

**EASTERN KENTUCKY UNIVERSITY
BOARD OF REGENTS AND OFFICERS
As of June 30, 2001**

BOARD OF REGENTS

Gary Abney
Richmond, Kentucky

Jane D. Boyer
Prospect, Kentucky

Daisy B. French
Lexington, Kentucky

James T. Gilbert
Richmond, Kentucky

Maureen Henson
Manchester, Kentucky

Ernest House
London, Kentucky

Ritchie Rednour, Student Regent
Monticello, Kentucky

C. Fred Rice
Louisville, Kentucky

Barbara Ricke
Lexington, Kentucky

Merita Thompson, Faculty Regent
Richmond, Kentucky

David L. Williams, Staff Regent
Richmond, Kentucky

OFFICERS

Robert Kustra
President

C. Fred Rice
Chair of the Board

Daisy B. French
Vice Chair of the Board

Gary Abney
Secretary

Charles D. Whitlock
Beverly G. Burrus
Assistant Secretary

J. K. Johnston
Treasurer



EASTERN KENTUCKY UNIVERSITY
Serving Kentuckians Since 1906

Office of Financial Affairs
Vice President & Treasurer

October 1, 2001

Coates Box 31A, 103 Coates Building
521 Lancaster Avenue
Richmond, Kentucky 40475-3102
(859) 622-5012 Fax (859) 622-2196
ken.johnston@eku.edu/www.eku.edu

Interim President Eugene M. Hughes
Chairman C. Fred Rice and
Members of the Board of Regents
Eastern Kentucky University

I am pleased to submit the balance sheets of Eastern Kentucky University as of June 30, 2001, and the related statements of changes in fund balances and current funds revenues, expenditures, and other changes. This report also contains institutional highlights, enrollment information, degrees conferred and additional financial data which are presented in the supplemental schedules.

This financial report has been prepared on an accrual accounting basis and presents the financial position of Eastern Kentucky University as of June 30, 2001, and the results of its operations for the year then ended.

The financial statements of Eastern Kentucky University have been audited by the accounting firm of Crowe, Chizek and Company, LLP, and their opinion is included as part of this report.

Sincerely,

A handwritten signature in black ink, appearing to read "J. K. Johnston".

J. K. Johnston
Vice President for Financial Affairs
and Treasurer

JKJ:lks



Eastern Kentucky University is an Equal Opportunity/Affirmative Action Employer and Educational Institution

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

INTRODUCTION

Eastern Kentucky University is a regional, coeducational, public institution of higher education offering general and liberal arts programs, pre-professional and professional training in education and various other fields at both the undergraduate and graduate levels. Located in Richmond, Madison County, Kentucky, Eastern has a distinguished record of over nine decades of educational service to the Commonwealth.

HISTORY

The General Assembly of 1906 enacted legislation establishing the Eastern Kentucky State Normal School. Governor J. C. Beckham signed the bill into law on March 21, 1906, and on May 7 of the year, the Normal School Commission selected the campus of the old Central University, founded in 1874, in Richmond, Kentucky, as the site of the new school. On June 2, 1906, Ruric Nevel Roark was chosen President of the Normal School and the training of teachers was initiated.

In 1922, Eastern became a four-year institution known as the Eastern Kentucky State Normal School and Teachers College. The first degrees were awarded by this institution in 1925. In 1928, the College was accredited by the Southern Association of Colleges and Secondary Schools. In 1920, the General Assembly renamed the school as the Eastern Kentucky State Teachers College.

In 1935, a graduate program was approved at Eastern, leading to the Master of Arts in Education. In 1948, the General Assembly removed the word "Teachers" from the name of the College and granted the College the right to award nonprofessional degrees.

The most significant day since its founding came for Eastern February 26, 1966, when Governor Edward T. Breathitt signed into law a bill renaming the institution Eastern Kentucky University and sanctioning the awarding of graduate degrees in academic fields other than education.

Since 1966, Eastern Kentucky University has increased in size and stature. Beginning with a few students engaged in short review and certificate courses, the University today services thousands of Kentucky's young men and women by offering a curriculum leading to the Associate of Arts, baccalaureate degrees and an expanding graduate program that presently offers degrees at the Master's level in many other fields as well as the already well-established Master of Arts degree in education and the various fifth and sixth-year leadership programs in education. Specialist degree programs have been implemented in Education and Technology. In addition to these programs, Eastern offers joint doctoral programs with cooperating institutions.

Ever-mindful of the purpose of its founding, Eastern continues to recognize its historic function of preparing quality teachers for the elementary and secondary schools of the Commonwealth. However, a strong liberal arts curriculum leading to appropriate degrees, together with pre-professional courses in several areas and graduate programs, enable Eastern to uniquely serve the Commonwealth as a regional university.

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

PURPOSE

Within its statutory responsibilities, Eastern Kentucky University seeks to provide intellectual and cultural opportunities which will develop habits of scholarship and intellectual curiosity; provide a deep understanding of American democracy and the citizen's role in maintaining its strength and vitality; impart an understanding of man and his aspirations; enable effective and efficient communication; and prepare productive responsive citizens. The University will remain responsive and flexible in order to serve in unique and needed ways.

Within these general responsibilities and purposes, the University has three specific functions—teaching, public service, and research—and places emphasis on the three in this order. Through its colleges and schools, the University seeks to offer quality instruction at a variety of degree levels in general education, the arts, the sciences, business, education, pre-professional and professional areas, and applied technical disciplines. Through consultative service, continuing education, and the extended campus, the University seeks to provide service to the community and region. Research seeks both to advance knowledge in the subject matter areas with which the University is concerned and to support the primary function of teaching.

MISSION STATEMENT

Eastern Kentucky University shall serve the citizens of the Commonwealth of Kentucky as a comprehensive, regional university, providing instruction, public service and research.

Geographic Region. In the development and offering of its programs and services, the University shall place priority on meeting the needs of the citizens of central, eastern, and southeastern Kentucky.

Institutional Admission Standards. Eastern Kentucky University shall admit students to the institution under selective admission standards which exceed the minimum guidelines established by the Council on Higher Education, with only limited exceptions. Institutional standards shall be consistent with the systemwide policy for admitting underprepared students, including the removal of academic deficiencies within a specified timeframe. Through this approach, the University seeks to provide both broad access and high-quality programs.

Degree Levels. The University shall offer selected undergraduate programs, pre-professional curricula, and selected master's and education specialist programs determined to meet demonstrated student interest and/or societal needs. Special attention shall be paid to the educational needs of the University's service region. Certificate programs shall not be offered unless they are integral to associate or baccalaureate programs.

