

2004 in associate degree programs approved by the UK Board of Trustees and who complete the associate degree program on or before August 31, 2010 shall have their degrees conferred by the UK Board of Trustees. She moved approval of AACR 2. Dr. Brockman asked for a second, which was given by Mr. Dawson. AACR 2 passed with no dissent. (See AACR 2 at the end of the Minutes.)

M. Audit Subcommittee Report

Dr. Brockman asked Mr. Stuckert to give the report of the Audit Subcommittee. Mr. Stuckert, chair of the Finance Committee, under which the Audit group is a subcommittee, reported that the Audit Subcommittee met that morning. The subcommittee discussed the auditing comments and statements for the fiscal year ending June 2011 as contained in the pre-audit report provided by BKD. They retained BKD LLP, the university's auditor, as a continuation of a five-year contract that was initiated in 2008. Joe Reed, senior director of Internal Audit, proposed revisions to the Audit Subcommittee charter and to the Internal Audit charter, both of which were accepted by the Audit Subcommittee.

N. Finance Committee Report

Mr. Stuckert reported that the committee considered three resolutions at that morning's meeting after discussing each one thoroughly.

O. Acceptance of Interim Financial Report for the University of Kentucky for the Six Months Ended December 31, 2010 (FCR 1)

Ms. Angie Martin, Vice President, Office of the Treasurer, explained the financials and reviewed assets and liabilities found in the attachment to FCR 1. Mr. Stuckert invited specific questions about the content of the report, then moved approval of FCR 1. Mr. Shoop seconded his motion, and there was no opposition to its adoption. (See FCR 1 at the end of the Minutes.)

P. A Resolution Providing for the Authorization, Issuance, and Sale of Approximately \$19,000,000 General Receipts Obligations (Upgrade Student Center Infrastructure) of the University of Kentucky, Pursuant to the Trust Agreement Dated as of November 1, 2005 (FCR 2)

Mr. Stuckert stated that the substance of FCR 2 was approved, in effect, at the last board meeting, and this resolution is a specification of terms involved in the issuance of the municipal bonds. He made it clear that although FCR 2 states that "The Upgrade Student Center Infrastructure Project will not result in an increase in tuition," upon subsequent questioning the Finance Committee found that such an increase would be incurred. As a result, Student Government on behalf of the students voted that a \$24 per student per semester fee would be initiated to cover the cost of this expansion. Mr. Stuckert moved approval of FCR 2. Mr. Smith seconded the motion. It passed without dissent. (See FCR 2 at the end of the Minutes.)