. Dr. Beers said the book grew from a seminar held here in 1969 which was "kind of an intellectual celebration by UK of its 10 years of service in Indonesia, and to bring together available Indonesian scholars and Americans working in Indonesian programs to show UK's continuing interest in that country." Studies in the book document the status of resource use and prospects for the technological development of resources in Indonesia during the early years of its third decade of independence. The paper on mineral resources is by Dr. Vincent E. Nelson, professor of geology, and a former student of Dr. Nelson, when the former was chief of party in Bandung. Oriented to trends in the post-Sukarno period, the papers discuss new approaches in agricultural development, national biological research programs, marine resources, geographical knowledge of the Indonesian archipelago, mineral reserves, problems of malnutrition--especially in children--medical science and technology, science education, library resources, the interrelationship of science and technology and the political culture, and suggestions for economic analysis of Indonesian potentialities. Proposals made in the volume have contributed significantly to the content of Indonesia's five-year economic plan; they also indicate possible avenues of approach to the technological development of Indonesian resources. Dr. Beers, who also is distinguished professor of rural sociology, was visiting professor in the Agricultural University at Bogor, Indonesia, for six years. A new book written by Dr. Beers, "An American Experience In Indonesia," will be published in late winter. The book depicts the work of UK faculty and staff members at Bogor.

10. TV PANEL SHOW DISCUSSES ACADEMIC FREEDOM

Academic freedom is discussed on a TV panel show produced by the University Television Center in cooperation with the Public Relations Department. Moderated by the Rev. Donald Herren, a member of the Fayette County Board of Education and pastor of Southern Hills Methodist Church, the panel features Dr. A. D. Albright, vice president for institutional planning; Dr. Garrett Flickinger, newly-appointed ombudsman and member of the law faculty; Dr. Rebecca Smith Lee, retired professor and former head of the English Department at Texas Christian University, and Sheryl Snyder, a senior law student and editor of the Kentucky Law Journal. The program was shown locally on WLEX-TV on November 7, and will be presented statewide on KETV from 7-7:30 p.m. next Thursday, November 26. "Academic Freedom: How Far Does It Go?" explores not only the freedom which the right provides members of the academic community, but examines the responsibilities which accompany the right. In addition to academic freedom for the faculty, Dr. Flickinger, speaking in his role as ombudsman, discusses the area of academic freedom for students. The news media also enters the discussion, as the panel criticizes the media's insistence on identifying persons as members of the University faculty--whether they are speaking in their roles as professors or as private citizens. On the other side of the issue, the panel discusses those persons who "pull rank" by using their status as University professors to gain space in the media.

11. COMMUNITY COLLEGE INFORMATION TEAMS ON TOUR

Two community college information teams, consisting of faculty members, representatives of several academic colleges, and officials from the Dean of Admissions and Registrar's Office, have begun visiting community colleges. The western team visited Paducah, Henderson, Madisonville, Hopkinsville and Elizabethtown colleges. Members of that team are Dean Elbert Ockerman; Jerry Booher, assistant director of pre-admissions; Dr. J. W. Patterson, associate professor of speech; Edwin Brand, director of post admissions; Curt Furgeson, director of college relations for the College of Agriculture; Warren E. Walton, associate dean of the College of Engineering, and Prof. Vito Girone of the College of Agriculture. The eastern team visited Maysville, Ashland, Prestonsburg, Hazard and Southeast Community College at Cumberland. The team consists of Larry Dykes, director of pre-admissions; Dick Stofer, director of admissions operations; Jack Delap, assistant dean of the College of Arts and Sciences, and James Ingle, director of the Student Financial Aid Office. The purpose of the team visits has been to answer any questions a community college student might have about UK-Lexington. Team members also scheduled interviews with the press or representatives from TV and radio stations on any subject pertaining to admission.

12. CAMPUS TOUR SERVICE HANDLED BY STUDENT GUIDES

The Department of Public Relations has announced the beginning of an official Campus Tour Service. Student guides conduct visitors, prospective students and their parents around campus on weekdays from 2:30 to 3:30 and on Saturdays from 11 a.m. to noon, while school is in session. A student guide is on duty at the Limestone Street guard booth on Saturday from 8 to 11 a.m., and on Sunday from 2 to 5 p.m. Weekday tours originate at the Limestone guard booth and from Room 105, Old Ag Building. The PR department also has a program designed "to keep everyone informed about UK campus news and events," according to Fred Woodress, director. He said a special telephone--number 258-4616--has been installed to offer a recorded message highlighting the week's news and events on campus.

13. NUMBER OF COMMUNITY COLLEGE TRANSFERS GROWING

Mrs. Margaret Morgan, assistant director of Admissions Operations, reports that over 190 admissions applications for the Spring Semester of 1971 have been received from community college students as of November 1. This indicates a sizable increase over last year's figure, since only 190 students made the move to the Lexington campus in the Spring Semester of 1970.

14. STUDENT PUBLICATIONS BOARD IS NAMED

New members of the Board of Student Publications include Prof. Robert Lawson of the College of Law, chairman; Dr. W. Merle Carter, professor of mechanical engineering, and Dr. Lewis Donohew, associate professor of Journalism. The Rev. Elmer Moore, director of the Newman Center, was appointed a member-at-large for a term ending in 1973. Mrs. Foster Pettit, Lexington civic leader, also is a member-at-large, named to serve through 1971, and Tommy Preston, a public relations consultant, is a member whose term expires in 1972. Student members of the board include Mary Ann Bachmann and Amanda Gayle McGuire, Louisville; Terry Barton, Eminence; Carl W. Brown, Louisville; Phillip R. Patton, Lexington; Estill C. Pennington, Paris, and Rebecca Westerfield, Owensboro.

Dr. Marion Pearsall, professor of anthropology, also is a faculty member of the board and will serve until 1971. Dr. Donohew was appointed to fill a vacancy and will serve until 1972. The board is responsible for jurisdiction over campus-wide student publications, including The Kentucky Kernel; the Kentuckian, and the Kentucky Review, a literary magazine. Students interested in membership on the board first submit a written application to the president of Student Government. The student president, after consultation with the University Senate Advisory Committee on Student Affairs, recommends a panel of 14 names to the University vice president for student affairs. The University president, in consultation with the vice president, then selects seven students from the recommended list who serve for one year. The president also appoints the three members-at-large. The four faculty members are appointed from a panel recommended by the Senate Council. Members-at-large and faculty members serve staggered terms to provide for continuity of membership. Responsibilities of the board include fiscal management, editorial policies, and the general operation of those student publications in which any full-time student is eligible to participate in their preparation, those which are published for a campus-wide audience, and those which are supported by University funds. The board also is responsible for creating a standing advisory committee to advise and consult with student editors and advisors concerning the interpretation and application of editorial policy. Membership on the committee includes at least one faculty member and one student member, in addition to the chairman of the Board of Student Publications. Also, a finance and budget committee is appointed by the board, which assists in preparation of budget proposals to be made to the president. The three-member committee is appointed by the chairman of the board.

15. LASER BEAM USED TO DETECT POLLUTANTS IN WATER

Laser research under the direction of Dr. Eugene B. Bradley, associate professor of electrical engineering and physics, has shown that perhaps as many as six different types of chemical pollutants in water can be detected by the laser. All the water samples tested thus far by Charles Frenzel, research engineer, have been "control" samples in which the chemical pollutants have been mixed with the water at a controlled level. Readings are listed in parts-per-million of the pollutant.

16. RESEARCH AWARDS SINCE JULY: \$6½ MILLION

During the period October 1-31, a total of 14 agreement awards was received by the University of Kentucky Research Foundation, amounting to \$360,554. Two grants received additional funds amounting to \$923.50. The total since July 1: \$6,509,350.46.

COLLEGE OF AGRICULTURE

Department of Entomology--W. H. Dorough, Metabolism of Carbamate Insecticides, Public Health Service, Food and Drug Administration, \$47,468.

COLLEGE OF ARTS AND SCIENCES

Department of French--J. Rea, Honors Program, Laura B. VanMeter and Florence M. VanMeter, \$162.

COLLEGE OF ENGINEERING

Office of Research and Engineering Services--R. Puckett, Reclamation Research, Kentucky Department of Natural Resources, Division of Reclamation, \$7,500.

CENTER FOR DEVELOPMENTAL CHANGE

L. Fraser, University of Kentucky - Monterrey Summer Program, Sears-Roebuck Foundation, \$2,000.

COLLEGE OF DENTISTRY

Office of Administration--H. M. Bohannon, Alumni Research Fund, Alumni Contributions, \$750.

Department of Prosthodontics--D. Henderson, Patient Response to Variations in Denture Technique, Bureau of Health Manpower, \$59,211.

COLLEGE OF MEDICINE

Office of the Dean--W. S. Jordan, University of Kentucky College of Medicine Alumni Association Fund, Miscellaneous Individuals, \$387 (additional funds).

Department of Anesthesiology--P. P. Bosomworth, Anesthesiology Miscellaneous, Miscellaneous Contributions, \$536.50 (additional funds).

Department of Biochemistry--R. Lester, The Composition of the Lipid of Respiratory Particles, National Institutes of Health, \$48,759.

Department of Community Medicine--A. Benenson, Community Medicine Field Professorships, Public Health Service, \$68,770. A. Benenson, Mono-Vacc Study, Lincoln Laboratories, \$3,000.

Department of Pharmacology--H. A. Gordon, Periodontal Disease in Gnotobiotic Animals, NIH, \$61,701.

Department of Physiology and Biophysics--J. Engelbert, Healthy Neighborhoods, Lexington Meeting of the Society of Friends, \$100.
F. W. Zechman, Transient Respiratory Responses to Mechanical Loads, NIH, \$17,132.

Department of Psychiatry--A. Wikler, Methods of Detection of Drugs of Abuse, NIH, \$41,001.

COLLEGE OF PHARMACY

H. B. Kostenbauder, College of Pharmacy Research and Development Grant, Marion Laboratories, Incorporated, \$3,000.

17. SIGNIFICANT ACTIVITIES OF FACULTY AND STAFF

Dr. William D. Ehmann, professor of chemistry, and Dr. John W. Morgan, research associate, presented invited papers at a NATO Advanced Study Institute in Oslo, Norway, September 7-12.

Prof. Hubert Martin, Department of Classical Languages and Literatures, presented a paper, "Tennyson and the Alcaic Stanza," at the annual meeting of the Southern Section of the Classical Association of the Middle West and South held in Miami early this month.

Prof. Lawrence S. Thompson, Department of Classical Languages and Literatures, delivered a paper "German Travellers in the South from the Period of Exploration and Discovery to the Outbreak of War," at the annual meeting of the Southern Section of the Modern Language Association held in Washington, D. C.

Dr. Robert M. Ireland, professor of history, is the author of "The Sale of Public Office in America," which appears in the current issue of "Mid America." Another article by Dr. Ireland, "William Pinkney: Revision and Re-emphasis," appeared in a recent issue of the "American Journal of Legal History."

Dr. Henry H. Bauer, associate professor of chemistry, attended the 21st meeting of the Comité International de Thermodynamique et de Cinétique Electrochimiques in Prague during September-October, where he presented a paper on "Adsorption of Electrodes," and chaired one of the sessions. Dr. Bauer also presented lectures at the Atomic Energy Establishment in Juelich, Germany, and at the University of Southampton.

Two members of the Department of Political Science presented research studies during the annual meeting (Nov. 5-7) in Atlanta, of the Southern Political Science Association. Dr. Michael Baer's study was concerned with inter-urban mobility, while Dr. Sidney Ulmer's paper discussed "Negro claims for Earl Warren's response behavior from 1953-1968." Dr. Dean Jaros and Dr. Sheldon Simon served as panel discussants at the meeting. Dr. Malcolm Jewell, chairman of the department, attended a meeting of the executive council during the conference.

The current issue of the official "Bulletin of the International Olympic Committee," published at Lausanne, Switzerland, contains an article by Dr. Ernst Jokl, professor of physical education, on Robert Beamon's world record long jump (29 ft, 2½) at Mexico City in 1968.

Dr. Marion A. Carnes, acting chairman, Department of Anesthesiology, has been elected to the Board of Governors of the American College of Anesthesiologists. The 16 members of the Board are responsible for the proficiency in the specialty of anesthesiology.

Dr. Earl Kauffman, director of the Council on Aging, attended the annual meeting of the Gerontological Society, Toronto, Canada, in October.

Dr. Robert Wesley, assistant professor of prosthodontics, is a visiting professor for the current academic year at the University of Southern California School of Dentistry. He will return to Kentucky next July.

Dr. R. M. Longyear, professor of music, has been elected to the council of the American Musicological Society for 1971-73.

Dr. Eldon D. Smith, professor of agricultural economics, and Mary R. Brown have published a paper in the Center for Developmental Change International Development Papers program entitled "Long Distance Cooperation in Research Library Development." The paper is based on the authors' experience in developing the library in Thailand's Agricultural Center Northeast. Dr. Smith will return to Thailand in January, to continue a study of the economic problems of the livestock industry in Northeast Thailand.

Dr. Robert L. Beck and Prof. John B. Roberts, Department of Agricultural Economics, are among committee members and contributing authors to "Organization and Competition in the Midwest Dairy Industries," an analysis of contemporary dairy marketing structures (Iowa State Press). The book is a unique blend of theory and practice based on research of the North Central Dairy Marketing Research Committee.

Dr. John G. Stovall, associate professor of agricultural economics and head of the Southern Field Group for the Farm Production Economic Division and Economic Research Service of the US Department of Agriculture, conducted a workshop in Davis, California, October 5-8, on the government's rice policy.

Dr. Robert W. Rudd, chairman, Department of Agricultural Economics, presented a seminar at Clemson University, S. C., on October 16. The seminar explored the problems posed by current farm programs in tobacco.

Dr. John C. Redman, professor of agricultural economics, was re-elected a director of the Kentucky Credit Union League for a three-year term, and also vice president of the League for the fourth consecutive term.

Dr. Russell H. Brannon, associate professor of agricultural economics, was in the Soviet Union for meetings of the International Agricultural Economics Society in late August and early September. Following the meeting in Minsk he toured for ten days various Soviet agricultural areas, observing Russian agriculture.

Dr. Joseph Gruber, chairman of the Department of Health, Physical Education and Recreation, presented a paper, "Review of Data Processing Techniques Needed to Interpret Mental-Motor Relationships in Culturally Deprived High School Students," at the National Perceptual-Motor Conference held recently in Cincinnati. Dr. Gruber has been appointed associate editor of "Research Quarterly," principal research periodical of the American Association of Health, Physical Education and Recreation, and as a field reader of grant proposals submitted to the Bureau of Education for the Handicapped of the U. S. Office of Education.

A Madisonville Community College instructor has been named "Outstanding Educator in Kentucky," by the Kentucky Junior Chamber of Commerce. Charles McDowell, the recipient, who is blind, is a part-time instructor in educational psychology.

Office of the President
November 17, 1970

PR 2

Members, Executive Committee, Board of Trustees:

RECOMMENDATIONS OF THE PRESIDENT

I. Appointments and/or Other Staff Changes

Recommendation: that approval be given to the appointments and/or other changes which require Board action and that the report relative to appointments and/or changes already approved by the administration be accepted.

Background: Approval of the Board of Trustees is required for all appointments to the positions with the rank of Associate Professor and above, for promotions, for the granting of tenure, and for salary changes above \$12,000 for non-academic personnel and \$15,000 for academic personnel. All other appointments and/or changes may be made by the President and reported to the Board.