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

MISSION STATEMENT (Continued)

Strategic Directions/Program Priorities. Eastern Kentucky University shall: continue its tradition as an education of classroom teachers and school administrators; support the needs of Kentucky's business community; respond to appropriate societal needs and public policy objectives; and respond to the region's technical education needs. These strategic directions translate into a core of liberal arts baccalaureate degree programs, in addition to degree program priorities at the certificate, associate, baccalaureate, master's and education specialist levels that may include the following—agricultural business; conservation and renewable natural resources; marketing; communications; computer and information sciences; education; engineering technologies; home economics; vocational home economics; legal studies; English and literature; liberal arts; biological sciences; mathematics; parks; recreation and leisure; physical sciences; psychology; protective services; public administration and services; social sciences; precision production trades; transportation; fine arts; health professions; and business management.

Enhancement of Instruction. The primary mission of the University shall be to provide its students instruction of the highest possible quality. The University shall utilize information obtained through its assessment processes to enhance the quality of its instructional programs.

Public Service and Research Functions. The public service efforts of Eastern Kentucky University shall be designed to meet the needs of its service region and be related to its academic programs and capabilities. The continuing education requirements of the region's public school personnel and assistance in economic development should receive special emphasis. Research shall support the primary function of instruction, supplement the University's public service efforts, and advance knowledge in the subject matter areas with which the University is concerned. The University shall develop cooperative applied research and teaching programs using such resources as Maywoods, Lilley Cornett Woods, and Pilot Knot Sanctuary.

Collaborative Ventures. As a member of the Commonwealth's higher education system, it is incumbent on the University to cooperate with the other institutions, the Council on Higher Education and other state and federal agencies in fulfilling the strategic mission for higher education in Kentucky. This shall include the appropriate and efficient use of telecommunications technology. Further, to the extent possible, the University should foster articulation between its programs and those of other institutions, both public and private, which emphasizes the transfer of credits from other institutions toward degree completion.

Efficiency and Effectiveness. Eastern Kentucky University shall insure that its resources are expended in a manner consistent with its mission. This shall include the promotion of cost effectiveness in academic programming and institutional management. Strategic planning shall include both the identification of programs which are no longer responsive to a societal need or selected new programs compatible with this mission. Measures of quality and performance shall be integral to the University's assessment and accountability systems which promote continuous improvement of programs and services."

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

INSTITUTIONAL GOALS

The following institutional goals, approved by the Board of Regents, support the University Mission: (1) To be an effective, comprehensive, public, residential university of the Commonwealth of Kentucky; (2) To provide academic programs of the highest possible quality and to enhance access to these programs. To these ends, the University strives: (a) To employ and retain faculty with outstanding academic preparation and with a commitment to excellence in teaching and learning; (b) To attract students of high academic promise to the University and to provide them with a challenging academic experience; (c) To provide access to higher education for citizens of the Commonwealth through reasonably open admission policies to associate degree programs and selective admissions to baccalaureate degree programs, at a relatively low student cost with access to a program of financial assistance; (d) To serve as a school of opportunity by providing, as a condition of admission and retention, a mandatory developmental program to allow underprepared students to rapidly attain the skills necessary for rigorous college-level courses; (e) to incorporate the use of results from program assessment to continuously improve the instructional, research and service programs of the University; (3) To provide an environment for learning and individual development of the highest possible quality; (4) To maintain an adequate enrollment of out-of-state residents and foreign nationals to enrich the educational experience for all students while emphasizing the enrollment of Kentucky students; (5) To support the non-discrimination policy of the Board of Regents and to meet or exceed the goals of the Commonwealth's plan for desegregation of Higher Education; (6) To provide intellectual and cultural opportunities which will develop habits of scholarship and intellectual curiosity; provide a deep understanding of American democracy and the citizen's role in maintaining its strength and vitality; impart an understanding of humans and their aspirations; enable effective and efficient communication; and prepare productive and responsive citizens. To these ends the University strives: (a) To offer associate degree programs which are based on student interest and/or societal needs, which are integrated when appropriate with baccalaureate degree programs for individuals preparing themselves in a university setting, and which contain a general education component; (b) To offer baccalaureate and pre-professional programs based on student interests and/or societal needs with a strong general education program as a component of each degree program; (c) To offer graduate programs based on student interest and/or societal needs which provide advance study through instruction and research, strengthen the disciplines and contribute to the total research and/or service efforts of the institution; (7) To provide for individuals and agencies those public services and continuing education opportunities which are compatible with the University's mission and resources; (8) To support and encourage research as an important scholarly activity, recognizing its contribution to effective teaching and learning, its value to the knowledge of the disciplines, and its value to public service; (9) To manage and protect for posterity and to make available for instruction, research and public use, selected natural areas that are unique for valuable for their biological, physical, and historical significance; (10) To provide for the University community and general public a center which promotes artistic and cultural awareness, scholarly pursuits, the free exchange of ideas, and critical thinking; (11) To provide support services which promote the development and well-being of the members of the University community; and (12) To be solvent and financially accountable to appropriate agencies.

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

ORGANIZATION

Academically, the University is comprised of the following major units: the College of Arts and Sciences, College of Business and Technology, College of Education, College of Health Services, College of Justice and Safety and the Graduate School.

Administratively, the University is organized into the Office of the President, and the areas of Academic Affairs and Research, Administrative Affairs, Financial Affairs, Government Relations and Budget, Student Affairs, and University Advancement.

ACADEMIC OFFERING AND ACCREDITATIONS

A comprehensive, regional university, Eastern Kentucky University currently offers a broad range of major programs of study and options. Included in these programs are curricula ranging from associate of arts degrees to cooperative doctoral programs in cooperation with other institutions.

Degrees offered include: Associate of Arts, Associate of Science, Associate of Science in Nursing, Bachelor of Arts, Bachelor of Science, Bachelor of Business Administration, Bachelor of Music, Bachelor of Fine Arts, Bachelor of Music Education, Bachelor of Social Work, Bachelor of Science in Nursing, Bachelor of Individualized Studies, Master of Arts, Master of Science, Master of Science in Nursing, Master of Business Administration, Master of Music, Master of Public Administration, Master of Public Health, Master of Arts in Education, Specialist in Education, Specialist in Psychology, and cooperative doctoral programs.

