

O. Acceptance of Audit Report and the Report on Internal Control for the University of Kentucky for 2010-11 (FCR 5)

Mr. Stuckert said that FCR 5 is the acceptance of the Audit Report and the Report on Internal Control for the University of Kentucky for 2010-11. The Audit Subcommittee met that morning and went through all the basics. On behalf of the Finance Committee, he moved approval of FCR 5.

Ms. Brothers asked how many years had UK received a clean audit report, and Vice President for Financial Operations Angie Martin replied that she was not aware of UK receiving an unqualified opinion at any time. Mr. Stuckert concurred with Ms. Martin's reply.

Hearing no opposition, FCR 5 passed without dissent. (See FCR 5 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

P. Renovate Parking Structure #3 - Hospital

Mr. Stuckert said that FCR 6 involves the renovation of parking structure #3 at the hospital. It will cost an expected \$1.24 million, well within the \$3.5 million authorized for the "Renovate Parking Structure #3 – Hospital" that was authorized by the 2010 Legislature, and will be funded by the UK HealthCare Enterprise. On behalf of the Finance Committee, he recommended the adoption of FCR 6, and it passed without dissent. (See FCR 6 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

Q. 2011-12 Budget Revisions (FCR 7)

Mr. Stuckert said that FCR 7 involves the 2011-12 budget revisions. The dollar amount of that budget revision is \$2.8 million, which is 1/10 of 1 percent of the approximate \$2.7 billion. Fundamentally, it was a shift of funds found in the College of Fine Arts and moved over to another entity and another department. On behalf of the Finance Committee, he moved adoption of FCR 7. FCR 7 passed without dissent. (See FCR 7 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)

R. Approval of Leases (FCR 8)

Mr. Stuckert said that FCR 8 involves the approval of leases. The recommendation is that the Executive Vice President for Finance and Administration be authorized to negotiate and execute a lease renewal between the University of Kentucky (College of Arts and Sciences) and FCPII of Fort Worth, Texas for some space located at 1020 Export Street in Lexington. The lease is effective December 1, 2011 until June 30, 2015 for the use of approximately 25,009 square feet at \$4.90 a square foot per annum. The annual cost of this is \$122,544. It will probably be a maximum of a two-year lease, and like all UK leases, it will have a 30-day exit capability. On behalf of the Finance Committee, he moved the adoption of FCR 8. FCR 8 passed without dissent. (See FCR 8 on the Board of Trustees website, www.uky.edu/Trustees, under agenda.)