BOARD ACTION

New Appointment

Beth H. Penrose, Instructor, Department of Anesthesiology, College of Medicine, retroactive to October 15, 1970 (salary over \$15,000)

Joint Appointment

William James Bramble, Assistant Professor, Department of Educational Psychology and Counseling, College of Education, named Assistant Professor, Department of Educational Psychology and Counseling, and Department of Statistics, retroactive to July 1, 1970

Appointment with Waiver of Nepotism Rule

Gary Ray O'Daniels, Instructor (part-time), Department of Health, Physical Education and Recreation, College of Education, retroactive to October 1, 1970 (husband of Phyllis Sandidge O'Daniels, Assistant Professor in the Department of Health, Physical Education and Recreation)

Tenure Granted

John O'Donnell, Professor, Department of Sociology, College of Arts and Sciences, effective January 1, 1971

Leaves of Absence

- Willena Beagle, Instructor, Department of Clinical Nutrition, College of Allied Health Professions, leave without pay for the period January 1, 1971 through December 31, 1971
- C. C. Erwin, Associate Professor, Department of Economics, College of Business and Economics, sabbatical leave for the period January 1, 1971 through June 30, 1971
- R. D. Haur, Professor, Department of Accounting, College of Business and Economics, sabbatical leave for the period January 1, 1971 through June 30, 1971
- Henry Hirsch, Associate Professor, Department of Physiology and Biophysics, College of Medicine, sabbatical leave for the period March 1, 1971 through August 31, 1971
- Aimo J. Kiviniemi, Professor, Department of Music, College of Arts and Sciences, sabbatical leave for the period July 1, 1971 through December 31, 1971

Change in Status

Appointment of E. Barrie Kenney, Associate Professor (with tenure) and Chairman, Department of Oral Pathology, College of Dentistry, changed to read: Associate Professor (with tenure) and Chairman, Department of Periodontics, College of Dentistry

Retirement

Mary S. Brophy, Principal Secretary, Agricultural Extension Programs, College of Agriculture, after 39 years of service, effective December 1, 1970

ADMINISTRATION ACTION

New Appointments

- Murray F. Ables, Assistant Clinical Professor, Department of Psychiatry, College of Medicine (Voluntary Faculty)
- Ira L. Hemmings, Clinical Assistant, Department of Pediatrics, College of Medicine (Voluntary Faculty)
- Patrick L. Jasper, Clinical Assistant, Department of Pediatrics, College of Medicine (Voluntary Faculty)
- James W. Rackley, Instructor (part-time), Department of Pediatrics, College of Medicine
- Michael Witkin, Clinical Instructor, Department of Medicine, College of Medicine (Voluntary Faculty)

James Lytle, Assistant Professor (part-time), Department of Periodontics,
College of Dentistry
Donald A. Falace, Clinical Instructor, Department of Community Dentistry,
College of Dentistry (Voluntary Faculty)
Robert Fowler, Clinical Instructor, Department of Community Dentistry,
College of Dentistry (Voluntary Faculty)
Howard J. Green, Clinical Instructor, Department of Community Dentistry,
College of Dentistry (Voluntary Faculty)
Robert F. Moore, Clinical Instructor, Department of Community Dentistry,
College of Dentistry (Voluntary Faculty)
Jacob L. Shaver, Clinical Instructor, Department of Community Dentistry,
College of Dentistry (Voluntary Faculty)
Arthur D. Sperow, Clinical Instructor, Department of Prosthodontics,
College of Dentistry (Voluntary Faculty)
Charles L. Stoup, Jr., Assistant Clinical Professor, Department of Oral
Surgery, College of Dentistry (Voluntary Faculty)
Marjorie Dysart Harrison, Lecturer (part-time), Department of History,
College of Arts and Sciences
James Michael Watts, Lecturer, Department of Computer Science, College
of Arts and Sciences
Fred Kimmey, Instructor, Extension Class Program at Fort Knox
Kay Anne Ecroyd, Instructor, Prestonsburg Community College
John G. Horne, Engineering Technology Coordinator, Lexington Technical
Institute
Jacqueline H. Trosper, Instructor, Somerset Community College

Administrative Appointments

Hugh F. Daly, Jr., named Director of the Department of Social Services,
University Hospital
John W. Roddick, Jr., Professor (with tenure), Department of Obstetrics
and Gynecology, College of Medicine, named Associate Dean for
Clinical Affairs, College of Medicine

Action: Approved X Disapproved _____ Other _____

Date: November 17 , 1970

Office of the President
November 17, 1970

PR 4

Members, Executive Committee, Board of Trustees:

1970-71 Budget Revisions

Recommendation: that the following revisions in the 1970-71 budget be authorized and approved.

	<u>Approved Budget</u>	<u>Revised Budget</u>	<u>Change</u>
A. <u>Restricted Funds</u>			
1. Income estimates	\$ 3,295,650	\$ 3,327,285	\$ 31,635
2. Expenditures			
Student Aid			
Gifts and Grants for Scholarships	209,600	229,400	19,800
University Extension	-0-	1,935	1,935
Business and Eco- nomics			
Accounting	1,700	5,000	3,300
Engineering			
Civil Engineering	5,000	6,500	1,500
Law - Library	-0-	500	500
Ashland Community College	-0-	4,600	<u>4,600</u>
			31,635

3. Comments - The proposed additional expenditures will be funded from increased income restricted to the purposes indicated above.

B. Hospital Funds

1. Income estimates	9,082,900	9,106,500	23,600
2. Expenditures	13,386,600	13,410,200	23,600

3. Comments - The additional income and expenditures are related to the activation of the Clinic for Communicative Disorders.

C. General Funds

1. Income estimates

Student Fees Registration Community Col- lege System	1,956,600	2,050,000	93,400
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2. Expenditures

Community College System	6,268,100	6,361,500	93,400
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3. Comments - Enrollment in the Community College System has exceeded previous estimates and the additional income is needed to provide for the additional students.

Action: Approved X Disapproved _____ Other _____

Date: November 17 , 1970

Office of the President
November 17, 1970

PR 5

Members, Executive Committee, Board of Trustees:

TOBACCO RESEARCH - TRUST FUND BUDGET

Recommendation: that an expenditure authorization of up to \$795,000 from the Tobacco Research - Trust Fund be approved for projects and expenses contained in a budget approved by the Kentucky Tobacco Research Board.

Background: The Kentucky General Assembly in its 1970 session approved an additional one-half-cent tax the proceeds of which are to be deposited to the Tobacco Research - Trust Fund. The legislation calls for expenditure of the funds by the University of Kentucky after approval of a budget by the Kentucky Tobacco Research Board. The Kentucky Tobacco Research Board approved certain operating expenses at their meeting of July 1, 1970 and approved a budget of \$750,000 plus other Board expenses at their November 10, 1970 meeting. The action requested of the Board of Trustees would authorize the University to proceed with the expenditure of funds under this program.

Action: Approved X Disapproved Other

Date: November 17 , 1970

Finance Committee Report
November 17, 1970

FCR 1

Members, Executive Committee, Board of Trustees:

INTERIM FINANCIAL REPORT

Recommendation: that the financial report for the three months ending September 30, 1970, be accepted.

Background: The September 30, 1970 report reflects income of \$29,942,007 for the period of the report; the income figure is 29.2% of the annual income estimate of \$102,500,585.

The expenditure and commitments represent a total of \$24,512,164 for this period of three months, or 23.9% of the expenditure authority of \$102,500,585 approved by the Board.

Action: Approved x Disapproved _____ Other _____

Date: November 17 , 1970

UNIVERSITY OF KENTUCKY

Lexington, Kentucky

October 14, 1970

Office of Vice President
Business Affairs and Treasurer


Dr. Otis A. Singletary, President
University of Kentucky
Lexington
Kentucky

Dear Dr. Singletary:

The interim financial report of the University of Kentucky for the three months ended September 30, 1970 is submitted herewith. This is the second such report of the current fiscal year and is intended to set forth a complete and permanent record of the financial affairs of the University for the period covered.

This report has been revised to include a Schedule of Short Term Investments for the University of Kentucky as of September 30, 1970.

Respectfully submitted,


George J. Ruschell
Acting Vice President-
Business Affairs and Treasurer

Schedule 1

University of Kentucky
Balance Sheet
September 30, 1970
With Comparative Figures for 1969

ASSETS

	<u>1970</u>	<u>1969</u> (see note)
Current Funds:		
Unrestricted:		
Cash in bank :		
Depository funds	\$ 1,057,261	\$ 4,009,405
Federal funds	122,414	633,568
Imprest funds	319,196	246,263
Total cash	<u>1,498,871</u>	<u>4,889,236</u>
State funds - unexpended balances:		
Trust and agency fund	5,014,794	4,861,624
General fund appropriation	1,200,627	74,787
Due from other funds and affiliated corporations	3,014,018	1,048,409
Accounts receivable	1,907,715	1,211,289
Notes receivable	71,190	71,190
Inventories	1,394,589	917,508
Unrealized income	<u>53,888,437</u>	<u>48,713,076</u>
Total unrestricted	<u>67,990,241</u>	<u>61,787,119</u>
Restricted:		
Cash in bank	305,018	728,455
Petty cash advances	254,006	221,220
Investments:		
Short-term	5,498,718	4,913,545
Other	842,616	840,862
Accounts receivable	33,119	59,388
Unrealized income	<u>2,051,606</u>	<u>1,741,293</u>
Total restricted	<u>8,985,083</u>	<u>8,504,763</u>

Schedule 1

University of Kentucky
Balance Sheet
September 30, 1970
With Comparative Figures for 1969

LIABILITIES AND FUND BALANCES

	<u>1970</u>	<u>1969</u> (see note)
Current Funds:		
Unrestricted:		
Outstanding encumbrances	\$ 3,284,043	\$ 3,793,510
Accounts payable-county funds	29,188	9,897
Due to Federal government	231,025	194,867
Advance from state for imprest cash fund	650,000	650,000
Deferred income	1,886,356	1,668,338
Unencumbered balance, departmental appropriations	57,629,090	50,093,532
Fund balances allocated:		
Reserve for inventories	1,049,231	987,009
Reserve for notes receivable	71,190	71,190
Workmen's Compensation payments	19,626	
Future operating purposes	1,414,016	974,756
Fund balances-unallocated	<u>1,726,476</u>	<u>3,344,020</u>
Total unrestricted	<u>67,990,241</u>	<u>61,787,119</u>
Restricted:		
Outstanding encumbrances	17,452	24,428
Due to other funds and affiliated corporations	4,900,225	4,349,734
Outstanding check liability	21,561	13,121
Undistributed collections and clearing	1,520,429	2,008,356
Unencumbered balance, departmental appropriations	1,723,175	1,259,785
Fund balances	<u>802,241</u>	<u>849,339</u>
Total restricted	<u>8,985,083</u>	<u>8,504,763</u>

Schedule 1

University of Kentucky
Balance Sheet
September 30, 1970
With Comparative Figures for 1969

ASSETS

	<u>1970</u>	<u>1969</u>
Hospital and clinics:		(see note)
Cash in bank-depository funds	\$ 1,469,495	\$ 756,181
State funds- unexpended balances:		
Trust and agency funds	114,112	62,384
Accounts receivable, net of allowance for doubtful accounts	2,661,564	1,623,540
Inventories	334,641	327,146
Unrealized income	<u>9,199,032</u>	<u>8,185,602</u>
Total hospital and clinics	<u>13,778,844</u>	<u>10,954,853</u>
Housing and dining system:		
Cash in bank	332,384	1,205,164
Due from other funds and affiliated corporations	1,959,134	1,171,189
Accounts receivable	352,562	307,290
Inventories	638,687	671,434
Prepaid expenses	450,562	317,794
Accrued interest income	<u>13,907</u>	<u>14,827</u>
Total housing and dining system	<u>3,747,236</u>	<u>3,687,698</u>
Auxiliary enterprises:		
Cash in bank	251,359	294,383
Due from other funds and affiliated corporations	645,719	797,638
Accounts receivable	38,460	21,466
Inventories	317,714	245,556
Unrealized income	<u>1,305,513</u>	<u>1,248,540</u>
Total auxiliary enterprises	<u>2,558,765</u>	<u>2,607,583</u>
TOTAL CURRENT FUNDS	<u>\$97,060,169</u>	<u>\$87,542,016</u>

University of Kentucky
 Balance Sheet
 September 30, 1970
 With Comparative Figures for 1969

Schedule 1

LIABILITIES AND FUND BALANCES

	<u>1970</u>	<u>1969</u> (see note)
Hospital and clinics:		
Outstanding encumbrances	\$ 306,175	\$ 120,989
Due to other funds	27,122	2,265
Unexpended balance, departmental appropriations	10,816,191	9,126,701
Fund balances - allocated:		
Reserve for inventories	366,932	350,686
Reserve for accounts receivable	<u>2,262,424</u>	<u>1,354,152</u>
Total hospital and clinics	<u>13,778,844</u>	<u>10,954,853</u>
Housing and dining system:		
Accrued wages	80,158	114,041
Accounts payable	265,937	355,357
Accrued expenses	197,558	209,603
Deferred income	1,740,079	1,579,719
Fund balances:		
Funds for renewals and replacements	1,091,506	959,080
Allocated for future operating purposes	<u>371,998</u>	<u>469,898</u>
Total housing and dining system	<u>3,747,236</u>	<u>3,687,698</u>
Auxiliary enterprises:		
Outstanding encumbrances	150,987	151,302
Unencumbered balance, departmental appropriations	1,707,634	1,816,417
Fund balances:		
Reserve for inventories	317,714	245,556
Funds for renewals and replacements	21,729	
Allocated for future operating purposes	<u>360,701</u>	<u>394,308</u>
Total auxiliary enterprises	<u>2,558,765</u>	<u>2,607,583</u>
TOTAL CURRENT FUNDS	<u>\$97,060,169</u>	<u>\$87,542,016</u>

University of Kentucky
Balance Sheet
September 30, 1970
With Comparative Figures for 1969

Schedule 1

LIABILITIES AND FUND BALANCES

	<u>1970</u>	<u>1969</u> (see note)
Loan Funds:		
Due to other funds	\$ 20,228	
Federal sponsored loan funds:		
Federal government	4,325,854	\$ 3,980,211
University matching funds	396,642	373,580
Accumulated interest income	152,110	103,869
Total Federal sponsored loan funds	<u>4,874,606</u>	<u>4,457,660</u>
University loan funds:		
University student loan funds	43,480	34,384
University special student loan funds	66,676	61,864
United Student Aid loan fund	<u>2,000</u>	<u>2,000</u>
TOTAL LOAN FUNDS	<u>\$ 5,006,990</u>	<u>\$ 4,555,908</u>
Endowment Funds:		
Funds balances	<u>\$ 820,230</u>	<u>\$ 755,897</u>
TOTAL ENDOWMENT FUNDS	<u>\$ 820,230</u>	<u>\$ 755,897</u>
Plant funds:		
Unexpended plant funds:		
Outstanding encumbrances	\$ 9,606,644	\$ 13,791,272
Due to Commonwealth of Kentucky	1,986,137	4,036,826
Notes payable	30,410,966	49,500,000
Appropriations-unencumbered balances	10,259,616	21,059,527
University equity in projects	<u>47,114,696</u>	<u>24,188,623</u>
Total unexpended plant funds	<u>\$ 99,378,059</u>	<u>\$ 112,576,248</u>

Schedule 1

University of Kentucky
Balance Sheet
September 30, 1970
With Comparative Figures for 1969

ASSETS

	<u>1970</u>	<u>1969</u> (see note)
Retirement of indebtedness funds :		
Cash on deposit with State Treasurer	\$ 378,355	\$ 91,173
Unrealized income	<u>6,758,455</u>	<u>3,024,368</u>
Total retirement of indebtedness funds	<u>7,136,810</u>	<u>3,115,541</u>
Sinking funds:		
Cash on deposit with State Treasurer	53,434	42,992
Investments held by Trustee	<u>10,311,563</u>	<u>10,449,683</u>
Total sinking funds	<u>10,364,997</u>	<u>10,492,675</u>
Invested in plant:		
Land	5,711,982	5,541,233
Buildings	148,547,550	122,637,876
Equipment	<u>36,071,744</u>	<u>32,650,851</u>
Total invested in plant	<u>190,331,276</u>	<u>160,829,960</u>
TOTAL PLANT FUNDS	<u>\$307,211,142</u>	<u>\$287,016,422</u>
Agency Funds:		
Cash in bank	\$ 20,663	10,262
Due from other funds	<u>1,057,956</u>	<u>938,088</u>
TOTAL AGENCY FUNDS	<u>\$ 1,078,619</u>	<u>\$ 948,350</u>

Note: Certain reclassifications have been made with respect to the figures for 1969 for the purpose of comparability.