Eastern Kentucky University is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools (1866 Southern Lane, Decatur, Georgia 30033: Telephone number 404-679-4500) to award associate, baccalaureate, master, and specialist degrees, and by the following organizations: Accreditation Council for Occupational Therapy Education, American Council for Construction Education, American Nurses Credentialing Center, American Speech-Language-Hearing Association, Commission on Accreditation of Allied Health Education Programs (American Association of Medical Assistants, American Health Information Management Association, Committee on Accreditation of Educational Programs for the Emergency Medical Services Professions, Joint Review Committee on Educational Programs in Athletic Training), Commission on Accreditation for Dietetics Education of the American Dietetics Association, Commission on Collegiate Nursing Education, Computer Science Accreditation Commission of the Computer Science Education Board, Council on Social Work Education, International Council for Exceptional Children, International Society of Fire Services Instructors Emergency Management Accreditation and Certification System, Master's in Psychology Accreditation Committee, National Accrediting Agency for Clinical Laboratory Sciences, National Association for the Education of Young Children, National Association of Industrial Technology, National Association of School Psychologists, National Association of Schools of Music, National Association of Schools for Public Affairs and Administration, National Athletic Trainers Association, National Council for Accreditation of Teacher Education (American Association for Health

EASTERN KENTUCKY UNIVERSITY INSTITUTIONAL HIGHLIGHTS

ACADEMIC OFFERING AND ACCREDITATIONS (Continued)

Education, National Association for Sport and Physical Education), National Environmental Health Science and Protection Accreditation Council, National League for Nursing Accreditation Commission, National Recreation and Park Association/American Association for Leisure and Recreation Joint Council on Accreditation and Society of Public Health Educators.

The following programs are approved agencies: American Bar Association, American Chemical Society, Council of Applied Masters Programs in Psychology, Kentucky Board of Nursing, Kentucky Department of Education, Public Relations Society of America.

ENROLLMENT

During the past three fall semesters, enrollment (head-count/FTE) has been as follows: 1998 (15,402/11,742); 1999 (14,950/11,329); 2000 (14,428/10,824). The fall 2000 enrollment included 13,345 Kentuckians, 928 out-of-state and 155 foreign students. Represented were 119 of Kentucky's 120 counties, 44 states and 38 countries.

DEGREES CONFERRED

In the 2000-2001 academic year, the University granted a total of 2,233 degrees. Of these, 200 were associate degrees, 1,643 baccalaureate degrees and 390 graduate degrees. The total number of degrees awarded since 1906 is 91,244.

EASTERN KENTUCKY UNIVERSITY
Notes to Financial Statements

Note 1. Cash and Investments:

At June 30, 2001, the carrying amount of the university's local deposits was \$11,018,537. These funds are reported as cash and investments on the balance sheet. All deposits were secured by federal depository insurance or pledged securities totaling \$12,640,725 as of June 30, 2001.

Investments are stated at fair value. Investments in the current unrestricted fund and in the unexpended plant fund are held in the state depository and invested by the Commonwealth's Office of Financial Management and Economic Analysis. Investments in the retirement of indebtedness and renewals and replacements funds are classified as deposited with trustee on the balance sheet. Investments with the trustee as of June 30, 2001 were \$8,601,110. The University's investments, as of June 30, 2001, are classified as to credit risk by the three categories described below:

Category 1:

Insured or registered, with securities held by the University or its agent in the University's name.

Category 2:

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the University's name.

Category 3:

Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the University's name.

	Investments Categorized by Risk			Carrying Amount	Fair Value
	Category 1	Category 2	Category 3		
Repurchase agreements	\$ 10,407,000			\$ 10,407,000	\$ 10,407,000
Certificates of deposit	349,400			349,400	349,400
Trust funds	8,601,110			8,601,110	8,601,110
State government securities	2,165,778			2,165,778	2,165,778
Totals	<u>\$ 21,523,288</u>	<u>\$0</u>	<u>\$0</u>	<u>\$ 21,523,288</u>	<u>\$ 21,523,288</u>

Note 2. Physical Plant and Equipment:

Physical Plant is stated at cost at date of acquisition or fair value at date of donation in the case of gifts. Depreciation on physical plant and equipment is not recorded. Certain equipment purchases are funded from the current funds operating budget and are presented under the appropriate functional classification of expenditures. Those capital expenditures that have a cost of \$500.00 or more and/or estimated useful life of more than three years are capitalized as investment in plant.

Note 3. Pension Plans:

All permanent full-time employees participate in either of five contributory retirement plans; Kentucky Teachers Retirement System, Kentucky Employees Retirement System, TIAA/CREF, VALIC, or Aetna.

Under the Kentucky Teachers Retirement System the employee's Contribution is 6.16% of their gross salary and the University's contribution is 10.59% and an additional required overmatch contribution of 3.25%.

Under the Kentucky Employees Retirement System the employee's contribution is 5.00% of their gross salary and the University's contribution is 5.89%.

Under TIAA/CREF, VALIC and Aetna the employee's contribution is 6.16% of their gross salary and the University's contribution is 10.76% to the retirement company and 4.08% to Kentucky Teachers Retirement System. The total pension cost for all retirement plans for fiscal year 2001 was \$9,092,266.

EASTERN KENTUCKY UNIVERSITY
Notes to Financial Statements

Note 4. Bonds Payable:

A. Consolidated Educational Buildings Revenue Bonds:

The Consolidated Educational Buildings Revenue Bonds, Series A through T were sold to construct or renovate certain academic and service buildings on campus or to refinance prior issues. The bonds mature in varying amounts through May 1, 2011 with interest payable at rates ranging from 4.2% to 6.2%. Student registration fees are pledged for debt service on these bonds. During the fiscal year \$3,915,000 of principal and \$2,066,667 interest were paid on the bonds. On June 30, 2001, \$5,946,643 was on reserve with the Trustee. Interest income earned through September, 2001, will allow the required debt service reserve of \$5,995,644 to be on deposit with the Trustee by the required October 1, 2001, date. Total principal outstanding at June 30, 2001, was \$36,695,000. Principal payment requirements payable for the next five years are: 2002—\$4,140,000; 2003—\$4,135,000; 2004—\$4,345,000; 2005—\$4,200,000; 2006—\$4,415,000.

B. Housing System Revenue Bonds:

The Housing System Revenue Bonds, Series A through N, were sold to construct or renovate certain housing facilities on campus or to refinance prior issues. The bonds mature at varying amounts through February 1, 2021, with interest payable at rates ranging from 3.0% to 6.3%. Rental income is pledged for debt service on these bonds. During the fiscal year \$1,235,000 of principal and \$419,725 of interest were paid on the bonds. On June 30, 2001, the required debt service reserve of \$1,956,294 was on deposit with the Trustee. Total principal outstanding at June 30, 2001, was \$10,680,000. Principal payment requirements payable for the next five fiscal years are: 2002—\$1,485,000; 2003—\$1,435,000; 2004—\$815,000; 2005—\$765,000; 2006—\$800,000.

Note 5. Leases Payable:

During 2000, the University entered into a financing/lease agreement with the State Property and Buildings Commission to finance the Law Enforcement Basic Training Complex in the amount of \$20,350,000. The Commission has issued long-term bonds for the project and the University is responsible for the debt service payments on these bonds. The minimum future lease payments on the capital lease obligation are as follows:

Year Ended June 30	Prinicipal	Interest	Total
2002	\$ 630,000	\$ 1,062,319	\$ 1,692,319
2003	660,000	1,031,764	1,691,764
2004	690,000	999,094	1,689,094
2005	725,000	964,594	1,689,594
2006	765,000	927,981	1,692,981
2007-2020	<u>16,130,000</u>	<u>7,550,356</u>	<u>23,680,356</u>
	19,600,000	12,536,108	32,136,108

Note 6. Grants and Contracts Awarded:

At June 30, 2001, grants and contracts awarded to the University but not expended amounted to \$9,598,999 and are not shown in the financial statements.

EASTERN KENTUCKY UNIVERSITY
Notes to Financial Statements

Note 7. Eastern Kentucky University Foundation, Inc.:

These financial statements do not include the assets, liabilities, fund balances and current revenues and expenditures, relating to Eastern Kentucky University Foundation, Inc. The Eastern Kentucky University Foundation is a corporation formed for educational, charitable, and public purposes in accordance with the provision of KRS 273.010. Specifically, it was founded to cooperate with Eastern Kentucky University and with the Board of Regents of Eastern Kentucky University in the promotion of the educational, civic and charitable purposes of the University and Board in any lawful manner deemed appropriate by the Board of Directors. This purpose includes the encouragement of scholarship and research and the promotion of the prestige, expansion, and development of the University, including the development of its physical plant of its faculty and the assistance of its students and alumni.

Note 8. Commitments and Contingencies:

The University has a self-insured health insurance plan. Under this plan, the university pays premiums based on estimated claims and has catastrophe insurance which covers claims in excess of 125% of estimated claims. The University has made a non-discretionary allocation to the healthcare self-insurance reserve, which is estimated difference between the premiums and the catastrophe insurance coverage, in the current funds.

EASTERN KENTUCKY UNIVERSITY
BALANCE SHEETS
June 30, 2001
With Comparative Totals at June 30, 2000

	ASSETS		LIABILITIES AND FUND BALANCES		
	2001	2000		2001	2000
CURRENT FUNDS			CURRENT FUNDS		
Unrestricted:			Unrestricted:		
Educational and General:			Educational and General:		
Cash with State Treasurer	\$ 2,612,140	\$ 4,763,463	Accounts payable	\$ 1,206,146	\$ 1,190,513
Cash in bank (Note 1)	15,000	15,000	Accrued salaries and benefits	4,185,266	2,546,240
Cash in change fund	35,770	45,570	Payroll withholding payable	1,383,696	2,374,611
Investments (Note 1)	10,635,059	13,729,820	Deferred revenues	2,700,884	2,296,578
Accrued interest receivable	292,519	117,786	Total liabilities	9,475,992	8,407,942
Accounts receivable, less allowance of \$277,860 for 2001 and \$193,875 for 2000	3,988,082	2,876,198	Fund Balance:		
Inventories, at lower of average cost or market	522,780	547,503	Non-discretionary allocation for:		
Prepaid expenses	535,322	633,148	Working capital	537,780	562,503
Due from plant funds	0	53,626	Encumbrance	2,427,690	3,566,518
			Incomplete capital projects	5,195,210	6,127,558
			Healthcare self-insurance reserve (Note 8)	1,000,000	1,000,000
			Discretionary allocations for:		
			Non-recurring capital projects in subsequent year	0	3,117,593
			Total fund balance	9,160,680	14,374,172
Total Educational and General	18,636,672	22,782,114	Total Educational and General	18,636,672	22,782,114
Auxiliary Enterprises:			Auxiliary Enterprises:		
Cash in bank (Note 1)	38,377	0	Accounts payable	725,920	78,984
Investments (Note 1)	443,844	440,259	Cash deficit	0	2,538,259
Accrued interest receivable	206,812	20,198	Deferred revenues	107,135	64,254
Accounts receivable	1,380,073	2,710,039	Refundable deposits	505,369	488,999
Inventories, at lower of average cost or market	523	1,440	Total liabilities	1,338,424	3,170,496
Total Auxiliary Enterprises	2,069,629	3,171,936	Fund balance:	731,205	1,440
Total Unrestricted	20,706,301	25,954,050	Total Auxiliary Enterprises	2,069,629	3,171,936
			Total Unrestricted	20,706,301	25,954,050
Restricted:			Restricted:		
Investments (Note 1)	44,000	180,000	Accounts payable	1,020,580	1,133,045
Accounts receivable	6,141,541	4,841,030	Cash deficit	2,120,562	477,654
Total Restricted	6,185,541	5,021,030	Total liabilities	3,141,142	1,610,699
			Fund balance	3,044,399	3,410,331
Total Current Funds	26,891,842	30,975,080	Total Restricted	6,185,541	5,021,030
			Total Current Funds	26,891,842	30,975,080

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

EASTERN KENTUCKY UNIVERSITY
BALANCE SHEETS
June 30, 2001
With Comparative Totals at June 30, 2000