University of Kentucky
 Balance Sheet
 September 30, 1970
 With Comparative Figures for 1969

Schedule 1

LIABILITIES AND FUND BALANCES

	<u>1970</u>	<u>1969</u> (see note)
Retirement of indebtedness funds:		
Unexpended balances, debt service	\$ 6,757,804	\$ 3,036,573
Funds balances	<u>379,006</u>	<u>78,968</u>
Total retirement of indebtedness funds	<u>7,136,810</u>	<u>3,115,541</u>
Sinking funds:		
Bonds payable	4,908,000	5,120,000
Funds balances	<u>5,456,997</u>	<u>5,372,675</u>
Total sinking funds	<u>10,364,997</u>	<u>10,492,675</u>
Invested in plant:		
Notes payable	14,689,034	
Bonds payable	51,851,000	47,135,500
Due to other funds	400,000	400,000
Net investment in plant	<u>123,391,242</u>	<u>113,294,460</u>
Total invested in plant	<u>190,331,276</u>	<u>160,829,960</u>
TOTAL PLANT FUNDS	<u>\$ 307,211,142</u>	<u>\$ 287,016,422</u>
Agency Funds:		
Agency funds balances	<u>\$ 1,078,619</u>	<u>\$ 948,350</u>
TOTAL AGENCY FUNDS	<u>\$ 1,078,619</u>	<u>\$ 948,350</u>

Schedule 2

University of Kentucky
Statement of Changes in Fund Balances - Current Funds
Three Months Ended September 30, 1970

	<u>Unallocated</u>	<u>Allocated for Future Operating Purposes</u>	<u>Restricted</u>	<u>Hospital and Clinics</u>	<u>Housing and Dining System Funds for Renewals and Auxiliary Replacements</u>	<u>Enterprise</u>
Balances, July 1, 1970	\$ 1,936,068	\$ 4,219,416	\$ 802,241	\$ 2,262,424	\$ 1,155,667	\$ 979,558
Allocations:						
Current operations		(2,805,400)				
Prior year encumbrances	(215,780)					
Current year provisions					55,796	
Expended					(119,957)	
Parking account						(511,855)
Renovation of furniture and fixtures						(107,002)
Adjustments of prior year expenditures- net	6,188					
Balances, September 30, 1970	<u>\$ 1,726,476</u>	<u>\$ 1,414,016</u>	<u>\$ 802,241</u>	<u>\$ 2,262,424</u>	<u>\$ 1,091,506</u>	<u>\$ 360,701</u>

Schedule of Changes in Unrestricted Fund and
Hospital Estimated Income
For the Three Months Ended September 30, 1970

Schedule 3

	<u>Original Budget</u>	<u>Interim Adjustments August</u>	<u>September 30, 1970</u>	<u>Adjusted Budget September 30, 1970</u>
Unrestricted Fund:				
Student fees	\$ 9,415,200	\$ 9,700		\$ 9,424,900
State appropriations	53,132,840		\$ (631,730)	52,501,110
Federal appropriations	5,841,100			5,841,100
County appropriations	776,100			776,100
Endowment and trust fund income	181,200			181,200
Gifts and grants	2,535,400	73,700		2,609,100
Sales, services and other income	2,275,000		5,000	2,280,000
Unallocated fund balances appropriated	<u>2,805,400</u>	<u>215,780</u>		<u>3,021,180</u>
Total Unrestricted	<u>\$ 76,962,240</u>	<u>\$ 299,180</u>	<u>\$ (626,730)</u>	<u>\$ 76,634,690</u>
Hospital and Clinics:				
State appropriations	\$ 4,297,160			\$ 4,297,160
Hospital income	<u>9,082,900</u>			<u>9,082,900</u>
Total Hospital and Clinics	<u>\$ 13,380,060</u>			<u>\$ 13,380,060</u>

Schedule of Changes in Unrestricted Fund
and Hospital Expenditure Appropriations
For the Three Months Ended September 30, 1970

Schedule 4

Original budget	\$ 90,342,300
Increases (decreases) as approved by Board of Trustees:	
August	83,400
Allotments for encumbrances (total of \$ 400,000 approved in August) September	215,780
	<u>(626,730)</u>
Total per Report	<u>\$ 90,014,750</u>

University of Kentucky
 Summary of Current Funds Revenues and Appropriated Balances
 Three Months Ended September 30, 1970
 With Comparative Figures for 1969

Three Months Ended September 30, 1969 (see note)		Three Months Ended September 30, 1970	
Estimated for the Year	Realized To Date	Estimated for the Year	Realized To Date
	% Realized		% Realized
Unrestricted:			
Student fees	37.7	\$ 9,424,900	\$ 3,391,998
State appropriations	26.0	52,501,110	14,343,143
Federal appropriations	23.9	5,841,100	1,131,362
County appropriations	22.1	776,100	144,313
Endowment and trust fund income	5.7	181,200	8,700
Gifts and grants (includes grants from affiliated corporations)	26.7	2,609,100	47,257
Sales, services, and other income	26.6	2,280,000	658,300
Unallocated fund balances appropriated	100.0	3,021,180	3,021,180
Total unrestricted	28.7	76,634,690	22,746,253
Restricted	9.3	2,323,298	271,692
Hospital and clinics:			
State appropriations	26.3	4,297,160	1,154,257
Hospital earned income- net	26.2	9,082,900	3,026,771
Unrestricted fund balances appropriated	100.0		
Total hospital and clinics	27.6	13,380,060	4,181,028
Housing and dining system	21.8	7,656,193	1,542,203
Auxiliary enterprises	50.9	2,506,344	1,200,831
TOTAL CURRENT FUNDS REVENUES AND APPROPRIATED BALANCES			
	28.3	\$102,500,585	\$29,942,007

Note: Certain reclassifications have been made to the figures for the three months ended September 30, 1969 for the purpose of comparability.

Summary of Current Funds Expenditures
Three Months Ended September 30, 1970
With Comparative Figures for 1969

Three Months Ended September 30, 1969 (see note)		Three Months Ended September 30, 1970	
Appropriation for the Year	Expended or Encumbered to Date	Appropriation for the Year	Expended or Encumbered to Date
	% Encumbered		% Encumbered
	to Date		to Date
Unrestricted:			
\$25,960,281	\$ 6,568,128	\$ 27,879,807	\$ 6,685,252
6,181,247	1,534,729	6,172,962	1,432,898
479,666	579,898	636,085	616,865
1,184,763	520,597	546,260	101,498
6,293,936	1,938,736	6,138,308	1,755,299
1,831,428	874,582	2,038,022	909,270
8,018,604	2,030,782	8,930,238	2,225,427
4,668,980	1,296,958	4,692,221	1,483,855
414,433	237,908	300,000	37,699
2,618,321	603,957	2,843,233	660,340
2,392,793	626,903	2,490,921	624,608
4,379,900	989,975	4,932,200	1,111,479
1,846,173	339,776	1,960,855	454,987
116,640	77,687	111,812	75,174
1,400,000		4,531,100	293,642
214,251	60,889	813,660	537,307
373,621		1,617,006	
68,375,037	18,281,505	76,634,690	19,005,600
	26.7		24.8

University of Kentucky
 Summary of Current Funds Expenditures
 Three Months Ended September 30, 1970
 With Comparative Figures for 1969

Three Months Ended September 30, 1969 (see note)		Three Months Ended September 30, 1970	
Appropriation for the Year	Expended or Encumbered to Date	Appropriation Expended or Encumbered to Date	% Expended or Encumbered to Date
		Fund or Function	
Restricted:			
\$ 360,918	\$ 76,002	\$ 702,882	12.0
87,013	26,495	89,916	29.6
12,887	2	13,820	.2
429,605	176,290	323,405	10.1
1,193	279	19,872	4.1
56,800	1,825	30,000	
94,840	20,857	89,016	57.0
877,219	358,940	404,642	38.4
1,920,475	660,690	2,323,298	25.8
11,308,128	2,181,367	13,380,060	19.2
7,332,634	1,476,251	7,656,193	20.2
2,547,351	730,934	2,506,344	31.9
\$91,483,625	23,330,747	\$102,500,585	23.9

Note: Certain reclassifications have been made to the figures for the three months ended September 30, 1969 for the purpose of comparability.

University of Kentucky
 Schedule of Short-Term Investments
 For the Three Months Ended September 30, 1970

	Maturity Value	Cost
Restricted Current Funds:		
Government securities:		
Federal Home Loan Bonds, 8.25%, 10-27-70	\$ 200,000	\$ 200,000
Banks for Cooperatives, 7.85%, 1-4-71	129,000	129,000
Federal National Mortgage Association, 8.75%, 2-10-71	20,000	20,000
Consolidated FIC Bonds, 8.15%, 3-1-71	100,000	100,000
FNMA Notes 8.7%, 3-10-72	20,000	20,000
Consolidated FIC Bonds, 8.05%, 4-1-71	500,000	500,000
Federal Land Bank Bonds, 8.5%, 4-20-71	400,000	400,000
Federal Land Bank Bonds, 8.45%, 7-20-71	50,000	50,000
FNMA Notes, 8.45%, 10-12-71	300,000	300,000
Federal Home Loan, 8.2%, 11-26-71	150,000	150,000
Total government securities		<u>1,869,000</u>
Corporate notes:		
Penn Central Transportation Company, 8.875%, 6-29-70	500,000	481,017
Marine Midland Banks, Inc., 8.375%, 10-13-70	500,000	489,299
Firestone Tire and Rubber Co., 7.5%, 10-19-70	200,000	198,083
Union Oil Co. of California Note, 7.5%, 10-19-70	500,000	495,833
General Mills Inc. Note, 8%, 10-21-70	500,000	492,333
Southern California Edison Co. Note, 8%, 10-30-70	500,000	490,657
Republic Steel Corp. Note, 8.125%, 11-4-70	500,000	489,844
Transcontinental Gas Pipe Line Co. Note, 8.125%, 1-22-71	200,000	192,642
Total corporate notes		<u>3,329,718</u>
Certificate of deposits:		
First Security Bank and Trust Co., 7.5%, 12-7-70	300,000	300,000
Total Restricted Funds		<u>\$ 5,498,718</u>
Endowment Funds:		
Government securities:		
Banks for Cooperatives, 7.85%, 1-4-71	\$ 1,000	\$ 1,000
Total Endowment Funds		<u>\$ 1,000</u>

Schedule 8

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	<u>Board Approved</u>	<u>Estimated Project Cost</u>	<u>Allotment</u>	<u>Expenditures and Encumbrances</u>	<u>Balance of Allotment</u>
Main Campus -					
1. Consolidated Educational Bonds C & D-PR9- Classroom-Office Building 128 and 129 Lab Office Bldg-Ag Science II Animal Nutrition Barn Improvements-745 Agricultural Sciences-Lab Bldg. No. 2-749 Subtotal	\$12,700,000 4,000,000 4,000,000	\$12,700,000 5,391,679	\$12,581,302 5,000 17,972,981	\$11,920,584 3,720 17,061,117	\$660,718 1,280 911,864
Appurtenant Facilities-Parking Structures-916	4,200,000	3,906,009	3,898,872	3,753,679	145,193
Appurtenant Facilities-Utilities	4,050,000	4,916,519	1,794,413	1,696,083	98,330
Medical Center-Relocation of Cooling Tower-302			739,297	702,152	37,145
Electrical Substation No. 2-Central Campus-919			1,242,138	1,184,592	57,546
Cooling Plant No. 2 Central Campus-920			443,774	426,304	17,470
Central Heating Plant-Aux. Equipment-921			382,688	367,284	15,404
Utility Distribution System-935			632,625	35,375	597,250
Cooling Plant No. 1-Expansion-942 Subtotal	4,050,000	4,916,519	5,234,935	4,411,790	823,145
Appurtenant Facilities-UK Phy Ed & Recreation	275,000	253,028	Closed project		
Appurtenant Facilities-Ingress and Egress	351,000	167,158	Closed project		
Appurtenant Facilities-Permanent Surfacing Parking	185,000	413,214	310,901	291,454	19,447
Surface Parking, Lighting and Landscaping-936			61,468	61,071	397
Surface Parking-Harrison & Euclid Avenues-963 Subtotal	185,000	413,214	372,369	352,525	19,844
Appurtenant Facilities-Pedestrian Access & Light-937	275,000	345,598	345,598	329,636	15,962
Lab Office & Studio Facilities-University Wide	2,500,000	1,705,800	109,828	100,991	8,837
Arts Building for Metal Casting-601			1,595,972	1,546,168	49,804
Prefabricated Research Laboratories-Phase I-934 Subtotal	2,500,000	1,705,800	1,705,800	1,647,159	58,641

Schedule 8

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	Board		Estimated Project Cost	Allotment	Expenditures and Encumbrances		Balance of Allotment
	Approved	Project Cost					
1. Continued							
Complete Interior Reconstruction-Memorial Hall-930	\$ 400,000	\$ 458,103	\$ 437,348	\$ 424,494	\$ 12,854		
Substantial Interior Reconstruction-Portion Library Service Building-924	300,000	472,708	472,708	437,648	35,060		
Appurtenant Facilities-Site Preparation Veterans Administration Hospital Site-Preparation and Clearance-941	499,000	480,490					
Veterans Administration Hospital-Connecting Bridge-943			427,490	414,412	13,078		
Subtotal			491,518	471,552	19,966		
Total	29,735,000	31,210,306	30,932,129	28,889,600	2,042,529		
Contingency	2,500,000	4,822,927					
Legal, Administrative & Interest Expense-900 Clearing-900	3,891,914	4,923,648	4,923,648	4,923,648			
Total	36,126,914	40,956,881	38,105,910	33,813,248	4,292,662		

Source of Funds:	
Title I Grant	\$ 1,445,356
Title II Grant	1,129,070
Title III Loan (Series C)	4,290,000
Series D Bonds	28,995,000
Special State Capital Construction	578,000
State Capital Construction Funds	500,000
Veterans Administration	679,544
University Fund Balances	149,000
Interest Earned on Bonds	2,964,931
Housing and Dining	225,980
	<u>\$40,956,881</u>

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	Board Approved	Estimated Project Cost	Allotment	Expenditures and Encumbrances	Balance of Allotment
Main Campus-					
2. Consolidated Educational Bonds (not assigned)					
PR 10 and 11-					
Lab Office Building-Biological Sciences-Phase I-940	\$ 10,000,000	\$ 11,378,000	\$ 156,587	\$ 120,625	\$ 35,962
Addition to Margaret I. King Library-938	4,100,000	4,100,000	155,000	132,863	22,137
Computer Facilities (cancelled)-962	2,900,000	9,999	20,500	6,208	14,292
Medical Center--New Construction and Renovation	8,500,000	8,500,000			
Addition of 2 Floors - 301			10,000	10,000	
Handicapped Children's Center-939			10,000	10,000	
Patient Care Services-307			7,000	5,000	2,000
Total	25,400,000	23,987,999	359,087	284,696	74,391

Source of Funds:

General Obligation Bonds	\$ 359,087
Unissued Bonds and Grants	23,628,912
	<u>\$23,987,999</u>

Other Projects (FCR 2 5/5/70)

1. Health Physical Education and Recreation Bldg. 968	2,500,000	2,500,000	19,500	6,666	12,834
2. Laboratory-Office Facilities 967	2,300,000	2,300,000	88,500	2,000	86,500
3. Unallocated		1,018,000	1,732,001		1,732,001
Total	4,800,000	5,818,000	1,840,001	8,666	1,831,335

Source of Funds:

Series D Bonds	\$ 3,327,929
State Capital Construction	200,000
UK Fund Balances	100,000
Old Series B Bonds	400,000
General Obligation	<u>1,790,071</u>
	<u>\$ 5,818,000</u>

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

Schedule 8

	Board Approved	Estimated Project Cost	Allotment	Expenditures and Encumbrances	Balance of Allotment
Main Campus-					
3. Non-Recurring Maintenance Items FCR-6-					
Roof Repairs-E. Wing Engr. Bldg-Anderson Hall-922	42,000	33,764	16,577	15,349	1,228
Air Conditioning-Bowman, Bradley, Breckinridge and Kinhead-138	387,410	387,410	387,410	370,840	16,570
Centrex-Conduit for Medical Center-321	55,309	55,309	55,309	52,071	3,238
Roof and Masonry Repairs-Administration Building	60,000	35,923			
Masonry Repairs-Administration-965	24,077	24,077	24,077	22,391	1,686
Subtotal	60,000	60,000	24,077	22,391	1,686
Roof Repairs-McVey Hall	15,000	15,000			
McVey Hall-Roof Repairs-38404			5,000	5,000	
McVey Hall-Gutter Repairs-38392			10,000	10,000	
Subtotal	15,000	15,000	15,000	15,000	
Acoustic Ceiling-Erikson Hall	15,000	5,000			
Erikson Hall-Tile Ceiling 1st Floor-38439			5,000	5,000	
Subtotal	15,000	5,000	5,000	5,000	
Renovation Taylor Education Bldg. -117	121,000	171,000	26,198	5,677	20,521
Campus Wide Electrical Renovation-119	210,000	152,000	35,750	20,750	15,000
Electrical Fine Arts-38444	9,000	9,000	9,000	9,000	
Plumbing-Taylor Education Bldg-38294	8,000	8,000	8,000	8,552	(552)
Heating-Alumni Gym-38395	3,000	3,000	Closed		
Plumbing-Reynolds # 1 (Sprinkler System)-38396	9,000	9,000	9,000	9,000	
Hardware	20,000	20,000			
Alumni Gym and Taylor Bldg. -38428			10,000	10,000	
Animal Pathology Bldg. & Home Economics Bldg. - 38429			10,000	10,000	
Subtotal	20,000	20,000	20,000	20,000	
Roof Repairs-Administration Annex-969	8,000	16,236	16,236	14,760	1,476
Total	907,410	944,719	627,557	568,390	59,167

Source of Funds:

Fund Balances-Special Appropriation	\$ 900,000
Fund Balances-Special Appropriation	300,000
Closed Projects	(197,281)
Transferred to St. Cap. Constr. Projects	(58,000)
	<u>\$ 944,719</u>

Schedule 8

University of Kentucky
Schedule of Unexpended Plant Funds
For the Three Months Ended September 30, 1970

	<u>Board Approved</u>	<u>Estimated Project Cost</u>	<u>Allotment</u>	<u>Expenditures and Encumbrances</u>	<u>Balance of Allotment</u>
Main Campus -					
4. State Capital Construction Funds - FCR-3					
Agricultural Regulatory Services Facilities-745					
Community Medicine Facility - Mycology and Animal Tuberculosis - 322	\$ 100,000	\$ 100,000	\$ 7,000	\$ 6,031	\$ 969
Renovation of Engineering Quadrangle-III	250,000	349,000	25,436	22,567	2,869
Development of Intramural Fields-118	250,000	250,000	40,845	38,900	1,945
Renovation of Neurosurgery-960	220,000	294,000	280,713	267,235	13,478
Contingency	3,500				
Undistributed (not allotted to specific projects) -400			686,562		686,562
Total	<u>823,500</u>	<u>993,000</u>	<u>1,040,556</u>	<u>334,733</u>	<u>705,823</u>

Source of Funds:

Board Action FCR -3	\$ 1,853,500
Transferred to Ag. Science Building II	(500,000)
Shown on Community College Schedule	(259,500)
Transferred to New Facilities from FCR 2	(200,000)
Transferred from Non- Recurring Maintenance	58,000
Fund Balances	<u>41,000</u>
	<u><u>\$ 993,000</u></u>