	ASSETS		LIABILITIES AND FUND BALANCES	
	2001	2000	2001	2000
LOAN FUNDS			LOAN FUNDS	
Cash in bank (Note 1)	\$ 221,764	\$ 56,150	Accounts payable	\$ 228
Investments (Note 1)	864,033	900,185	Total liabilities	\$ 228
Loans to students, less allowance of \$357,048 for 2001 and \$313,048 for 2000	5,599,649	5,653,745	Fund balance:	
			U. S. Governmental grants refundable	5,868,454
			University funds--restricted	816,764
			Total fund balance	6,685,218
Total Loan Funds	6,685,446	6,610,080	Total Loan Funds	6,685,446
				6,610,080
PLANT FUNDS			PLANT FUNDS	
Unexpended:			Unexpended:	
Cash with State Treasurer	33,427,222	22,909,213	Due to current unrestricted fund	0
Investments (Note 1)	415,719	697,623	Total liabilities	0
Accrued interest receivable	26,896	12,328	Fund balance:	
Construction in progress	28,464,889	6,890,231	Unrestricted	11,750
			Restricted	62,322,976
			Total fund balance	62,334,726
Total Unexpended	62,334,726	30,509,395	Total Unexpended	62,334,726
Renewals and Replacements:			Renewals and Replacements:	
Accrued interest receivable	1,834	8,772	Fund balance--restricted	700,870
Investments with Trustee (Note 1)	699,036	597,842		606,614
Total Renewals and Replacements	700,870	606,614	Total Renewals and Replacements	700,870
Retirement of Indebtedness:			Retirement of Indebtedness:	
Accrued interest receivable	67,776	104,993	Deferred revenues	11,423
Investments with Trustee (Note 1)	7,902,074	9,372,210	Fund balance--restricted	7,958,427
Total Retirement of Indebtedness	7,969,850	9,477,203	Total Retirement of Indebtedness	7,969,850
Investment in Plant (Note 2):			Investment in Plant:	
Land	4,995,004	4,566,679	Bond payable (Note 4)	47,375,000
Land improvements	9,833,119	9,833,119	Lease Payable (Note 5)	19,600,000
Buildings	152,888,854	153,934,366	Net investment in plant	186,891,610
Equipment	56,408,163	56,135,467		
Library books	29,421,316	28,113,269	Total Investment in Plant	253,866,610
Livestock	320,154	317,465	Total Plant Funds	324,872,056
Total Investment in Plant	253,866,610	252,900,365		293,493,577
Total Plant Funds	324,872,056	293,493,577		
AGENCY FUNDS			AGENCY FUNDS	
Cash in bank (Note 1)	25,373	0	Cash deficit	0
Investments (Note 1)	519,523	607,956	Accounts payable	10,943
Accrued interest receivable	116	123	Deposits held in custody for others	534,069
Accounts receivable	0	386		578,720
Total Agency Funds	545,012	608,465	Total Agency Funds	545,012
				608,465

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

EASTERN KENTUCKY UNIVERSITY
STATEMENT OF CHANGES IN FUND BALANCES
Year Ended June 30, 2001

	Current Funds				Plant Funds			
	Unrestricted		Restricted	Loan Funds	Unexpended	Renewals & Replacements	Retirement of Indebtedness	Investment in Plant
	Educational and General	Auxiliary Enterprises						
REVENUES AND OTHER ADDITIONS:								
Educational and general revenues	\$ 116,855,554							
Auxiliary enterprises revenues		\$ 8,453,044						
Bond sale proceeds					\$ 27,255,000			
Governmental appropriations-restricted					4,396,000			
Governmental grants and contracts-restricted			\$ 53,283,040				\$ 252,007	
Private gifts, grants and contracts-restricted			1,142,882	\$ 110				
Investment income-restricted				34,797		\$ 33,444	636,024	
Investment income-Series M					9,933			
Investment income-Series O					2			
Investment income-Series P					36,146			
Investment income-Series Q					10,420			
Investment income-Project 66					310,924			
Criminal Justice Training							2,764,665	
Bond issuance costs							221,450	
Accrued interest on bonds							12,128	
Interest on loans receivable				120,317				
U.S. government advances				31,039				
Federal reimbursement for cancellations				217,799				
Late charges				5,437				
Expended for plant facilities								\$ 4,667,881
Retirement of indebtedness								5,150,000
Lease purchase payments								750,000
Other additions				237				
Total revenues and other additions	<u>116,855,554</u>	<u>8,453,044</u>	<u>54,425,922</u>	<u>409,736</u>	<u>32,018,425</u>	<u>33,444</u>	<u>3,886,274</u>	<u>10,567,881</u>
EXPENDITURES AND OTHER DEDUCTIONS:								
Educational and general expenditures	118,521,578		52,281,168					
Auxiliary enterprises expenditures		6,886,158	183,599					
Indirect costs recovered			2,161,222					
Refunds to grantors			165,865					
Loan cancellations				219,261				
Return to federal government				21				
Administrative and collection costs				79,991				
Adjustment to allowance for doubtful loans				44,000				
Completed projects transferred to investment in plant					151,768			
Disposal of plant assets								1,041,512
Retirement of indebtedness							5,150,000	
Bond issuance costs					255,000		45,200	
Interest on indebtedness							3,494,558	
Lease payable expense							750,000	
Housing System Revenue Bonds-Series N								2,255,000
Disposal of plant facilities								2,660,124
Total expenditures and other deductions	<u>118,521,578</u>	<u>6,886,158</u>	<u>54,791,854</u>	<u>343,273</u>	<u>406,768</u>	<u>0</u>	<u>9,439,758</u>	<u>5,956,636</u>
TRANSFERS AMONG FUNDS-ADDITIONS/(DEDUCTIONS):								
Mandatory transfers:								
Principal and interest	(3,269,822)	(776,309)					4,046,131	
Loan fund matching grants	(10,346)			10,346				
Bond reserve		(60,812)				60,812		
Non-mandatory transfers:								
Transfer of educational and general funds to unexpended plant funds	(267,300)				267,300			
Total transfers among funds	<u>(3,547,468)</u>	<u>(837,121)</u>	<u>0</u>	<u>10,346</u>	<u>267,300</u>	<u>60,812</u>	<u>4,046,131</u>	<u>0</u>
Net increase/(decrease) for year	(5,213,492)	729,765	(365,932)	76,809	31,878,957	94,256	(1,507,353)	4,611,245
Fund balance at beginning of year	14,374,172	1,440	3,410,331	6,608,409	30,455,769	606,614	9,465,780	182,280,365
Fund balance at end of year	<u>9,160,680</u>	<u>731,205</u>	<u>3,044,399</u>	<u>6,685,218</u>	<u>62,334,726</u>	<u>700,870</u>	<u>7,958,427</u>	<u>186,891,610</u>

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

EASTERN KENTUCKY UNIVERSITY
STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES, AND OTHER CHANGES
Year Ended June 30, 2001
With Comparative Totals at June 30, 2000

	2001			2000
	Unrestricted	Restricted	Total	
REVENUES				
Educational and general				
Student tuition and fees	\$ 36,646,901		\$ 36,646,901	\$ 35,979,953
Governmental appropriations	67,392,100		67,392,100	65,693,500
Federal grants and contracts		\$ 40,149,385	40,149,385	33,753,465
State grants and contracts	1,581,287	13,114,059	14,695,346	11,404,308
Local grants and contracts	1,609,255	97,016	1,706,271	1,530,051
Private gifts, grants and contracts		1,142,882	1,142,882	850,064
Indirect and administrative cost recovery	2,256,489		2,256,489	1,920,579
Sales and services of educational activities	4,192,898		4,192,898	4,159,176
Other educational and general sources	3,176,624		3,176,624	3,024,606
Total educational and general	<u>116,855,554</u>	<u>54,503,342</u>	<u>171,358,896</u>	<u>158,315,702</u>
Auxiliary enterprises	8,453,044	183,599	8,636,643	13,254,593
Total current funds revenues	<u>125,308,598</u>	<u>54,686,941</u>	<u>179,995,539</u>	<u>171,570,295</u>
EXPENDITURES AND MANDATORY TRANSFERS				
Educational and general				
Expenditures				
Instruction	58,108,328	483,659	58,591,987	56,036,425
Research	451,887	318,309	770,196	639,776
Public service	2,377,608	27,303,929	29,681,537	21,856,866
Libraries	3,943,654	87,434	4,031,088	4,025,698
Academic support	14,809,178	9,855,664	24,664,842	25,644,364
Student services	9,118,927	637,288	9,756,215	9,126,386
Institutional support	11,434,621	26,345	11,460,966	8,305,208
Operation and maintenance of plant	14,137,502	11,506	14,149,008	15,554,985
Scholarships and fellowships	4,139,873	15,779,208	19,919,081	18,077,616
Educational and general expenditures	<u>118,521,578</u>	<u>54,503,342</u>	<u>173,024,920</u>	<u>159,267,324</u>
Mandatory transfers				
Principal and interest	3,269,822		3,269,822	3,031,619
Loan fund matching grant	10,346		10,346	5,998
Total mandatory transfers	<u>3,280,168</u>	<u>0</u>	<u>3,280,168</u>	<u>3,037,617</u>
Total educational and general expenditures and mandatory transfers	<u>121,801,746</u>	<u>54,503,342</u>	<u>176,305,088</u>	<u>162,304,941</u>
Auxiliary enterprises				
Expenditures	6,886,158	183,599	7,069,757	12,553,302
Principal and interest	837,121		837,121	3,334,716
Total auxiliary enterprises	<u>7,723,279</u>	<u>183,599</u>	<u>7,906,878</u>	<u>15,888,018</u>
Total current funds expenditures and mandatory transfers	<u>129,525,025</u>	<u>54,686,941</u>	<u>184,211,966</u>	<u>178,192,959</u>
OTHER TRANSFERS AND ADDITIONS/(DEDUCTIONS)				
Transfers to unexpended plant funds	(267,300)		(267,300)	(1,338,570)
Excess of restricted receipts over transfers to revenue		(200,067)	(200,067)	705,358
Refunded to grantors		(165,865)	(165,865)	(614,062)
Transfer from loan funds				30
Total other transfers and additions/(deductions)	<u>(267,300)</u>	<u>(365,932)</u>	<u>(633,232)</u>	<u>(1,247,244)</u>
NET INCREASE (DECREASE) IN FUND BALANCE	<u>(4,483,727)</u>	<u>(365,932)</u>	<u>(4,849,659)</u>	<u>(7,869,908)</u>

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

EASTERN KENTUCKY UNIVERSITY

Summary of Significant Accounting Policies

The significant accounting policies followed by Eastern Kentucky University are described below to enhance the usefulness of the financial statements to the reader.

Nature of Business

Eastern Kentucky University is a regional, coeducational, public institution of higher education offering general and liberal arts programs, pre-professional and professional training in education and various other fields at both the undergraduate and graduate levels. Located in Richmond, Kentucky, Eastern has a distinguished record of over nine decades of educational service to the Commonwealth.

Accrual Basis

The financial statements of Eastern Kentucky University have been prepared on the accrual basis except for depreciation accounting as explained in note 2 to the financial statements. The statement of current funds revenues, expenditures, and other changes is a statement of financial activities of current funds related to the current reporting period. It does not purport to present the results of operations or the net income or loss for the period as would a statement of income or a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as (1) expenditures, in the case of normal replacement of equipment, minor repair projects and library books; (2) mandatory transfer, in the case of required provisions for debt amortization and interest, (3) transfer of a nonmandatory nature for all other cases

Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the University, the accounts of the University are maintained in accordance with the principals of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purchases into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, fund balances restricted by outside sources are so indicated and distinguished from unrestricted funds allocated to specific purposes by action of the governing board. Externally restricted funds may only be utilized in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the governing board retains full control to use in achieving any of its institutional purposes.

All gains and losses arising from the sales, collection or other disposition of investments and other non-cash assets are accounted for in the fund which owned such assets. Ordinary income derived from investments, receivables, and the like is accounted for in the fund owning such assets.

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

The accounts of the University are classified into four balanced-fund groups: Current, Loan, Plant and Agency. The Current Fund is divided into Unrestricted and Restricted Funds. The Current Unrestricted Fund group includes those economic resources of the University which are expendable for any purpose in performing the primary objectives of the University; instruction, research, and public service, and which have not been designated by the Board of Regents for other purposes. The Current Unrestricted Fund also includes the Auxiliary Enterprises Fund which provides for the current operation and maintenance of the housing operations, University Store, and University Center Recreations. The Current Restricted Fund provides for the receipts and disbursements of grants, special project funds, and federal funded grant and scholarship programs for students. Loan funds consist of resources available for loans to students. The Plant Funds is divided into Unexpended Plant Funds, Renewals and Replacements, Retirement of Indebtedness, and Investment in Plant. The Unexpended Plant Funds consist of funds to be used for the acquisition and/or construction of physical properties for institutional purposes but unexpended at the date of reporting. The funds for Renewals and Replacements consist of funds held in reserve for the renewal and replacement of the housing system. The funds for Retirement of Indebtedness consist of funds set aside for debt services reserves and for the retirement of indebtedness on institutional properties. The Investment in Plant subgroup consists of the book value of funds expended for and thus invested in institutional properties and the bond indebtedness incurred to finance plant acquisitions and construction. Agency Funds consist of funds held by the University as custodian or fiscal agent and funds utilized for certain organized activities.