Schedule 8

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	<u>Board</u>	<u>Estimated</u>	<u>Project Cost</u>	<u>Allotment</u>	<u>Expenditures</u>	<u>Balance</u>
	<u>Approved</u>	<u>Project Cost</u>	<u>Allotment</u>	<u>Encumbrances</u>	<u>of</u>	<u>Allotment</u>
Main Campus -						
5. Major Improvements-PR 6-Misc. Construction						
Substantial -Interior Reconstruction Portions Agr.						
Science Building-Small Animal Lab to Tobacco	\$ 162,000	\$ 220,813	\$ 255,311	\$ 220,813	\$ 34,498	
Health and Research-319	136,500	137,769	138,009	137,769	240	
Substantial Interior Reconstruction Portions						
Anderson Hall (Engr. Quadrangle)-922	<u>150,000</u>	<u>213,060</u>	<u>225,405</u>	<u>215,073</u>	<u>10,332</u>	
Minor Interior Changes & Major Mech &	<u>448,500</u>	<u>571,642</u>	<u>618,725</u>	<u>573,655</u>	<u>45,070</u>	
Electrical Highway Materials Research Lab						
(Graham Avenue)-932						
Subtotal PR 6	<u>2,007,344</u>	<u>2,907,344</u>	<u>2,007,344</u>	<u>2,007,344</u>		
Purchase of Computer (FCR 2-12/9/69)-103						
Demolition of Houses-107	58,262	58,262	58,262	53,700	4,562	
Flammable Storage Buildings-101	51,000	51,000	50,931	46,649	4,282	
Total	<u>2,455,844</u>	<u>2,688,248</u>	<u>2,735,262</u>	<u>2,681,348</u>	<u>53,914</u>	

Source of Funds:

Fund Balances	\$ 1,826,312
General Obligation Bonds	776,527
KRF Grant (Aero Res. Lab)	32,000
USDA Grant	<u>53,409</u>
	<u>\$ 2,688,248</u>

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

Schedule 8

	<u>Board Approved</u>	<u>Estimated Project Cost</u>	<u>Allotment</u>	<u>Expenditures and Encumbrances</u>	<u>Balance of Allotment</u>
Main Campus-					
6. Others-					
Coldstream Research Feed & Processing Center-746	\$ 293,475	\$ 293,475	\$ 293,475	\$	\$ 293,475
South Farm Horticulture-Storage and Research-750		78,962	78,962	72,601	6,361
Miscellaneous Parking Construction-964		48,163	48,163	46,400	1,763
Ag. Service-Agronomy Seed & Lab-928		2,500	2,500	1,000	1,500
Closed Circuit TV (Engr. & Commerce Bldgs.)966		70,000	7,000	7,000	
Fire Escape-Jewell & Reynolds-905		56,432	56,432	57,072	(640)
Construction New Parking Lots-970	200,000	200,000	203,500	20,642	182,858
	493,475	749,532	690,032	204,715	485,317

Source of Funds:	
Fund Balances	\$ 75,500
General Obligation Bonds	39,661
Auxiliary Services	248,163
State Fire and Tornado Fund	134,932
Transferred from PR-6	11,773
70-71 Renovation Funds	75,000
USDA Grants	<u>164,503</u>
	<u>\$ 749,532</u>

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	<u>Board Approved</u>	<u>Estimated Project Cost</u>	<u>Allotment</u>	<u>Expenditures and Encumbrances</u>	<u>Balance of Allotment</u>
Main Campus					
6. Continued					
Property Acquisitions-135			\$ 3,179,056	\$ 3,100,516	\$ 78,540
<u>Source of Funds:</u>					
General Obligation Bonds	\$ 2,488,000				
Fund Balances	592,900				
Proceeds from Sales	<u>98,156</u>				
	<u>\$ 3,179,056</u>				
Completed Projects (Medical Center- Hill Burton)	111,513		111,513		
Housing and Dining Complex	105,641		49,889	55,752	
Minor Construction	846,299		330,811	515,488	
	<u>248,943</u>		<u>248,943</u>		
Undistributed Portion of Fund Balances, etc.					

Schedule 8

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	Board Approved	Estimated Project Cost	Allotment	Expenditures and Encumbrances	Balance of Allotment
Community Colleges -					
7. Consolidated Education Bonds-Series A & B-					
Elizabethtown	\$ 1,613,687	\$ 1,613,687	\$ 143,062	\$ 141,911	\$ 1,151
Elizabethtown - Preliminary Development Plans -510			9,250	9,025	225
Elizabethtown Academic Facilities -525			1,627,937	1,554,012	73,925
Subtotal	<u>1,613,687</u>	<u>1,613,687</u>	<u>1,780,249</u>	<u>1,704,948</u>	<u>75,301</u>
Jefferson					
Phase I-547	1,236,252	1,391,252	1,365,101	1,365,101	26,151
Phase II-534	3,966,327	3,691,327	3,489,717	3,489,717	201,610
Utilities Tunnel-549	427,882	427,882	406,841	406,841	21,041
Subtotal	<u>* 5,689,684</u>	<u>5,630,461</u>	<u>5,510,461</u>	<u>5,261,659</u>	<u>248,802</u>
Henderson-529	<u>1,239,861</u>	<u>1,239,861</u>	<u>1,254,861</u>	<u>1,217,807</u>	<u>37,054</u>
Prestonsburg					
Prestonsburg (Equipment)-505	1,702,199	1,702,199	158,020	157,211	809
Preliminary Development Plans & Restudy -513			12,897	12,597	300
Academic Facilities-541			2,001,737	1,625,706	376,031
Subtotal	<u>1,702,199</u>	<u>1,702,199</u>	<u>2,172,654</u>	<u>1,795,514</u>	<u>377,140</u>
Hopkinsville					
Academic Facilities-531	774,302	774,302	774,302	744,512	29,790
Subtotal	<u>774,302</u>	<u>774,302</u>	<u>774,302</u>	<u>744,512</u>	<u>29,790</u>
Hopkinsville (Old Series B Bonds)-508	<u>223,620</u>	<u>223,620</u>	<u>1,219,593</u>	<u>1,219,593</u>	
Southeast Educational TV-521			<u>1,000</u>		<u>1,000</u>
Henderson Educational TV-552			<u>1,000</u>		<u>1,000</u>
Prestonsburg Educational TV-553			<u>1,000</u>		<u>1,000</u>

Schedule 8

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	Bond Approved	Estimated Project Cost	Allotment	Expenditures and Encumbrances	Balance of Allotment
7. Continued					
Somerset	\$ 837,776	\$ 867,776			
Preliminary Development Plans-512		\$ 9,675	\$ 9,450	\$ 9,450	\$ 225
Academic Facilities-543		837,776	837,776	792,925	44,851
Subtotal	837,776	867,776	847,451	802,375	45,076
Somerset (Old Series B Bond)-506	** 176,380	176,380	907,699	873,958	33,741
Hazard					
Preliminary Development Plans - 507	1,747,560	1,838,786	11,427	10,427	1,000
Academic Facilities-527		1,838,786	1,838,786	1,760,583	78,203
Subtotal	1,747,560	1,838,786	1,850,213	1,771,010	79,203
Madisonville-- 550	12,000	12,000	32,000	11,401	20,599
Maysville					
Preliminary Development Plans-536	1,900,379	1,900,379	10,100	9,450	650
Academic Facilities-537		1,880,061	1,880,061	1,801,855	78,206
Subtotal	1,900,379	1,900,379	1,890,161	1,811,305	78,856
Southeast					
Preliminary Development Plans-515	1,010,684	1,010,684	10,594	10,594	
Academic Facilities-545		1,010,684	1,018,684	988,574	30,110
Subtotal	1,010,684	1,010,684	1,029,278	999,168	30,110
Ashland Phase I					
Preliminary Development Plans-517	3,461,770	3,461,770	12,436	12,436	
Construction of Parking Lot-519		90,000	45,000		45,000
Academic Facilities-523		3,461,770	3,461,770	3,285,880	175,890
Subtotal	3,551,770	3,551,770	3,519,206	3,298,316	220,890
Ashland Phase II-524	7,500	7,500	27,500	5,000	22,500
Movable Buildings-548	677,875	738,230	437,271	420,003	17,268

University of Kentucky
 Schedule of Unexpended Plant Funds
 For the Three Months Ended September 30, 1970

	<u>Board Approved</u>	<u>Estimated Project Cost</u>	<u>Allotment</u>	<u>Expenditures and Encumbrances</u>	<u>Balance of Allotment</u>
7. Continued					
Legal, Administrative, and Interest Expenses--					
500	\$ 997,295	\$ 774,912	\$ 880,821	\$ 880,821	
Community College Bond Issue-500-730		1,752,260	384,190		\$ 384,190
Total	22,162,572	23,814,807	24,520,910	22,817,390	1,703,520

* Total for Phase I and Phase II Utility Tunnel

<u>Source of Funds:</u>	
Title I Grant	\$ 6,370,577
Bonds Series A	12,200,000
Bonds Series B	4,489,000
Est. Interest Earned	240,667
Norton Memorial Hospital	95,063
Madisonville Reserve	12,000
Advance from T & A	7,500
Ashland Board of Education	45,000
Transferred to Community	
College Educational TV	(45,000)
Bonds-Old Series B	400,000
	\$23,814,807

Other Projects:

Educational Television-Community Colleges-518	100,000	145,000	118,109	87,039	31,070
Dorm Facilities-Wood Utilization Center-Quicksand-109	150,000	158,500	166,832	157,151	9,681
Somerset Amphitheater-502		1,000	3,500	1,000	2,500
Total	250,000	304,500	288,441	245,190	43,251

Source of Funds:

State Capital Construction Funds	\$ 259,500
Community College Bond Issue	45,000
	\$ 304,500

GRAND TOTAL OF SCHEDULE

	\$93,419,715	\$100,257,686	\$74,699,208	\$64,439,592	\$10,259,616
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University of Kentucky
 Schedule of Retirement of Indebtedness Funds
 For the Three Months Ended September 30, 1970

Schedule 9

<u>Income:</u>	<u>Estimated</u>	<u>Realized</u>	<u>% Realized</u>
Debt service charged to:			
Unrestricted funds	\$ 5,233,249	\$ 233,642	5.6
Housing and dining system	1,660,143		
Auxiliary enterprises	188,579	29,874	15.8
Sinking funds - investment income	<u>51,445</u>	<u>51,445</u>	<u>100.0</u>
	<u>\$ 7,133,416</u>	<u>\$ 374,961</u>	<u>5.3</u>
TOTAL RETIREMENT OF INDEBTEDNESS FUNDS			
<u>Debt Service:</u>			
Chi Omega	\$ 3,288	\$ 2,912	88.6
Alpha Delta Pi	15,411		
Dorms A, B, C, D, E, and F.	39,175		
Dorms G, H, I, J, K and L	51,495		
Phi Delta Theta	8,310		
Delta Delta Delta	6,225		
Alpha Tau Omega	8,430		
Consolidated Educational Buildings-Series A	504,796	114,567	22.7
Consolidated Educational Buildings-Series B	463,427	109,130	23.5
Consolidated Educational Buildings-Series C	295,021	122,042	41.4
Consolidated Educational Buildings-Series D	2,693,112		
Community Colleges Educational Buildings-Series A	1,085,000		
Community Colleges Educational Buildings-Series B	243,337		
Alpha Gamma Rho and Sigma Chi	16,245	7,137	43.9
Student Housing Bonds of 1964	40,000	19,824	49.6
Housing and Dining System Revenue Bonds-Series A-I	<u>1,660,144</u>		
	<u>\$ 7,133,416</u>	<u>\$ 375,612</u>	<u>5.3</u>
TOTAL RETIREMENT OF INDEBTEDNESS FUNDS			

Schedule 10

University of Kentucky
Schedule of Sinking Funds
September 30, 1970

University of Kentucky Housing and Dining System Revenue Bond and Interest Sinking Fund Account	\$ 1,701,641
University of Kentucky Housing and Dining System Repair and Maintenance Reserve	752,487
Bowman, Keeneland, Cooperstown, Blazer and Student Union Future Interest Fund	1,180,325
Consolidated Educational Buildings Project Bond and Interest Sinking Fund-Series A	573,144
Consolidated Educational Buildings Project Bond and Interest Sinking Fund-Series B	582,839
Consolidated Educational Buildings Project Bond and Interest Sinking Fund-Series C	116,430
Community Colleges Educational Buildings Project Bond and Interest Sinking Fund-Series A	83,130
Community Colleges Educational Buildings Project Bond and Interest Sinking Fund-Series B	56,099
University of Kentucky Student Housing Bond and Interest Sinking Fund Account of 1960	41,320
University of Kentucky Student Housing Building Maintenance and Equipment Reserve Account of 1960	20,082
University of Kentucky Student Housing Bond and Interest Sinking Fund Account of 1964	90,110
Community Colleges Educational Buildings-Series A-Bond and Interest Fund-Escrow Account	120,720
Community Colleges Educational Buildings-Series B-Bond and Interest Fund-Escrow Account	<u>138,670</u>
TOTAL SINKING FUNDS	<u><u>\$ 5,456,997</u></u>

Schedule 11

University of Kentucky
 Summary of Other Funds Transactions
 For the Three Months Ended September 30, 1970

<u>Loan Funds:</u>	<u>Balances</u> <u>July 1, 1970</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Balances</u> <u>September 30, 1970</u>
Federal sponsored loan funds:				
Federal government	\$ 4,279,205	\$ 46,649		\$ 4,325,854
University of Kentucky	391,415	5,227		396,642
Accumulated interest income	141,199	10,911		152,110
University loan funds:				
University student loan funds	40,730	2,750		43,480
University special student loan fund	64,380	2,296		66,676
United Student Aid loan fund	2,000			2,000
	<u>\$ 4,918,929</u>	<u>\$ 67,833</u>		<u>\$ 4,986,762</u>
TOTAL LOAN FUNDS				
<u>Endowment Funds:</u>				
	<u>\$ 814,716</u>	<u>\$ 5,534</u>		<u>\$ 820,250</u>
TOTAL ENDOWMENT FUNDS				
<u>Agency Funds:</u>				
	<u>\$ 758,331</u>	<u>\$ 2,154,984</u>	<u>\$ 1,834,696</u>	<u>\$ 1,078,619</u>
TOTAL AGENCY FUNDS				

Finance Committee Report
November 17, 1970

FCR 2

Members, Executive Committee, Board of Trustees:

ACCEPTANCE OF AUDITS FOR THE
UNIVERSITY OF KENTUCKY FOR 1969-70

Recommendation: that the Board of Trustees accept the University of Kentucky Detailed Financial Report June 30, 1970, University of Kentucky Financial Report (Short Form) 1969-70, Purchasing Letter 1969-70, Cash Reconciliation June 30, 1970, and Management Letter June 30, 1970.

Background: The Finance Committee of the University of Kentucky has reviewed the audit reports and related statements submitted by the firm, Peat, Marwick, Mitchell & Co. in conjunction with the administration of the University of Kentucky. The Finance Committee presents these reports to the Board for its acceptance.

Note: The audit reports and related statements are not made a part of these Minutes but copies are in the official files of the Board of Trustees.

Action: Approved X Disapproved Other

Date: November 17 , 1970

A RESOLUTION amending "A RESOLUTION creating and establishing a Community Colleges Educational Buildings Project of the University of Kentucky; creating and establishing a new issue of Community Colleges Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution."

WHEREAS, due to the passage of time there have been changes in the procedures involved by which the United States of America makes grants and loans in connection with financing facilities for public higher education and other changes which make it advisable for the Resolution adopted on May 6, 1969, to be amended, the title of which was hereinbefore quoted in the title to this resolution, as same was clarified by a resolution adopted on May 5, 1970, such Resolution as so clarified hereinafter being referred to sometimes as the basic Resolution,

NOW, THEREFORE, the Executive Committee of the Board of Trustees of the University of Kentucky hereby resolves, as follows:

ARTICLE I.

The second WHEREAS clause of such basic Resolution is hereby amended to read as follows:

"WHEREAS, pursuant to the provisions of Section 162.340 et seq. and Section 58.010 et seq. of the Kentucky Revised Statutes, the Board of Trustees, as the governing body of the University of Kentucky, is authorized to erect buildings and appurtenances to be used in connection with the said institution for educational purposes; and."

ARTICLE II.

The fifth WHEREAS clause of such basic Resolution is hereby amended to read as follows:

"WHEREAS, the Board has heretofore issued its Community College Educational Buildings Revenue Bonds, Series A, dated May 1, 1963 ('Series A Bonds'), now outstanding in the face amount of \$995,000, and its Community Colleges Educational Buildings Revenue Bonds, Series B, dated May 1, 1964 ('Series B Bonds'), now outstanding in the face amount of \$860,000, all of which Series A Bonds and Series B Bonds were secured by a pledge of the revenues of the buildings and necessary appurtenances of certain of such Community Colleges and by a statutory mortgage lien on such buildings and appurtenances; and."

ARTICLE III.

The eleventh WHEREAS clause of such basic Resolution is hereby amended to read as follows:

"WHEREAS, under the provisions of Section 162.340 et seq. and Section 58.010 et seq. of the Kentucky Revised Statutes, the Board of Trustees is authorized to issue revenue bonds for the purpose of erecting and completing such educational buildings and otherwise as hereinafter provided; and."

ARTICLE IV.

Section 1.01 (k) and (l) of such basic Resolution is hereby amended to read as follows:

"(k) 'Resolution' - this Resolution as same may be clarified or modified, amended or altered prior to any Bonds being issued which are authorized hereunder or as it may be modified, clarified, altered or amended as authorized by this Resolution.