EASTERN KENTUCKY UNIVERSITY

Summary of Significant Accounting Policies

Estimates in the Financial Statement

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncement

The University will adopt Governmental Accounting Standards Board Statement No. 35, *Basic Financial Statements – and Management’s Discussion and Analysis – for Public Colleges and Universities – an amendment of GASB Statement No. 34* in fiscal year 2002. This Statement establishes accounting and financial reporting standards for public colleges and universities and will require the restructuring of the financial statements as well as the recording of depreciation for assets in investment in plant. The adoption of this statement will have a financial effect on the Plant Funds but will not have a financial effect on the Current Funds. The University has not yet determined the financial effect of the adoption of this pronouncement.

Other Significant Policies

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

EASTERN KENTUCKY UNIVERSITY
SCHEDULE OF CURRENT FUNDS REVENUES
Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
EDUCATIONAL AND GENERAL			
Student tuition and fees	\$ 36,646,901		\$ 36,646,901
Governmental appropriations:			
State government	67,392,100		67,392,100
Governmental grants and contracts:			
Federal government		40,149,385	40,149,385
State government	1,581,287	13,114,059	14,695,346
Local government	1,609,255	97,016	1,706,271
Total governmental grants and contracts	3,190,542	53,360,460	56,551,002
Private gifts, grants and contracts		1,142,882	1,142,882
Indirect and administrative cost recovery:			
Federal government	1,854,042		1,854,042
State government	262,613		262,613
Private gifts, grants and contracts	139,834		139,834
Total indirect and administrative cost recovery	2,256,489		2,256,489
Sales and services of educational activities:			
Class fees	235,091		235,091
Service fees	305,237		305,237
Sales of educational activities	22,440		22,440
Laboratory school revenues	580,298		580,298
Intercollegiate athletics	2,112,492		2,112,492
University farms	325,001		325,001
Planetarium revenues	148,694		148,694
Other sales and services	463,645		463,645
Total sales and services of educational activities	4,192,898		4,192,898
Other educational and general sources	3,176,624		3,176,624
Total educational and general	116,855,554	54,503,342	171,358,896
AUXILIARY ENTERPRISES			
Housing	8,424,253	183,599	8,607,852
Other auxiliary enterprises	28,791		28,791
Total auxiliary enterprises	8,453,044	183,599	8,636,643
TOTAL CURRENT FUNDS REVENUES	<u>125,308,598</u>	<u>54,686,941</u>	<u>179,995,539</u>

EASTERN KENTUCKY UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS
BY MAJOR OBJECT CODE
Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
EDUCATIONAL AND GENERAL			
Instruction:			
Personal services	\$ 51,397,290	\$ 234,086	\$ 51,631,376
Operating expenses	6,364,822	249,573	6,614,395
Capital outlay	346,216		346,216
Total instruction	<u>58,108,328</u>	<u>483,659</u>	<u>58,591,987</u>
Research:			
Personal services	151,607	209,221	360,828
Operating expenses	300,280	76,355	376,635
Capital outlay		32,733	32,733
Total research	<u>451,887</u>	<u>318,309</u>	<u>770,196</u>
Public service:			
Personal services	1,233,895	17,961,374	19,195,269
Operating expenses	1,034,004	8,997,685	10,031,689
Capital outlay	109,709	344,870	454,579
Total public service	<u>2,377,608</u>	<u>27,303,929</u>	<u>29,681,537</u>
Libraries:			
Public services	2,349,503	86,329	2,435,832
Operating expenses	279,900	1,105	281,005
Capital outlay	1,314,251		1,314,251
Total libraries	<u>3,943,654</u>	<u>87,434</u>	<u>4,031,088</u>
Academic support:			
Personal services	10,793,374	6,453,373	17,246,747
Operating expenses	3,030,935	2,373,463	5,404,398
Capital outlay	984,869	1,028,828	2,013,697
Total academic support	<u>14,809,178</u>	<u>9,855,664</u>	<u>24,664,842</u>
Student services:			
Personal services	5,749,982	550,286	6,300,268
Operating expenses	3,343,506	87,002	3,430,508
Capital outlay	25,439		25,439
Total student services	<u>9,118,927</u>	<u>637,288</u>	<u>9,756,215</u>
Institutional support:			
Personal services	7,230,757	26,345	7,257,102
Operating expenses	2,750,256		2,750,256
Capital outlay	1,453,608		1,453,608
Total institutional support	<u>11,434,621</u>	<u>26,345</u>	<u>11,460,966</u>
Operation and maintenance of physical plant:			
Personal Services	6,545,514	11,506	6,557,020
Operating expenses	3,292,778		3,292,778
Capital outlay	4,299,210		4,299,210
Total operation and maintenance of physical plant	<u>14,137,502</u>	<u>11,506</u>	<u>14,149,008</u>

EASTERN KENTUCKY UNIVERSITY
SCHEDULE OF CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS
BY MAJOR OBJECT CODE
Year Ended June 30, 2001

	<u>Unrestricted</u>	<u>Restricted</u>	<u>Total</u>
EDUCATIONAL AND GENERAL			
Scholarships and fellowships:			
Personal services		\$ 128,145	\$ 128,145
Operating expenses	\$ 4,139,873	15,651,063	19,790,936
Total scholarships and fellowships	<u>4,139,873</u>	<u>15,779,208</u>	<u>19,919,081</u>
Total educational and general expenditures:			
Personal services	85,451,922	25,660,665	111,112,587
Operating expenses	24,536,354	27,436,246	51,972,600
Capital outlay	8,533,302	1,406,431	9,939,733
Total educational and general expenditures	<u>118,521,578</u>	<u>54,503,342</u>	<u>173,024,920</u>
Mandatory transfers:			
Provision for debt service	3,269,822		3,269,822
Loan fund matching	10,346		10,346
Total mandatory transfers	<u>3,280,168</u>		<u>3,280,168</u>
Total educational and general	<u>121,801,746</u>	<u>54,503,342</u>	<u>176,305,088</u>
AUXILIARY ENTERPRISES			
Expenditures:			
Personal services	4,753,025	183,599	4,936,624
Operating expenses	2,133,133		2,133,133
Total expenditures	<u>6,886,158</u>	<u>183,599</u>	<u>7,069,757</u>
Mandatory transfers:			
Provision for debt service	837,121		837,121
Total mandatory transfers	<u>837,121</u>		<u>837,121</u>
Total auxiliary enterprises	<u>7,723,279</u>	<u>183,599</u>	<u>7,906,878</u>
TOTAL CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS	<u>129,525,025</u>	<u>54,686,941</u>	<u>184,211,966</u>
Expenditures:			
Personal services	90,204,947	25,844,264	116,049,211
Operating expenses	26,669,487	27,436,246	54,105,733
Capital outlay	8,533,302	1,406,431	9,939,733
Total expenditures	<u>125,407,736</u>	<u>54,686,941</u>	<u>180,094,677</u>
Mandatory transfers:			
Provision for debt service	4,106,943		4,106,943
Loan fund matching	10,346		10,346
Total mandatory transfers	<u>4,117,289</u>		<u>4,117,289</u>
TOTAL CURRENT FUNDS EXPENDITURES AND MANDATORY TRANSFERS BY MAJOR OBJECT CODE	<u>129,525,025</u>	<u>54,686,941</u>	<u>184,211,966</u>