"(l) 'Revenues' - all revenues derived from the Community Colleges Educational Buildings Project, and which revenues are derived, or are to be derived, through the collection of a student registration fee from all students attending Community Colleges of the University which are made herein or may hereunder be made parts of the Community Colleges Educational Buildings Project, and the amounts of any and/or all payments made by the United States of America pursuant to a Government Grant, as defined herein, with reference to the Bonds."

ARTICLE V.

There are hereby added to Section 1.01 of such basic Resolution the following subsections reading as follows:

"(v) 'Government Grant' - the amount the University has or will have the right to obtain from the United States of America, pursuant to a binding contractual agreement between the University and the United States of America, in respect of principal and/or interest to be paid by the University with respect to its indebtedness represented by Bonds.

"(w) 'Adjusted Revenues' - the Revenues after deducting the amount of any and/or all Government Grants.

"(x) 'Adjusted Aggregate Principal, Interest and Bond Fund Charges' - the Aggregate Principal, Interest and Bond Fund Charges after deducting the amount of any payment and/or all Government Grants."

ARTICLE VI.

The second literary paragraph of subsection (2) and subsection (3) of Section 4.05 of such basic Resolution are hereby amended to read as follows:

"Provided, further, that for the purpose of creating and maintaining a reserve in said Bond Fund equal to the maximum Adjusted Aggregate Principal, Interest and Bond Fund Charges, the amount to be so set aside into said Bond Fund from and after May 1, 1970, shall be 125% of the amounts herein provided to be paid into such Bond Fund (exclusive of any and all amounts paid or required to be paid into such Bond Fund from the Revenue Fund representing amounts paid into such Revenue Fund pursuant to a Government Grant or Grants) until and so long as such reserve is accumulated, and thereafter the same shall be resumed and continued whenever and so long as required to restore and maintain such reserve.

"(3) The amount by which such payments exceed the Adjusted Aggregate Principal, Interest and Bond Fund Charges in any particular twelve-month period shall be held in said Bond Fund as a reserve, and unless all Bonds payable from said Bond Fund at the time outstanding are to be then retired, only such part of said Bond Fund may be used to purchase

or redeem Bonds in advance of maturity as may be in excess of the Adjusted Aggregate Principal, Interest and Bond Fund Charges and the prescribed reserve. Any such purchase or purchases of Bonds prior to maturity may be by an open market purchase or open market purchases or following advertisement for tenders, in either case at not exceeding the terms for redemption thereof. Any remaining excess may be applied to the calling and redemption of Bonds in the manner as specified in the Resolution and in accordance with the terms as specified in the Bonds. All Bonds so purchased or redeemed shall be cancelled."

ARTICLE VII.

Section 4.10 of such basic Resolution is hereby amended by adding thereto an additional literary paragraph reading as follows:

"All of the amounts of the income received from such investments of the Bond Fund, including the reserve therein, shall reduce by such amounts the amounts which would otherwise be required hereunder to be paid into the Bond Fund."

ARTICLE VIII.

The second literary paragraph of Section 7.01 of such basic Resolution is hereby amended to read as follows:

"In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in Adjusted Revenues, the Board hereby covenants and agrees

to establish, maintain and collect such student registration fees and other pledged Adjusted Revenues for the services of the Project as will produce Adjusted Revenues in each twelve-month period ending May 1 equal to at least 110% of the current Adjusted Aggregate Principal, Interest and Bond Fund Charges."

ARTICLE IX.

Section 7.10 of such basic Resolution, beginning with subsection (2) to the end of such Section 7.10 is hereby amended to read as follows:

"(2) That the average of the annual Adjusted Revenues from the Project for the two Fiscal Years immediately preceding the issuance of said additional Bonds, as indicated in a statement by the Treasurer to be filed with the Trustee, was equal to not less than 1.25 times the maximum Adjusted Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve-month period ending May 1 on the Bonds then outstanding and the additional Bonds proposed to be issued. For the purposes of such computation the Treasurer shall make an adjustment in the amount of the annual Adjusted Revenues to reflect any increase or decrease in the rates of pledged Adjusted Revenues, if ordered by the Board, and to be effective during the ensuing regular College year. In the event any additional Series of Bonds is to be issued hereunder at a time prior to the elapse of two Fiscal Years immediately following the issuance of the initial Series of Bonds, the Treasurer, for the purpose of the foregoing computation, may use the income derived by the University

during the Fiscal Year 1969-1970 from the source of pledged Adjusted Revenues of the Project, and the amounts so derived and determined by the Treasurer, as indicated in his statement to be filed with the Trustee, shall be deemed to be the average of the annual Adjusted Revenues from the Project for the two Fiscal Years immediately preceding the issuance of such additional Series of Bonds. In the event a new Community College is added to the Project, for the purpose of the foregoing computation, it shall be considered as though there had been received by the University for each of the preceding two Fiscal Years as revenues of the Project the same registration fees on an annual basis as are being received at the time such new Community College is added to the Project.

"Anything in this Section 7.10 to the contrary notwithstanding, the Board may issue Bonds on a parity with Bonds previously issued, for the purpose of refunding all or any part of the Bonds of one or more Series as may be outstanding as of the maturity thereof or at any time prior thereto, either through the exercise of an option for redemption or by an agreement with the holders of the Bonds to be refunded, provided, however, such refunding Bonds issued prior to maturity of the refunded Bonds shall not mature or bear interest in such manner as to reduce the coverage of Adjusted Revenues over maximum Adjusted Principal, Interest and Bond Fund Charges to less than 1.25 times."

ARTICLE X.

Section 9.01 of such basic Resolution is hereby amended to read as follows:

"That for the protection of the holders of the Bonds secured by the Resolution and the interest coupons thereto attached, a statutory mortgage lien upon all of the buildings and necessary appurtenances which are a part of such Project (except the buildings and appurtenances thereto which may be leased, rather than owned, by the University) is granted and created by Sections 162.350 and 162.200 of the Kentucky Revised Statutes, which said statutory mortgage lien is hereby recognized and declared to be valid and binding as provided by law and shall take effect immediately upon the delivery of any of said Bonds. The Trustee may, and upon the written request of the holders of not less than twenty-five per cent (25%) of the principal amount of the Bonds then outstanding shall, either at law or in equity, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties required by law, including the charging, collection and accounting of sufficient student registration fees and the segregation and application of the Revenues as provided by the Resolution."

ARTICLE XI.

At any time when it is desired to furnish a copy of the Resolution, a composite Resolution may be furnished, with all of the Articles, Sections

and literary paragraphs thereof written solely as they had been finally amended at the time of the furnishing of such composite Resolution.

ARTICLE XII.

All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent, but only to the extent, that any necessary conflict exists.

ARTICLE XIII.

This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

I, Lucile T. Blazer, the Secretary of the Board of Trustees of the University of Kentucky and Secretary of the Executive Committee of such Board of Trustees, certify that the foregoing is a true copy of the resolution which is shown in the minutes of such Executive Committee for the meeting held on November 17, 1970, as having been presented to such meeting and having been adopted on such date. I further certify that such resolution is still in full force and effect.

Dated this _____ day of _____, 1970.

(Seal)

Lucile T. Blazer.

A RESOLUTION AMENDING "A RESOLUTION AUTHORIZING THE ISSUANCE OF \$12,200,000 COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES A, AND \$4,489,000 COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES B, OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY

AND

IN ANTICIPATION OF THE ISSUANCE OF SAID BONDS, AUTHORIZING THE ISSUANCE, JOINTLY WITH THE STATE PROPERTY AND BUILDINGS COMMISSION OF KENTUCKY, AND SUBJECT TO THE APPROVAL AND CONCURRENCE OF SAID COMMISSION, OF REVENUE BOND ANTICIPATION NOTES IN THE MANNER AUTHORIZED BY KRS 56.513, THE SAME TO BE PAYABLE (A) AS TO PRINCIPAL SOLELY FROM THE PROCEEDS OF THE COMMUNITY COLLEGES EDUCATIONAL BUILDINGS REVENUE BONDS, SERIES A AND SERIES B, HEREIN AUTHORIZED, WHEN SAID BONDS ARE SOLD AND DELIVERED (OR FROM THE PROCEEDS OF RENEWAL NOTES OR IN PART FROM THE SOURCE HEREIN PROVIDED THEREFOR), AND (B) AS TO INTEREST FROM THE SOURCES HEREIN PROVIDED THEREFOR; AND REQUESTING APPROVAL AND CONCURRENCE OF SAID COMMISSION."

WHEREAS, due to the passage of time there have been changes in the procedures involved by which the United States of America makes grants and loans in connection with financing facilities for public higher education and other changes which make it advisable for the Resolution adopted on May 6, 1969, to be amended, the title of which was hereinbefore quoted in the title of this Resolution, as same was clarified by a Resolution adopted on May 5, 1970, such Resolution as so clarified hereinafter being referred to sometimes as the Series A and Series B Resolution,

NOW, THEREFORE, the Executive Committee of the Board of Trustees of the University of Kentucky hereby resolves, as follows:

ARTICLE I.

The first WHEREAS clause of such Series A and Series B Resolution is hereby amended to read as follows:

"WHEREAS, the Board of Trustees of the University of Kentucky, by a Resolution entitled:

'A RESOLUTION creating and establishing a Community Colleges Educational Buildings Project of the University of Kentucky; creating and establishing a new issue of Community Colleges Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky; providing for the issuance from time to time of said bonds; providing for the payment of the principal of and interest on said bonds and repealing all resolutions or parts of resolutions in conflict with this resolution,'

already adopted on May 6, 1969, as same was clarified by a resolution adopted on May 5, 1970, and as same was amended by a resolution adopted on November 17, 1970 (hereinafter referred to as the 'Resolution') has created and established an issue of Community Colleges Educational Buildings Revenue Bonds of the Board of Trustees of the University of Kentucky (the 'Bonds'), and"

ARTICLE II.

The first sentence of Section 2.03 of such Series A and Series B Resolution is hereby amended to read as follows:

"The Series A Bonds shall be dated May 1, 1969, and bear interest payable semiannually on November 1 and May 1 of each year, commencing November 1, 1969, at a coupon rate or coupon rates to be fixed as a result of advertised sale and competitive bidding for said Series A Bonds, as hereinafter provided."

ARTICLE III.

The first sentence of Section 2.07 of such Series A and Series B Resolution is hereby amended to read as follows:

"The Series B Bonds shall be dated May 1, 1969, and bear interest payable semiannually on November 1 and May 1 of each year, commencing November 1, 1969, at a coupon rate or coupon rates to be fixed as a result of advertised sale and competitive bidding for said Series B Bonds, as hereinafter provided."

ARTICLE IV.

Section 2.10 of such Series A and Series B Resolution is hereby amended to read as follows:

"Section 2.10. The Series A Bonds maturing May 1, 1981, and thereafter (being the Series A Bonds numbered 202 and upwards), shall be subject to redemption by the Board, in whole or from time to time in part, in the inverse order of their respective maturities (less than all of a single maturity to be selected by lot), on any interest payment date on or after May 1, 1980, 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 and after May 1, 1980, and prior to May 1, 1985	103%
On and after May 1, 1985, and prior to May 1, 1990	102%
On and after May 1, 1990, and prior to May 1, 1995	101%
On and after May 1, 1995, but prior to final maturity	100 1/2%

"The Series B Bonds maturing on or before May 1, 1979 (being the Series B Bonds numbered 1 through 127), are not redeemable prior to maturity without the consent of the holders thereof. Bonds maturing thereafter shall be redeemable prior to maturity, at the option of the Board, beginning on or after November 1, 1979, in whole or in part (in inverse numerical order or by lot), on any interest payment date, at the following prices (in percentage of stated principal amount) plus accrued interest to the redemption date: 103% if redeemed November 1, 1979, through May 1, 1984, inclusive, 102 1/2% if redeemed November 1, 1984, through May 1, 1989, inclusive, 102% if redeemed November 1, 1989, through May 1, 1994, inclusive, 101 1/2% if redeemed

November 1, 1994, through May 1, 1999, inclusive, 101% if redeemed November 1, 1999, through May 1, 2004, and 100% if redeemed after May 1, 2004."

ARTICLE V.

The second literary paragraph of the Series A Bond form in Section 2.13 of such Series A and Series B Resolution is hereby amended to read as follows:

"This Bond is one of a duly authorized issue of Bonds designated as 'Community Colleges Educational Buildings Revenue Bonds,' (hereinafter referred to as the 'Bonds') 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, and Sections 58.010 to 58.140, 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, 1959 (hereinafter referred to as the 'Resolution'), as same was clarified by a Resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970, and the Series A and Series B Resolution adopted by the Board of Trustees on May 6, 1969, as same was clarified by a resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970."

ARTICLE VI.

The second literary paragraph of the form of the Coupon Series B Bonds set forth in Section 2.14 of such Series A and Series B Resolution is hereby amended to read as follows:

"This Bond is one of a duly authorized issue of Bonds designated as '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, and Sections 58.010 to 58.140, 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 (hereinafter referred to as the 'Resolution'), as same was clarified by a Resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970, and the Series A and Series B Resolution adopted by the Board of Trustees on May 6, 1969, as same was clarified by a Resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970."

ARTICLE VII.

The seventh literary paragraph of the form of the Coupon Series B Bonds contained in Section 2.14 of such Series A and Series B Resolution is hereby amended to read as follows:

"The Series B Bonds maturing on or before May 1, 1979 are not redeemable without the consent of the holders thereof prior to maturity. The Series B Bonds maturing thereafter shall be redeemable prior to maturity, at the option of the Board of Trustees, beginning on or after November 1, 1979, in whole or in part (in inverse numerical order or by lot), on any interest payment date, at the following prices (in percentage of stated principal amount) plus accrued interest to the redemption dates: 103% if redeemed November 1, 1979, through May 1, 1984, inclusive, 102 1/2% if redeemed November 1, 1984, through May 1, 1989, inclusive, 102% if redeemed

November 1, 1989, through May 1, 1994, inclusive, 101 1/2% if redeemed November 1, 1994, through May 1, 1999, inclusive, 101% if redeemed November 1, 1999, through May 1, 2004, inclusive, and 100% if redeemed after May 1, 2004."

ARTICLE VIII.

The second literary paragraph of the form of the Series B fully registered Bond as is set forth in Section 2.14 of such Series A and Series B Resolution is hereby amended to read as follows:

"This Bond is one of a duly authorized issue of Bonds designated as '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, and Sections 58.010 to 58.140, 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 (hereinafter referred to as the 'Resolution'), as same was clarified by a Resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970, and the Series A and Series B Resolution adopted by the Board of Trustees on May 6, 1969, as same was clarified by a Resolution adopted on May 5, 1970, and as same was amended by a Resolution adopted on November 17, 1970."

ARTICLE IX.

The eighth literary paragraph of the form of the Series B fully registered Bond as is set forth in Section 2.14 of such Series A and Series B Resolution is hereby amended to read as follows:

"The Series B Bonds maturing on or before May 1, 1979, are not redeemable without the consent of the holders thereof prior to maturity. The Series B Bonds maturing thereafter shall be redeemable prior to maturity at the option of the Board of Trustees, beginning on or after November 1, 1979, in whole or in part (in inverse numerical order or by lot), on any interest payment date, at the following prices (in percentage of stated principal amount), plus accrued interest to the redemption date: 103% if redeemed November 1, 1979, through May 1, 1984, inclusive, 102 1/2% if redeemed November 1, 1984, through May 1, 1989, inclusive, 102 if redeemed November 1, 1989, through May 1, 1994, inclusive, 101 1/2% if redeemed November 1, 1994, through May 1, 1999, inclusive, 101% if redeemed November 1, 1999, through May 1, 2004, inclusive, and 100% if redeemed after May 1, 2004."

ARTICLE X.

The second literary paragraph of Section 2.15 of such Series A and Series B Resolution is hereby amended to read as follows:

"The Series A Bonds shall be offered as a whole at not less than ninety-eight per cent (98%) of par, plus accrued interest."

ARTICLE XI.

This Resolution shall take effect immediately upon its adoption.

CERTIFICATE

I, Lucile T. Blazer, the Secretary of the Board of Trustees of the University of Kentucky and Secretary of the Executive Committee of such Board of Trustees, certify that the foregoing is a true copy of a Resolution which is shown in the minutes of such Executive Committee for a meeting held on November 17, 1970, as having

such presented to such meeting and having been adopted on such date. I further certify that such Resolution is still in full force and effect.

Dated this _____ day of _____, 1970.

Lucile T. Blazer.

(3cc)

NOTICE OF SALE OF BONDS

BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY

Lexington, Kentucky

\$4,489,000 COMMUNITY COLLEGES EDUCATIONAL BUILDING REVENUE BONDS

SERIES B

The Board of Trustees of the University of Kentucky, Lexington, Kentucky (the "Board"), a corporate Educational Institution and Agency of the Commonwealth of Kentucky, hereby gives notice that until December 8, 1970, at the hour of 2:00 p. m. E. S. T., it will receive at the office of Lawrence E. Forgy, Treasurer, Administration Building, University of Kentucky, Lexington, Kentucky 40506, sealed competitive bids for the purchase, upon the terms and conditions hereinafter set forth, of its \$4,489,000 Community Colleges Educational Buildings Revenue Bonds, Series B, dated May 1, 1969, maturing as to principal in various amounts on May 1 in each of the years 1971 through 2009, all Bonds maturing on and after May 1, 1980, being subject to redemption at the option of the Board on any interest payment date on or after November 1, 1979. The maturity schedule of such Bonds and the terms and conditions relative to redemption prior to stated maturities are set forth in the "Official Statement," to which reference is hereby made. At the Board Room, in the Office Tower, on the campus of the University in Lexington, Kentucky, at the time set forth above, purchase bids theretofore received will be submitted to said Board then scheduled to be in session, for public opening, consideration and action. Purchase bids submitted prior to the time herein stipulated will remain unopened until such time, if properly identified on the outside of the envelope.

The Board of Trustees has, by Resolution, created its "Community Colleges Educational Buildings Project," comprising all educational buildings now existing and hereafter erected, and appurtenances thereto, at all Community Colleges of the University which are specifically named in the Resolution and at all Community Colleges of the University which in the future, by a Series Resolution or a Supplemental Resolution, may be specifically added to and constituted a part of the Project, with the exception of housing buildings and facilities and all buildings exclusively for athletics, as distinguished from those that are, or may be, wholly or principally, for physical education, as is more specifically provided in such Resolution as clarified and amended, and has pledged the revenues thereof consisting of student registration fees imposed upon and collected from all students attending Community Colleges of the University which are parts of the Project for

the services furnished by such Project. The Bonds will constitute special obligations of the Board and have been authorized and will be issued pursuant to authority of Sections 162.340 et seq. and Sections 58.010 et seq. of the Kentucky Revised Statutes and Series A and Series B Resolution as clarified and amended, duly adopted by the Board of Trustees. Such Series B Bonds will rank on a basis of parity as to security and source of payment with Series A Bonds in the face amount of \$12,200,000 and with similar Series which may be issued in the future, subject to prescribed conditions and limitations, and will be additionally secured by a statutory mortgage lien upon all buildings and appurtenances thereto which are parts of the Project.

The Series B Bonds now offered at public sale are for the purpose of providing funds to defray the costs (to the extent not otherwise provided) of erecting buildings and appurtenant facilities to be used by the University for educational purposes, all of which will constitute parts of the aforesaid Project.

Purchase bids for such \$4,489,000 of Series B Bonds will be received and considered, subject to a Government guarantee in accordance with the terms of Loan Agreements between the University and the United States Commissioner of Education which provide that the Government will submit its bid for the purchase of the entire issue of Series B Bonds or any portion thereof not offered to be purchased by others upon equal terms at an amount equal to the principal and accrued interest and at a single uniform interest rate of 3% per annum. Such bids shall be at not less than principal and accrued interest from November 1, 1970, at an average net interest cost not to exceed 3% per annum for the amount of Series B Bonds offered to be purchased and will be considered subject to the following terms and conditions:

(i) Bids will be considered only for consecutive full annual maturities beginning with the first maturity thereof; (ii) bidders may stipulate one or more interest coupon rates of their own choosing, in multiples of one-eighth (1/8) or one-tenth (1/10) of one per cent (1%), with no limit as to the number of coupon rates; (iii) all Bonds maturing on the same date shall bear the same rate of interest; (iv) no Bond shall bear interest at more than one rate from date to maturity, nor shall supplementary coupons be permitted; (v) the difference between the lowest and highest interest rate specified in any bid shall not exceed two per cent (2%); and (vi) each bid (except a bid submitted by the Government) shall be accompanied by a certified or bank cashier's or treasurer's check payable to the order of University of Kentucky in a sum equal to one (1%) per cent of the principal amount of the Series B Bonds therein offered to be purchased, the same to be held uncashed until the delivery and payment and at that time deposited by the University and credited upon the accepted bid or, at the election of the purchaser, returned to the University upon payment of the full purchase price with accrued interest to delivery.

In determining the lowest net average interest cost, the bid of the Government will not be taken into consideration. Otherwise, a single award of the Bonds will be made to the bidder offering to purchase the largest consecutive principal amount of the Bonds, considering each maturity date as a unit. If two or more purchase bids are for the same amount of Bonds, preference in award will be given to the bid resulting in the lowest average net interest cost, the same to be determined by ascertaining the total amount of interest required by the bid from November 1, 1970, to the respective maturities, and deducting therefrom the total amount of any premium offered over and above the principal amount of the Bonds. Any Bonds not awarded pursuant to these provisions will be awarded to the Government in accordance with its Loan Agreements, wherein it has guaranteed to submit a purchase bid for all of such Bonds at the principal amount and accrued interest, and at a single uniform interest rate of 3% per annum, subject to acceptance by the Board of bids upon equal terms, according to the above terms and conditions.

Each purchase bid (except in the case of a bid submitted on behalf of the Government) must be upon the applicable prescribed "Official Bid Form." The successful bidder will be furnished by the Board, without cost, the prepared and executed Bonds, the unqualified approving legal opinion of Skaggs, Hays & Reed, Lawyers, of Louisville, Kentucky, the same to accompany the Bonds when tendered for delivery, and the customary No-Litigation Certificate. In the opinion of Bond Counsel interest received by private holders of such Bonds will be exempt from present Federal or Kentucky income taxation according to the statutes, regulations and administrative rulings prevailing at the time of the delivery of such Bonds. In the event that prior to delivery any event shall occur which in the opinion of Bond Counsel serves to alter such tax-exempt status, the purchase bidder shall be free to avoid his purchase contract by giving prompt notice in writing to the President of the University, the Fiscal Agent and Bond Counsel, and if there is any disagreement in this respect the good-faith check of the successful bidder will then immediately be returned, and the Board will be free to re-advertise and resell the Bonds.

The Board reserves the right to reject any and all bids, and to waive any irregularity and informality deemed by the Board to be immaterial, and the decision of the Board in this respect shall be final and binding upon all parties concerned.

Copies of the "Official Bid Form" and of the "Official Statement" relating to the Board's offering of the Bonds may be obtained from the Fiscal Agent, W. E. Hutton & Co., 267 West Short Street, Lexington, Kentucky 40507. Tender of delivery is guaranteed within forty-five (45) days after the date of sale. The delivery will be made at the expense of the Board at a bank or trust company in Louisville, Kentucky; Chicago, Illinois; or New York, New York, as directed by the purchaser. In the event the Government purchases any of such Bonds, delivery of same

shall be tendered at the expense of the Board at the place designated by the Government.

BY ORDER OF SAID BOARD OF TRUSTEES:

/s/ Louie B. Nunn, Chairman,

/s/ Lucile T. Blazer, Secretary,
Board of Trustees,
University of Kentucky.

OFFICIAL BID FORM

SERIES B

\$4,489,000

UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES EDUCATIONAL
BUILDINGS REVENUE BONDS SERIES B

December ____, 1970

To the Honorable Chairman and Members of the
Board of Trustees of University of Kentucky

Mr. Lawrence E. Forgy, Treasurer
Administration Building
University of Kentucky
Lexington, Kentucky 40506

Gentlemen:

We have observed your published "Notice of Sale of Bonds" concerning the submission of sealed competitive bids for the purchase of all or permissible consecutive maturities of your \$4,489,000 "Community Colleges Educational Buildings Revenue Bonds, Series B," dated May 1, 1969, and have obtained, examined and are familiar with further details and conditions relating to your public offering of said bonds as set forth in your "Official Statement" in connection therewith. By our submission of this bid we agree to all of the terms and conditions set forth in said instruments.

We hereby offer to purchase from you all of said Series B Bonds maturing May 1, 1971, and on each consecutive May 1 thereafter to and including May 1, 19____ (purchase offer must be for full consecutive maturities beginning with the first maturity date), being Bonds aggregating \$_____ in principal amount; and to pay you therefor the principal amount thereof, with interest from November 1, 1970 to delivery and a premium in the sum of \$_____, subject to your establishment of the respective interest coupon rates set forth below. (Line out or cross out maturities NOT offered to be purchased.)

The Series B Bonds are to be dated May 1, 1969, and shall mature on May 1 of the respective years, and bear interest at the respective coupon rates, as follows:

<u>Year</u>	<u>Amount</u>	<u>Coupon Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Coupon Rate</u>
1971	\$60,000	_____ %	1990	110,000	_____ %
1972	65,000	_____ %	1991	115,000	_____ %
1973	65,000	_____ %	1992	115,000	_____ %
1974	70,000	_____ %	1993	120,000	_____ %
1975	70,000	_____ %	1994	120,000	_____ %
1976	75,000	_____ %	1995	125,000	_____ %
1977	75,000	_____ %	1996	130,000	_____ %
1978	75,000	_____ %	1997	135,000	_____ %
1979	80,000	_____ %	1998	140,000	_____ %
1980	80,000	_____ %	1999	140,000	_____ %
1981	80,000	_____ %	2000	145,000	_____ %
1982	85,000	_____ %	2001	150,000	_____ %
1983	90,000	_____ %	2002	155,000	_____ %
1984	90,000	_____ %	2003	160,000	_____ %
1985	95,000	_____ %	2004	165,000	_____ %
1986	95,000	_____ %	2005	170,000	_____ %
1987	100,000	_____ %	2006	175,000	_____ %
1988	100,000	_____ %	2007	180,000	_____ %
1989	105,000	_____ %	2008	185,000	_____ %
			2009	199,000	_____ %

(Reminder: Multiples of 1/8 or 1/10 of 1%; Average net interest cost to the Board may not exceed 3%; and spread between high and low coupon rates stipulated in any bid may not exceed two per cent (2%).)

This bid is made with the understanding that the Board of Trustees will furnish without cost to the successful bidder the unqualified approving legal opinion of Skaggs, Hays & Reed, Lawyers, of Louisville, Kentucky, the executed Bonds and the customary closing certificates including the usual certificate that at that time no litigation affecting the legality of the Bonds is pending, or known to the signers of such certificate to be threatened.

We enclose as evidence of our good faith a certified or bank cashier's or treasurer's check in the amount of \$_____ (one per cent (1%) of principal amount of Bonds offered to be purchased) payable to the order of University of Kentucky. In the event this bid is

accepted and should for any reason, we fail to comply with the terms of this bid, said check is to be forfeited by us, as agreed liquidated damages; otherwise said check is to be promptly returned to us.

Respectively submitted,

The foregoing is our purchase bid. We submit our own computations thereof only for your information and convenience.

- (a) Total interest cost at coupon rates from date of Bonds to final maturity\$ _____
- (b) Less premium\$ _____
- (c) Net interest cost\$ _____

Accepted this _____ day of December, 1970.

BOARD OF TRUSTEES OF UNIVERSITY OF KENTUCKY

By _____
Chairman

(Seal)

Attest:

Secretary

The undersigned, an unsuccessful bidder, hereby acknowledges return of its good faith check tendered with its bid.

BY _____

(Authorized Representative)

CERTIFICATE

The undersigned, Otis A. Singletary, President of the University of Kentucky, and Lawrence E. Forgy, Treasurer of such University, the latter upon behalf of the Business Staff of the University, pursuant to Section 2.15 of the Resolution authorizing the Series A and Series B University of Kentucky Community Colleges Educational Buildings Revenue Bonds, both dated May 1, 1969, hereby approve the foregoing forms of "Notice of Sale of Bonds," "Official Bid Form" and "Official Statement" with reference to the sale of \$4,489,000 of such Series B Bonds, dated May 1, 1969.

Dated this _____ day of _____, 1970.

Otis A. Singletary, President of the
University of Kentucky.

Lawrence E. Forgy, Treasurer of the
University of Kentucky, upon behalf of
the Business Staff of such University.

CERTIFICATE

The undersigned, Lucile T. Blazer, Secretary of the Board of Trustees of the University of Kentucky and Secretary of the Executive Committee of such University, hereby certifies that the foregoing forms of "Notice of Sale of Bonds," "Official Bid Form" and "Official Statement" with reference to the sale of \$4,489,000 of University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series B, dated May 1, 1969, were the same forms which were presented to the Executive Committee of such University at its meeting held on November 17, 1970, which are referred to in a resolution adopted on that date as having been approved for use in connection with the sale of such Bonds.

Dated this _____ day of _____, 1970.

Lucile T. Blazer, Secretary of the
Board of Trustees of the University of
Kentucky and Secretary of the Executive
Committee of such Board of Trustees.

(Seal of University)

OFFICIAL STATEMENT

Relating to the Issuance and Sale of

\$4,489,000

UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES

EDUCATIONAL BUILDINGS REVENUE BONDS

SERIES B

Dated May 1, 1969

Due May 1, 1971-2009, Inclusive

A purchase bid for all the bonds at principal amount and accrued interest at a single uniform interest rate of 3% is guaranteed by the United States Department of Health, Education and Welfare

UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES

EDUCATIONAL BUILDING REVENUE BONDS

Series B \$4,489,000

DATED: May 1, 1969

DUE: May 1, 1971-2009, inclusive

Bonds maturing May 1, 1981 and thereafter shall be subject to redemption by 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, 1980, 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:

Redemption Provisions: Bonds maturing on or before May 1, 1979 are not redeemable prior to maturity. Bonds maturing thereafter shall be redeemable prior to maturity, at the option of the Applicant upon at least thirty (30) days notice, beginning on or after November 1, 1979, in whole or in part (in inverse numerical order or by lot), on any interest payment date, at the following prices (in percentage of stated principal amount) plus accrued interest to the redemption date:

103% if redeemed November 1, 1979 through May 1, 1984, inclusive;
102¹/₂% if redeemed November 1, 1984 through May 1, 1989, inclusive;
102% if redeemed November 1, 1989 through May 1, 1994, inclusive;
101¹/₂% if redeemed November 1, 1994 through May 1, 1999, inclusive;
101% if redeemed November 1, 1999 through May 1, 2004, inclusive;
100% if redeemed after May 1, 2004

The principal of and interest on said Series B Bonds shall be payable in any coin or currency of the United States of America, which at the time of payment therefor is legal tender for the payment of public and private debts, due the United States of America, as to Series B Bonds, at the principal office of The Second National Bank & Trust Company, in the City of Lexington, Kentucky, Trustee (or successors Trustee appointed pursuant to the provisions of the Resolution), or at the option of the holders of the Series B Bonds and coupons at the principal offices of The Northern Trust Company, in the City of Chicago, Illinois, or of _____ in the City of _____.

INTEREST EXEMPT, IN THE OPINION OF BOND COUNSEL, FROM PRESENT FEDERAL INCOME TAXES UNDER EXISTING STATUTES, REGULATIONS AND COURT DECISIONS.

In the opinion of Bond Counsel, Interest Exempt from present Kentucky Income Taxes and Principal Exempt from Kentucky Ad Valorem Taxes.

These \$4,489,000 Community Colleges Educational Buildings Revenue Bonds, Series B, are being issued to provide funds (to the extent not otherwise provided) for the purpose of paying the costs of reconstructing, erecting and completing one or more educational buildings with necessary appurtenances in the establishment of a Community College at or near 109 East Broadway in Louisville, Kentucky, which is known as the Jefferson Community College, of erecting and completing one or more educational buildings with necessary appurtenances in the establishment of a Community College in or adjacent to the City of Hazard in Perry County, Kentucky, and in the establishment of a Community College in or adjacent to the City of Maysville in Mason County, Kentucky, of erecting and completing one or more educational buildings with necessary appurtenances in the establishment of a new Community College plant on the new campus in or adjacent to the City of Ashland in Boyd County, Kentucky, of erecting and completing one or more educational buildings and necessary appurtenances at the existing Community Colleges in or adjacent to the City of Elizabethtown in Hardin County, Kentucky, in or adjacent to Henderson, in Henderson County, Kentucky, in or adjacent to Prestonsburg in Floyd County, Kentucky, in or adjacent to Hopkinsville in Christian County, Kentucky, in or adjacent to Somerset in Pulaski County, Kentucky, and in or adjacent to Cumberland in Harlan County, Kentucky. The Bonds are being issued pursuant to the provisions of Section 162.340, et seq., of the Kentucky Revised Statutes and in accordance with the provisions of the Series B. Resolutions adopted by the Board of Trustees of the University of Kentucky on May 6, 1969, pursuant to the terms of a Resolution adopted by said Board on May 6, 1969. The Series B Bonds, and additional parity bonds that may hereafter be issued under the terms of the Resolution, are secured by the terms of the Resolution and the Series Resolution supplemental thereto, and are payable from and constitute a paramount charge on the Revenues of the Community Colleges Educational Building Project of the University of Kentucky, created and established under the Resolution. The Revenues of the Project are to be derived through the imposition and collection of a Student Registration Fee from all students attending the Community Colleges of the University of Kentucky, as herein set forth. As further security for the Bonds and the coupons appertaining thereto, a statutory mortgage lien upon the Project, subject to the exception noted herein, is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes.

SERIES B
AMOUNT AND MATURITIES

<u>AMOUNT</u>	<u>DUE</u>	<u>AMOUNT</u>	<u>DUE</u>	<u>AMOUNT</u>	<u>DUE</u>
\$ 60,000	1971	\$ 90,000	1984	\$135,000	1997
\$ 65,000	1972	\$ 95,000	1985	\$140,000	1998
\$ 65,000	1973	\$ 95,000	1986	\$140,000	1999
\$ 70,000	1974	\$100,000	1987	\$145,000	2000
\$ 70,000	1975	\$100,000	1988	\$150,000	2001
\$ 75,000	1976	\$105,000	1989	\$155,000	2002
\$ 75,000	1977	\$110,000	1990	\$160,000	2003
\$ 75,000	1978	\$115,000	1991	\$165,000	2004
\$ 80,000	1979	\$115,000	1992	\$170,000	2005
\$ 80,000	1980	\$120,000	1993	\$175,000	2006
\$ 80,000	1981	\$120,000	1994	\$180,000	2007
\$ 85,000	1982	\$125,000	1995	\$185,000	2008
\$ 90,000	1983	\$130,000	1996	\$199,000	2009

The issuance of these bonds and all legal matters incident thereto are subject to approval by Skaggs and Hays, Attorneys, Louisville.