EASTERN KENTUCKY UNIVERSITY
SCHEDULE OF BONDS PAYABLE
Year Ended June 30, 2001

Description	Date of Issue	Date of Final Payment	Original Indebtedness	Amount Retired		Outstanding Indebtedness	Interest Paid Current Year	Effective Interest Rate
				Current Year	To Date			
Consolidated Educational Buildings								
Revenue Bonds: (Footnote 1)								
Series A	11/01/60	05/01/90	\$ 2,000,000	\$ 0	\$ 2,000,000	\$ 0	\$ 0	
Series B	05/01/62	05/01/97	3,500,000	0	3,500,000	0	0	
Series C	05/01/63	05/01/98	3,000,000	0	3,000,000	0	0	
Series D	05/01/64	05/01/99	2,000,000	0	2,000,000	0	0	
Series E	07/01/65	05/01/00	3,100,000	0	3,100,000	0	0	
Series F	11/01/67	05/01/97	2,226,000	0	2,226,000	0	0	
Series G	11/01/67	05/01/00	4,000,000	0	4,000,000	0	0	
Series H	05/01/68	05/01/98	1,082,000	0	1,082,000	0	0	
Series I	05/01/68	05/01/02	3,800,000	200,000	3,600,000	200,000	20,000	5.0%
Series J Refunding	05/01/73	05/01/01	8,775,000	85,000	8,775,000	0	4,888	5.8%
Series K	11/01/71	05/01/04	5,450,000	425,000	4,000,000	1,450,000	102,125	5.5%
Series L	02/01/73	05/01/06	6,500,000	600,000	3,000,000	3,500,000	222,000	5.4%
Series M	11/01/86	05/01/97	9,995,000	0	9,995,000	0	0	
Series N	12/01/89	05/01/00	6,070,000	0	6,070,000	0	0	
Series O	05/01/91	05/01/03	5,300,000	235,000	4,780,000	520,000	47,600	6.2%
Series P	05/01/91	05/01/02	13,050,000	580,000	12,430,000	620,000	75,020	6.2%
Series Q	10/01/91	05/01/11	13,275,000	595,000	4,645,000	8,630,000	580,290	6.2%
Series R Refunding	08/01/95	05/01/07	8,615,000	675,000	2,190,000	6,425,000	342,881	4.8%
Series S Refunding	01/01/98	05/01/11	7,750,000	385,000	750,000	7,000,000	311,780	4.2%
Series T Refunding	01/01/98	05/01/11	8,895,000	135,000	545,000	8,350,000	360,083	4.2%
Total			<u>118,383,000</u>	<u>3,915,000</u>	<u>81,688,000</u>	<u>36,695,000</u>	<u>2,066,667</u>	<u>5.4%</u>
Housing System Revenue								
Bonds: (Footnote 2)								
Series A	08/01/65	02/01/95	390,000	0	390,000	0	0	
Series B	08/01/65	02/01/00	1,815,000	0	1,815,000	0	0	
Series C	08/01/65	02/01/02	2,665,000	150,000	2,510,000	155,000	10,675	3.5%
Series D	08/01/65	02/01/02	2,505,000	140,000	2,360,000	145,000	9,619	3.4%
Series E	08/01/65	02/01/03	2,510,000	125,000	2,329,000	181,000	10,710	3.5%
Series F Refunding	08/01/65	02/01/77	1,800,000	0	1,800,000	0	0	
Series G	08/01/65	02/01/03	3,925,000	250,000	3,081,000	844,000	39,658	3.6%
Series H	02/01/67	02/01/87	1,900,000	0	1,900,000	0	0	
Series I	02/01/67	02/01/07	3,000,000	165,000	1,925,000	1,075,000	37,200	3.0%
Series J	02/01/68	02/01/08	7,700,000	315,000	5,140,000	2,560,000	152,052	5.3%
Series K	02/01/68	02/01/08	800,000	35,000	515,000	285,000	16,925	5.3%
Series L	02/01/71	02/01/04	925,000	55,000	745,000	180,000	14,805	6.3%
Series M	04/01/00	02/01/20	3,000,000	0	0	3,000,000	128,081	5.4%
Series N	05/01/01	02/01/21	2,255,000	0	0	2,255,000	0	4.9%
Total			<u>35,190,000</u>	<u>1,235,000</u>	<u>24,510,000</u>	<u>10,680,000</u>	<u>419,725</u>	<u>4.2%</u>
Grand Total			<u>153,573,000</u>	<u>5,150,000</u>	<u>106,198,000</u>	<u>47,375,000</u>	<u>2,486,392</u>	<u>5.1%</u>

(FOOTNOTE 1) In addition to annual requirements for principal and interest, there were reserve requirements equal to 25% of annual requirements for principal and interest until the maximum annual requirement remaining for all series (\$5,995,643.75 due FYE 6/30/02) is accumulated with the Trustee. On June 30, 2001, \$5,946,643 was on reserve with the Trustee. Interest income earned through September, 2001, will allow the required debt service reserve of \$5,995,644 to be on deposit with the Trustee by the required October 1, 2001, date.

(FOOTNOTE 2) In addition to annual requirements for principal and interest, there were reserve requirements equal to 25% of the average annual requirements for principal and interest until the maximum annual requirement remaining for all series (\$1,956,293.75 due FYE 6/30/02) was accumulated with the Trustee. The accumulated reserve requirement of \$1,955,630.53 was on deposit with the Trustee as of June 30, 2001. In addition, to the above annual reserve requirements, there was a \$60,812.50 annual requirement for Housing System Renewals and Replacements Fund until this reserve equaled \$1,216,250.00. The accumulated reserve requirement of \$699,035.98 was on deposit with the Trustee as of June 30, 2001.