OFFICIAL STATEMENT
OF
THE BOARD OF TRUSTEES OF THE UNIVERSITY OF KENTUCKY
RELATING TO ITS
UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES
EDUCATIONAL BUILDINGS REVENUE BONDS
SERIES B

Lexington, Kentucky

_____, 1970

With reference to \$4,489,000 University of Kentucky Community Colleges Educational Buildings Revenue Bonds, Series B, (the Bonds), as described on the cover page, which is considered a part hereof, this Official Statement is being distributed by the Board of Trustees of the University of Kentucky (the Board of Trustees or the Board) to furnish pertinent information to all who may become purchasers of such Bonds.

THE UNIVERSITY OF KENTUCKY

The University of Kentucky (the University), located at Lexington, Fayette County, Kentucky, began as a part of Kentucky University under a cooperative plan authorized by the legislature in 1865. The purpose of this plan was to unite sectarian and public education under one organization and this experiment was tried for a number of years. In the meantime, federal funds authorized under the Morrill Act were used to develop agriculture and mechanic arts in Kentucky University. In 1878, when the people of Kentucky decided to establish a state institution of higher learning, the College of Agriculture and Mechanic Arts was separated from Kentucky University and re-established on land given by the City of Lexington and the County of Fayette. In 1908 the legislature changed the name of the institution to the State University of Kentucky, and gave it additional financial support. In 1916 the name was changed to the University of Kentucky, and additional maintenance was arranged by legislative act. The University is a land-grant college, established by the Morrill Act of 1862, and receives federal assistance under provisions of this and subsequent laws relating to the teaching of agriculture and the mechanic arts and the provision of agricultural experiment stations and extension services in agriculture and home economics.

The government of the University of Kentucky is vested in a Board of Trustees consisting of the Governor of the Commonwealth, who shall be the Chairman of the Board, The Superintendent of Public Instruction, the Commissioners of Agriculture, Labor and Statistics, 12 competent citizens of

Kentucky appointed by the Governor, 2 non-voting members of the teaching faculty of the University of Kentucky, and 1 non-voting member of the student body of the University of Kentucky.

The Board of Trustees is a body corporate with the usual corporate powers, possessing all the immunities, rights, privileges, and franchises usually attaching to the governing bodies of educational institutions. The Board may receive, hold, and administer on behalf of the University of Kentucky, subject to conditions attached, all revenues accruing from endowments, appropriations, allotments, grants or bequests and all types of property. The Board of Trustees may make such by-laws, rules and regulations consistent with Chapter 164 of the Kentucky Revised Statutes as it deems proper, and can establish proper regulations for the government of the University. The Trustees may determine from time to time the colleges, schools, divisions, departments, bureaus and offices which the University shall comprise and they may do all other actions that are needful for the welfare of the University.

The major function of the University is that of instruction. For the performance of this function it is organized into the College of Arts and Sciences, the College of Agriculture, the School of Home Economics, the College of Pharmacy, the College of Medicine, the School of Allied Health, the College of Nursing, the College of Dentistry, the Graduate School, University Extension, Community Colleges, and Lexington Technical Institute. The academic year of the University is divided into two semesters of approximately eighteen weeks each and a summer session of four weeks, and of eight weeks.

COMMUNITY COLLEGES EDUCATIONAL BUILDINGS PROJECT

The Board of Trustees has determined that there exists a need for additional Community Colleges in the Commonwealth in order to more readily provide educational opportunity above the common school level for the peoples of the Commonwealth. The Board has determined that the erection of educational buildings and necessary appurtenances for the Community Colleges will require the borrowing of money and the issuance of revenue bonds payable solely from the revenues of the building or buildings so erected, and of the educational buildings leased by, or hereafter acquired or leased by the University elsewhere than in Fayette County, Kentucky. For the purpose of securing bonds issued from time to time to finance the erection of needed educational buildings and necessary appurtenances for the Community Colleges, the Board has established and created a single Community Colleges Educational Buildings Project consisting of all educational buildings and necessary appurtenances owned or leased by the University in the operation of Community Colleges in or

adjacent to the City of Ashland, the City of Cumberland, the City of Henderson, the City of Elizabethtown, the City of Prestonsburg, the City of Somerset, the City of Hopkinsville, the City of Maysville, the City of Glasgow, the City of Carrollton, the City of Madisonville, the City of Hazard and the City of Louisville at or near 109 East Broadway, as said Community Colleges presently exist; and all educational buildings as may be erected at such Community Colleges upon property owned by the University from available funds of the Board or from the proceeds of Bonds together with such educational buildings and necessary appurtenances of a Community College or Community Colleges elsewhere in the Commonwealth as may be added to the Project in the future by appropriate action by the Board but excluding all housing buildings and facilities and all buildings and facilities exclusively for athletics as distinguished from those which are, or may be, wholly or principally for physical education. So long as any Bonds are outstanding under the Resolution hereinafter discussed, the Project shall be operated and maintained on a consolidated basis for the security and source of payment of said bonds.

PROJECT COSTS

<u>COMMUNITY COLLEGE</u>	<u>PROJECT BUDGET</u>	<u>TITLE I GRANTS</u>	<u>APPROVED TITLE III LOANS</u>	<u>UK LOANS</u>	<u>ESTIMATED COMPLETION DATE</u>
Ashland	\$ 3,510,104	\$1,293,628	\$1,008,000	\$1,208,476	5-4-70
Elizabethtown	1,621,549	452,984	380,000	788,565	4-1-69
Hazard	1,840,332	835,734	427,000	577,598	9-1-70
Henderson	1,245,954	411,690	274,000	560,264	11-15-70
Hopkinsville	779,602	218,177	155,000	406,425	7-1-70
Jefferson	5,785,002	1,379,188	987,000	3,418,814	4-1-71
Maysville	1,899,881	706,399	502,000	691,483	5-1-69
Prestonsburg	1,713,434	543,232	418,000	752,202	2-1-70
Somerset	872,451	308,218	199,000	365,233	7-1-70
Southeast	1,044,970	221,327	139,000	684,643	12-1-70
Movable Buildings	676,013	-0-	-0-	676,013	Complete
Reimbursement for funds advanced for completion of buildings at Hopkinsville and Somerset	400,000	-0-	-0-	400,000	
ETV	45,000	-0-	-0-	45,000	4-1-71
TOTALS	\$21,434,292	\$6,370,577	\$4,489,000	\$10,574,715	

The University plant valued at more than 135 million dollars includes some 80 major buildings on the 229 acre Main Campus at Lexington, 8 farms having a total acreage of 18,129 acres, and state Community Colleges offering two years of College work. Two other farms, 140 acres and 400 acres, respectfully, are under long term lease. Total income of the University for the fiscal year ended June 30, 1970 amounted to and was realized from the following sources.

Student Fees	\$ 9,369,238
Gifts and Grants	3,090,259
University Hospital and Clinics	8,155,827
State and County Appropriations	52,687,818
Federal Funds	6,435,143
Housing and Dining System and Auxiliary Enterprises	9,290,880
Student Aid	939,579
Other Sources	2,966,077
Total Current Funds Income	\$92,934,821

UNIVERSITY OF KENTUCKY COMMUNITY COLLEGES

The University of Kentucky has thirteen Community Colleges at various locations throughout the Commonwealth. Each Community College is an integral part of the University with the same standards of admission and operation as apply to the University campus in Lexington. A Director is responsible for the general administration of each Community College. He is assisted by a Bursar Recorder, and a full-time staff and faculty. Appointments of the instructional staff at each Community College are a joint responsibility of the Community College Director, the Dean of the respective College of the University, and the respective Department Head of the University.

The purpose of the Community Colleges is three-fold: to provide the first two years' program of academic work up to a maximum of 67 hours residence credit; to offer certain terminal programs of a non-degree, technical, or pre-professional nature; and, to provide courses of a cultural or personal improvement nature to adults served by each Center.

The Community Colleges of the University which are a part of the Project, the location thereof and the year in which established is set forth in the following tabulation:

<u>COLLEGE</u>	<u>COMMUNITY COLLEGE LOCATION</u>	<u>YEAR ESTABLISHED</u>
Ashland	Ashland	1957
Elizabethtown	Elizabethtown	1964
Hazard	Hazard	1968
Henderson	Henderson	1960
Hopkinsville	Hopkinsville	1965
Jefferson	Louisville	1967
Maysville	Maysville	1968
Prestonsburg	Prestonsburg	1964
Somerset	Somerset	1965
Southeast	Cumberland	1960
Madisonville	Madisonville	1968
Carrollton	Carrollton	--
Glasgow	Glasgow	--

The land and buildings of the Community Colleges are owned by the University. At the Ashland Community College, facilities are being erected on a new campus owned by the University. Pending the completion of such facilities, the Ashland Community College is operating in facilities provided by the Board of Education of Ashland Independent School District pursuant to the provision of an Agreement between the Board of Trustees of the University of Kentucky and said Board of Education dated June 11, 1957.

In addition to the foregoing Community Colleges, the University provides educational facilities at Fort Knox at the invitation of the United States Army. Such facilities are not nor will they become a part of the University of Kentucky Community Colleges Educational Buildings Project hereinafter discussed. However, as long as the Fort Knox facilities are operated by the University, the student fees collected (\$65,562.08 in 1968-69 and \$49,242.22 collected in 1969-70) may be used for any purpose, including debt service, in the operation of the Community Colleges System. These fees cannot be considered in the calculation of debt service coverage when issuing new parity bonds.

The University operates a community college at Paducah in facilities owned by the Board of Trustees of Paducah Junior College. Student fees from the operation at this location are pledged for debt service on existing bonds outstanding issued by the Board of Trustees of Paducah Junior College.

PURPOSE OF THE BOND ISSUE

Said Series B Bonds are being issued for the purpose of paying the costs (to the extent not otherwise provided) of reconstructing, erecting and completing one or more educational buildings with necessary appurtenances in the establishment of a Community College at or near 109 East Broadway in Louisville, Kentucky, which is known as the Jefferson Community College, of erecting and

completing one or more educational buildings with necessary appurtenances in the establishment of a Community College in or adjacent to the City of Hazard in Perry County, Kentucky, and in the establishment of a Community College in or adjacent to the City of Maysville in Mason County, Kentucky, both of which Community Colleges will, when erected and completed constitute parts of such Project, of erecting and completing one or more educational buildings with necessary appurtenances in the establishment of a new Community College plant on the new campus in or adjacent to the City of Ashland in Boyd County, Kentucky, which new building or buildings and new Community College plant will, when erected and completed, constitute parts of such Project, of erecting and completing one or more educational buildings and necessary appurtenances at the existing Community Colleges in or adjacent to the City of Elizabethtown in Hardin County, Kentucky, in or adjacent to Henderson, in Henderson County, Kentucky, in or adjacent to Prestonsburg in Floyd County, Kentucky, in or adjacent to Hopkinsville in Christian County, Kentucky, in or adjacent to Somerset in Pulaski County, Kentucky, and in or adjacent to Cumberland in Harlan County, Kentucky, in erecting and completing one or more prefabricated and movable academic buildings which may be used at any Community College and which may be moved from one Community College to any other or others, and in reimbursing for funds advanced in connection with completing the educational buildings at Hopkinsville and Somerset, Kentucky, which were financed in part by the issuance of \$1,000,000 of Series B Bonds dated May 1, 1964. With reference to the aforesaid prefabricated and movable educational buildings, it is covenanted that although such prefabricated and movable buildings are intended to be such as may be moved from Community College to Community College as needs arise, nevertheless the same, at whatsoever Community College the same may be located on a temporary basis from time to time, shall at all times continue to constitute parts of said "Community Colleges Educational Buildings Project," during the useful life thereof.

Other Funds available to the University for Capital Construction and its Community Colleges will come from Grants and Loans under the Higher Education Facilities Act of 1963 (Public Law 88-204) and from other funds to be advanced to the Series B Construction Account for which the right is reserved to repay any such advances from the proceeds of any future series of "Community Colleges Educational Buildings Revenue Bonds" which may hereafter be issued in accordance with the formula prescribed in the Resolution of the Board of Trustees of the University of Kentucky which was passed on May 6, 1969, and which created and established the Community Colleges Educational Buildings Project of the University of Kentucky. These other available funds will be in sufficient amount to assure the completion of the educational buildings herein described and the furnishing thereof.

AUTHORITY FOR ISSUE AND SECURITY

These Bonds are being issued pursuant to the provisions of Section 162.340, et seq., of the Kentucky Revised Statutes, and a Series Resolution adopted by the Board of Trustees on May 6, 1969. The Bonds will be secured pursuant to the terms of the Resolutions whereunder The Second National Bank and Trust Company, Lexington, Kentucky, is named trustee for the holders of

all the Series B Bonds for the purpose of securing the payment of both the principal of and interest on the Bonds and to secure the faithful performance of the covenants and provisions contained in the Resolutions.

Said Bonds, together with additional parity bonds hereafter issued and outstanding under the terms of the Resolution and subsequent Series Resolutions, are payable from and constitute a paramount charge upon the Revenues to be derived by the University from the operation of its Community Colleges Educational Buildings Project. The fee imposed upon and collected from all students attending Community Colleges of the University elsewhere than in Fayette County which are made parts of the Project as an incident to registration at the beginning of each regular Community College year or at the commencement of each semester of the regular Community College year, as the case may be, and at the commencement of the regular summer session, is designated as the source of revenues of the Community Colleges Educational Buildings Project. Such fee is known as the Student Registration Fee (the Registration Fee) and the Board of Trustees covenants that the same be fixed (and if necessary revised and increased from time to time) at such rates as may be required to pay the interest on and principal of the Bonds as they respectively mature to provide reserves therefor and to pay the operating costs of the Project to the extent they are not otherwise provided. All Collections of the Student Registration Fee are to be set aside, as received, into the Community Colleges Educational Buildings Project Revenue Fund and are made subject to a first lien and paramount charge for the security and source of payment of the Community Colleges Educational Buildings Revenue Bonds.

The revenues which are pledged for the payment of the Series B Bonds herein authorized are the revenues as provided in the Resolution; Registration fees for students registered at the Community Colleges which are a part of the Project, are pledged for the payment of such bonds without deduction for Student Union Fees, Student Activity Fees or otherwise, pursuant to action of the Board of Trustees which action was duly submitted to and approved by the Council on Public Higher Education in Kentucky at meetings held on January 3, 1967, April 1, 1968, and July 1, 1968.

As further security for the Bonds and the coupons appertaining thereto, there is created and granted by Sections 162.350 and 162.200 of the Kentucky Revised Statutes a statutory mortgage lien upon the Community Colleges Educational Buildings Project (except as to buildings thereof which may be leased rather than owned by the University) and all properties connected therewith and belonging thereto.

Certain pertinent provisions of the Resolutions are summarized in subsequent sections of this Official Statement.

APPLICATION OF REVENUES: There is created and established a special fund to be known as the Community Colleges Educational Buildings Project Revenue Fund (the Revenue Fund) in the custody of the Treasurer of the Board of Trustees, separate and apart from other funds of the University. Such Revenue Fund shall be maintained so long as any of the Bonds are outstanding as a trust fund in one or more banks which shall be members of the Federal Deposit Insurance Corporation and shall be expended and used by the Treasurer only in the manner and order specified in the Resolutions. Upon the issuance and delivery of any Bonds pursuant to the Resolutions, all Revenues derived from the Community Colleges Educational Buildings Project shall be deposited as collected in the Revenue Fund to be held and administered by the Treasurer of the Board and shall be paid out and applied for the uses and purposes set forth below.

There is created and established a special account to be known as the Community Colleges Educational Buildings Project Bond and Interest Sinking Fund (the Bond Fund) to be maintained by and in the custody of the Trustee so long as any Bonds are outstanding and unpaid. The Bond Fund shall be used by the Trustee to pay interest on the Bonds as the same becomes due from time to time and to pay and retire the Bonds as they become due or as otherwise provided in the Resolutions. From and after the issuance of any Bonds, beginning on May 1, 1970, and thereafter on May 1 of each year the Treasurer shall transfer from the Revenue Fund and deposit to the credit of the Bond Fund all the Revenues as and when the same are received and deposited into the Revenue Fund until there has been so deposited and paid into the Bond Fund an amount equal to the total interest and principal becoming due on or prior to the succeeding May 1 on all Bonds then outstanding plus such amount as may be provided in a pertinent Series Resolution to be deposited in the Bond Fund during such year to provide for the retirement of Bonds scheduled to mature on May 1 of any subsequent year.

For the purpose of creating and maintaining a reserve in the Bond Fund equal to the maximum Aggregate Principal, Interest and Bond Fund Charges, as such term is defined below, the amounts to be set aside into the Bond Fund from and after May 1, 1970, shall be 125% of the amounts set forth above until such reserve is so accumulated and thereafter the same shall be resumed and continued whenever and so long as required to restore and maintain such reserve. Aggregate Principal, Interest and Bond Fund Charges is defined "as of any particular date of computation and with respect to a particular twelve month period an amount of money equal to the aggregate of the amounts required by the provisions of the Resolution and all Series Resolutions to be paid into the Bond Fund in such twelve month period and to accomplish the retirement of the principal of all outstanding Bonds at or prior to the maturity thereof."

The amounts by which the above payments exceed the Aggregate Principal, Interest and Bond Fund Charges in any particular twelve month period shall be held in the Bond Fund as a reserve. Moneys in the Bond Fund in excess of the Aggregate Principal, Interest and Bond Fund Charges and the prescribed reserve may be used to purchase or redeem Bonds in advance of maturity.

Whenever all required payments into the Bond Fund have been made in any particular twelve month period ending May 1, and moneys remaining in the Revenue Fund may be used by the Board to pay the operating costs of the Project to the extent that such costs are not otherwise provided or may be used for any other lawful purpose including the purchase or retirement of Bonds in advance of maturity.

ADDITIONAL BONDS

The Board covenants and agrees that it will not hereafter create or permit the creation of or issue any bonds which will have a priority over the charge on the Revenues or the payments to be made into the Bond Fund.

Additional bonds ranking on a parity with these Bonds may be issued only for the purpose of erecting and completing educational building or buildings and necessary appurtenances and which building or buildings will become and constitute a part of the Community Colleges Educational Buildings Project, provided:

1. that at the time of the issuance of the additional bonds there is no deficiency in the amounts required to be paid into the Bond Fund.
2. that the average annual Revenues from the Project for the two fiscal years immediately preceding the issuance of the additional bonds, (unless bonds are issued within two years of the date of these bonds, in which case 1968-69 pledged income is used as provided in Section 7.10 of the bond resolution), as indicated in a statement by the Treasurer of the Board to be filed with the Trustee, was equal to not less than 1.25 times the maximum Aggregate Principal, Interest and Bond Fund Charges in any succeeding twelve month period ending May 1 on the bonds then outstanding and the additional bonds proposed to be issued. For the purposes of such computation the Treasurer shall make an adjustment in the amount of the annual Revenues to reflect any increase or decrease in the rates of pledged Revenues, if ordered by the Board and to be effective during the ensuing regular College year.
3. for purposes of the parity formula, debt service is computed as a net figure after the deduction of any Federal interest subsidies as provided in Section 7.10 of the bond resolution.

The issuance of such additional bonds shall be pursuant to the terms of an appropriate Series Resolution adopted by the Board in accordance with the provisions of the resolution.

COVENANTS OF THE BOARD OF TRUSTEES

The Board of Trustees covenants with the holders of the Bonds, among other things, the following:

1. that it will establish, maintain and collect, so long as any Bonds are outstanding, such Student Registration Fees for the services of the Project as may be necessary (1) to pay the interest on and principal of the Bonds as they respectively mature, to provide reserves therefore and (2) to pay the operating costs of the Project to the extent they are not otherwise provided. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in Revenues the Board further covenants and agrees to establish, maintain and collect such Student Registration Fees as will

produce Revenues in each twelve month period ending May 1 equal to at least 110% of the current Aggregate Principal, Interest and Bond Fund Charges.

2. that while any of the Bonds are outstanding it will, except as hereinbefore set forth under "Application of Revenues," pay the current operating costs of the Project from available funds other than the Revenues derived from the Project.
3. that it will procure and maintain to the extent available, fire and extended coverage insurance on the Project in amounts sufficient to provide for not less than full recovery whenever the loss from causes covered by such insurance does not exceed 80% of the full insurable value of the Project.
4. that unless provision is otherwise made by law for disposition by the Commonwealth of Kentucky of claims made against the University for bodily injury and/or death which may arise from operations of the Board, it will, if such insurance is not already in force, procure and maintain public liability insurance with limits of not less than \$100,000/\$300,000 to protect the Board from claims for bodily injury and/or death which may arise from the operation of the Board, including any use or occupancy of its grounds, structures and vehicles.
5. that it will keep accurate financial records and proper books relating to the Project; that such records and books shall be open to inspection by the bondholders and their agents and representatives; and that not later than 120 days after the close of each fiscal year it will furnish to the Trustee, and to any bondholder who shall request the same in writing, copies of audit reports prepared by an independent certified public accountant or a firm of such accountants, who shall be satisfactory to the Trustee, or by an appropriate State auditing official, reflecting in reasonable detail the financial condition and record of operations of the University, the Project, and the pledged Revenues during the preceding fiscal year.
6. that it will at all times maintain, preserve and keep the Project and every part thereof in good condition, repair and working order, and will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements so that the operations and business of the Projects shall at all times be conducted efficiently, properly and advantageously.

7. that whenever any portion of the Project shall have been worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use, the Board will procure and install substitutes of at least equal utility and efficiency, so that the value and efficiency of the Project will at all times be fully maintained.
8. that it will faithfully observe, do and perform all of its agreements and obligations provided for by the Bonds and the Resolutions.

COMMUNITY COLLEGES ENROLLMENT

The following schedule indicates full-time equivalent student enrollment at each of the Community Colleges for each of the academic years 1964-65 through 1969-70:

COMMUNITY COLLEGES ENROLLMENT
Full-Time Equivalent Students

<u>COLLEGE</u>	<u>1964- 65</u>	<u>1965- 66</u>	<u>1966- 67</u>	<u>1967- 68</u>	<u>1968- 69</u>	<u>1969- 70</u>	<u>Est. 1970- 71</u>
Ashland	504	749	856	939	1,012	1,066	1,133
Elizabethtown	359	552	641	565	670	744	720
Hazard	-	-	-	-	161	273	237
Henderson	297	428	411	465	715	701	664
Hopkinsville	-	229	328	355	404	467	524
Jefferson	-	-	-	580	2,036	2,241	2,429
Madisonville	-	-	-	-	147	212	269
Maysville	-	-	-	-	239	373	384
Prestonsburg	326	586	621	463	476	509	460
Somerset	-	355	504	407	527	708	781
Southeast	368	417	437	471	528	548	415

ESTIMATED INCOME

STUDENT REGISTRATION FEE: The Board of Trustees with the approval of the Kentucky Council on Public Higher Education has established an initial schedule of minimum Student Registration Fees to be imposed, charged and collected for the services of the Project from all students attending the Community Colleges. Such initial schedules of minimum fees together with the schedule of fees effective September 1, 1969, are as follows:

SCHEDULE OF FEE PAYMENT Effective Fall Semester 1970

	<u>1969</u>	<u>1970</u>
1. Regular Semester		
Full-time resident student	\$150.00	\$150.00
Full-time non-resident student	490.00	490.00
Part-time resident student (per credit hour)	12.50	13.50
Part-time non-resident student (per credit hour)	44.00	44.00
2. Summer Session		
Full-time resident student	\$ 80.00	\$ 75.00
Full-time non-resident student	260.00	260.00
Part-time resident student (per credit hour)	14.00	13.50
Part-time non-resident student (per credit hour)	44.00	44.00

REVENUES OF PROJECT: The proceeds received by the University from the imposition and collection of the Student Registration Fee for each of the years 1967-68 through 1969-70 are set forth in the tabulation below.

INCOME FROM STUDENT REGISTRATION FEES

COLLEGE	1967-68	1968-69		
Ashland	\$ 246,411.37	\$ 224,496.75	\$ 230,122.62	\$ 241,200.00
Elizabethtown	143,138.63	136,825.38	146,971.25	156,500.00
Hazard*	-	34,631.15	52,327.55	54,100.00
Henderson	126,913.00	151,087.00	140,939.00	150,000.00
Hopkinsville	82,478.37	83,724.75	92,900.00	99,300.00
Jefferson**	78,177.75	480,271.75	477,263.75	497,700.00
Madisonville*	-	34,950.00	47,879.50	50,500.00
Maysville*	-	52,865.50	85,439.25	60,000.00
Prestonsburg	117,939.50	109,217.52	99,352.75	101,000.00
Somerset	107,983.25	113,718.50	139,827.00	118,500.00
Southeast	108,223.50	109,489.00	104,672.75	120,100.00
Glasgow	-	-	-	-
Carrollton	-	-	-	-
TOTALS	\$1,011,265.37	\$1,531,227.30	\$1,617,695.42	\$1,648,900.00

* Did not operate in 1967-68

** Open for Spring Semester 1967-68 ONLY.

***The above figures include collections through June 30, 1970.

SUMMARY OF COSTS
UNIVERSITY OF KENTUCKY
COMMUNITY COLLEGES REVENUE BONDS
SERIES A AND B

<u>REVENUE BONDS</u>		
Project Costs		\$21,434,292
Less: Title I Grants	\$6,370,577	
Title III Loans	<u>4,489,000</u>	<u>10,859,577</u>
		\$10,574,715
Bond Discount (2%)		244,000
Capitalized Interest (6 1/2% on \$12,200,000 - 3% on \$4,489,000)		927,670
Legal, Financial and Administrative Contingencies		69,625
		<u>383,990</u>
Series A Bonds		\$12,200,000
Series B Bonds (H.E.W.)		<u>4,489,000</u>
 TOTAL REVENUE BONDS		 \$16,689,000
 Estimated Maximum Debt Service (2004-2005)		 \$ 1,071,270.00
1968-69 Project Revenues		1,531,227.30
1969-70 Project Revenues		1,617,695.42
Debt Service Coverage 1968-69		1.43 Times
Debt Service Coverage 1969-70		1.51 Times

SCHEDULE OF ANNUAL AGGREGATE PRINCIPAL, INTEREST AND BOND FUND

CHARGES: The following schedule sets forth the requirements for principal of and interest on Series A and B Community Colleges Education Buildings Revenue Bonds.

Bond Year Ending May 1	Principal Series A	Interest (1) Series A	Principal Series B	Interest (2) Series B	Total P & I Series A & B
1971 (3)	75,000	793,000	60,000	134,670	1,062,670
1972	80,000	788,125	65,000	132,870	1,065,995
1973	85,000	782,925	65,000	130,920	1,063,845
1974	90,000	777,400	70,000	128,970	1,066,370
1975	95,000	771,550	70,000	126,870	1,063,420
1976	100,000	765,375	75,000	124,770	1,065,145
1977	110,000	758,875	75,000	122,520	1,066,395
1978	115,000	751,725	75,000	120,270	1,061,995
1979	125,000	744,250	80,000	118,020	1,067,270
1980	130,000	736,125	80,000	115,620	1,061,745
1981	140,000	727,675	80,000	113,220	1,060,895
1982	150,000	718,575	85,000	110,820	1,064,395
1983	160,000	708,825	90,000	108,270	1,067,095
1984	170,000	698,425	90,000	105,570	1,063,995
1985	180,000	687,375	95,000	102,870	1,065,245
1986	190,000	675,675	95,000	100,020	1,060,695
1987	205,000	663,325	100,000	97,170	1,065,495
1988	215,000	650,000	100,000	94,170	1,059,170
1989	230,000	636,025	105,000	91,170	1,062,195
1990	245,000	621,075	110,000	88,020	1,064,095
1991	260,000	605,150	115,000	84,720	1,064,870
1992	280,000	588,250	115,000	81,270	1,064,520
1993	295,000	570,050	120,000	77,820	1,062,870
1994	315,000	550,875	120,000	74,220	1,060,095
1995	335,000	530,400	125,000	70,620	1,061,020
1996	360,000	508,625	130,000	66,870	1,065,495
1997	385,000	485,225	135,000	62,970	1,068,195
1998	410,000	460,200	140,000	58,920	1,069,120
1999	435,000	433,550	140,000	54,720	1,063,270
2000	460,000	405,275	145,000	50,520	1,060,795
2001	490,000	375,375	150,000	46,170	1,061,545
2002	525,000	343,525	155,000	41,670	1,065,195
2003	560,000	309,400	160,000	37,020	1,066,420
2004	600,000	273,000	165,000	32,220	1,070,220
2005	640,000	234,000	170,000	27,270	1,071,270
2006	675,000	192,400	175,000	22,170	1,064,570
2007	720,000	148,525	180,000	16,920	1,065,445
2008	765,000	101,725	185,000	11,520	1,063,245
2009	800,000	52,000	199,000	5,970	1,056,970

- (1) Assumed interest rate of 6 1/2% on Series A Bonds.
- (2) Interest at rate of 3% (HEW Title III Loan).
- (3) These bonds will not be outstanding during period due to renewal of Notes.

OUTSTANDING BONDS OF THE UNIVERSITY

The Board has heretofore issued revenue bonds secured by similar statutory mortgage liens to finance certain additions to the physical plant of the University but said revenue bonds are not payable from or secured by, nor do the holders thereof have any claim on the revenues of the Project pledged to the payment of the Series A, Series B, Community Colleges Educational Buildings Revenue Bonds. Revenue Bonds of the University now outstanding and the details of each issue are set forth in the tabulation below.

The Board of Trustees of the University of Kentucky has never defaulted in the payment of the principal of or interest on any of its indebtedness.

UNIVERSITY OF KENTUCKY SCHEDULE OF OUTSTANDING BONDS

<u>Name of Issue</u>	<u>Year of Issue</u>	<u>Amount of Issue</u>	<u>Amount Outstanding 6-30-69</u>	<u>Year of Final Maturity</u>
<u>Fraternity and Sorority Dormitory Bonds</u>				
Dormitory Revenue Bonds	1950	\$ 74,500	\$ 30,000	1980
Dormitory Revenue Bonds	1950	76,000	36,000	1980
Dormitory Revenue Bonds of 1953	1953	710,000	429,000	1983
Dormitory Revenue Bonds	1956	900,000	750,000	1996
Dormitory Revenue Bonds	1956	150,000	125,000	1996
Dormitory Revenue Bonds	1957	100,000	56,000	1982
Dormitory Revenue Bonds	1958	150,000	127,000	1998
Housing Bonds of 1960	1960	300,000	268,000	2000
Student Housing Bonds of 1964	1964	640,000	613,000	2004
Dormitory Revenue Bonds (Rose Street)	1969	130,000	<u>130,000</u>	1994
Total-----			\$2,564,000	
<u>Educational Buildings</u>				
Journalism Building Revenue Bonds	1950	\$225,000	\$ 12,000	1970
Consolidated Educational Buildings Revenue Bonds-Series A	1960	8,000,000	6,225,000	1986
Consolidated Educational Buildings Revenue Bonds - Series B	1963	7,500,000	6,465,000	1988
Consolidated Educational Buildings Revenue Bonds - Series C	1969	4,290,000	4,290,000	1996
Revenue Bond Anticipation Notes (in anticipation of Series D)	1968	28,100,000	<u>28,100,000</u>	1971
Total-----			\$45,092,000	

Community Colleges*

Revenue Bond Anticipation Notes	1969	\$16,300,000	<u>\$16,300,000</u>	1971
Total-----			\$16,300,000	

Housing and Dining System Revenue Bonds

Housing and Dining Bonds - Series A	1965	\$ 1,000,000	\$ 880,000	1990
Housing and Dining Bonds - Series B	1965	275,000	275,000	1994
Housing and Dining Bonds - Series C	1965	955,000	870,000	1995
Housing and Dining Bonds - Series D	1965	1,835,000	1,670,000	1996
Housing and Dining Bonds - Series E	1965	1,580,000	1,450,000	1997
Housing and Dining Bonds - Series F	1965	1,155,000	1,155,000	2001
Housing and Dining Bonds - Series G	1965	1,375,000	1,375,000	2002
Housing and Dining Bonds - Series H	1965	6,900,000	5,850,000	2005
Housing and Dining Bonds - Series I	1965	20,000,000	<u>19,950,000</u>	2005
Total-----			\$33,475,000	

* In addition to the above, the University has outstanding certain old issues of Dormitory or Dining Bonds of the Community Colleges Bonds now advance refunded with full principal and interest on deposit and escrowed.

UNIVERSITY OF KENTUCKY CONSOLIDATED EDUCATIONAL BUILDING PROJECT

The Board of Trustees has heretofore established and created its Consolidated Educational Buildings Project consisting of all educational buildings and necessary appurtenances erected and located on the property of the University in Fayette County, Kentucky, and all educational buildings and necessary appurtenances hereafter erected upon such property, excluding all housing buildings and facilities of the University, and all buildings and facilities exclusively for athletics. In connection with its Consolidated Educational Buildings Project, the Board has issued \$15,500,000 Consolidated Educational Buildings Revenue Bonds which are payable from and are secured by a lien upon the revenues of said Consolidated Educational Building Project. The source of revenues for the Consolidated Educational Buildings Project is the Student Registration Fee imposed upon and collected from all students of the University at Lexington, Kentucky, as an incident to registration at the beginning of each semester of the regular academic year and each summer session.

The Community Colleges Educational Buildings Revenue Bonds offered hereby are not secured by, nor are they payable from, nor do the holders thereof have any claim upon the aforesaid revenues of the Consolidated Educational Buildings Project. Likewise, the Consolidated Educational Buildings Revenue Bonds are not secured by, nor are they payable from, nor do the holders thereof have any claim upon the Revenues of the Community Colleges Educational Buildings Project, herein described.

All of the foregoing descriptions or statements of provisions of the Resolutions, the Bonds, and other documents of the University are made subject, respectively, to all the provisions thereof to which reference is hereby made for further information, and do not purport to be complete statements of such provisions.

UNIVERSITY OF KENTUCKY

BY: _____

ATTEST:

Secretary of the Board of Trustees