



## Consolidated Financial Statements

For the six months ended December 31, 2018

UNIVERSITY OF KENTUCKY  
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY  
STATEMENTS OF NET POSITION<sup>1</sup>  
DECEMBER 31, 2018 AND 2017

	2018	2017
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 496,363,360	\$ 627,200,234
Notes, loans and accounts receivable, net	532,972,804	431,655,232
Inventories and other assets	63,824,008	58,345,245
Total current assets	1,093,160,172	1,117,200,711
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	268,664,930	158,651,533
Endowment investments	1,289,937,184	1,328,540,185
Other long-term investments	310,602,229	244,939,523
Notes, loans and accounts receivable, net	375,663,884	295,256,631
Other noncurrent assets	987,323	723,324
Capital assets, net	3,302,549,283	3,129,814,029
Total noncurrent assets	5,548,404,833	5,157,925,225
Total assets	6,641,565,005	6,275,125,936
<b>Deferred Outflows of Resources</b>		
	32,224,381	37,769,860
Total assets and deferred outflows of resources	6,673,789,386	6,312,895,796
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	301,086,979	328,775,331
Unearned revenue	117,953,141	87,649,400
Long-term liabilities - current portion	81,631,395	85,613,922
Total current liabilities	500,671,515	502,038,653
<b>Noncurrent Liabilities</b>		
Unearned revenue	247,148,023	159,499,663
Long-term liabilities	1,429,788,382	1,257,821,257
Total noncurrent liabilities	1,676,936,405	1,417,320,920
Total liabilities	2,177,607,920	1,919,359,573
<b>Deferred Inflows of Resources</b>		
	548,527,497	573,756,441
Total liabilities and deferred inflows of resources	2,726,135,417	2,493,116,014
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>		
	1,863,938,678	1,739,488,870
<b>Restricted</b>		
Nonexpendable		
Scholarships and fellowships	169,473,699	161,926,917
Research	282,252,988	275,655,273
Instruction	82,617,774	84,214,676
Academic support	85,780,511	85,485,281
Other	13,362,021	12,526,797
Total restricted nonexpendable	633,486,993	619,808,944
Expendable		
Scholarships and fellowships	80,214,323	87,975,573
Research	80,052,999	106,888,716
Instruction	47,026,044	55,444,084
Academic support	83,013,567	81,397,349
Loans	12,175,498	11,945,870
Capital projects	78,604,883	56,140,237
Debt service	1,284,447	2,157,303
Auxiliary	35,082,372	29,311,794
Other	38,230,760	38,115,119
Total restricted expendable	455,684,893	469,376,045
Total restricted	1,089,171,886	1,089,184,989
<b>Unrestricted</b>		
	994,543,405	991,105,923
Total net position	\$ 3,947,653,969	\$ 3,819,779,782

<sup>1</sup> Statements include all funds with exception of fiduciary funds held in trust for beneficiaries of other postemployment benefit plans.

**UNIVERSITY OF KENTUCKY**  
**A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION<sup>1</sup>**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017**

	2018	2017
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 264,819,665	\$ 258,812,128
Federal grants and contracts	94,475,585	84,824,999
State and local grants and contracts	47,154,557	41,525,090
Nongovernmental grants and contracts	126,591,358	108,465,257
Recoveries of facilities and administrative costs	31,218,774	27,689,531
Sales and services	30,121,494	28,404,495
Federal appropriations	9,052,157	11,331,717
County appropriations	14,039,375	16,800,160
Hospital services	851,763,312	807,526,410
Auxiliary enterprises:		
Housing and dining	18,045,610	17,705,900
Athletics	76,344,854	72,471,324
Other auxiliaries	27,399,135	28,260,607
Other operating revenues	177,747	207,144
Total operating revenues	1,591,203,623	1,504,024,762
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	156,148,826	153,824,311
Research	138,815,260	131,681,270
Public service	96,764,938	95,165,000
Libraries	13,001,605	10,698,499
Academic support	43,488,098	41,228,802
Student services	20,867,904	19,904,303
Institutional support	40,537,655	42,893,035
Operations and maintenance of plant	40,694,026	34,173,501
Student financial aid	110,071,421	104,934,224
Depreciation	34,212,352	38,552,677
Total educational and general	694,602,085	673,055,622
Clinical operations	173,967,899	157,556,882
Hospital services (including depreciation of \$28,179,571 in 2018 and \$18,023,431 in 2017)	743,624,890	690,978,142
Auxiliary enterprises:		
Housing and dining (including depreciation of \$6,637,943 in 2018 and \$9,452,256 in 2017)	13,482,531	18,030,970
Athletics (including depreciation of \$9,142,584 in 2018 and \$7,873,902 in 2017)	78,161,366	68,284,301
Other auxiliaries (including depreciation of \$524,575 in 2018 and \$172,567 in 2017)	18,337,480	13,045,495
Other operating expenses	567,372	606,659
Total operating expenses	1,722,743,623	1,621,558,071
Net loss from operations	(131,540,000)	(117,533,309)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	142,172,100	146,899,100
Gifts and non-exchange grants	55,692,077	60,664,333
Investment income (loss)	(16,912,072)	69,925,131
Interest on capital asset-related debt	(23,055,486)	(19,832,059)
Other nonoperating revenues and expenses, net	6,193,112	5,050,664
Net nonoperating revenues (expenses)	164,089,731	262,707,169
Net income before other revenues, expenses, gains or losses	32,549,731	145,173,860
Capital grants and gifts	58,131,059	17,259,837
Additions to permanent endowments	6,211,181	5,776,144
Other, net	2,493,835	2,763,813
Total other revenues (expenses)	66,836,075	25,799,794
<b>INCREASE IN NET POSITION</b>	99,385,806	170,973,654
<b>NET POSITION, July 1, as previously reported</b>	3,848,268,163	3,894,141,945
<b>Cumulative effect of change in accounting principles</b>	-	(245,335,817)
<b>NET POSITION, July 1, as restated</b>	3,848,268,163	3,648,806,128
<b>NET POSITION, December 31</b>	\$ 3,947,653,969	\$ 3,819,779,782

<sup>1</sup> Statements include all funds with exception of fiduciary funds held in trust for beneficiaries of other postemployment benefit plans.

**UNIVERSITY OF KENTUCKY**  
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**CURRENT FUNDS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017**

	2018			2017	
	Budget	Actual	%	Actual	%
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 534,585,700	\$ 264,819,665	50%	\$ 258,812,128	51%
Federal grants and contracts	212,136,400	94,475,585	45%	84,824,999	43%
State and local grants and contracts	73,725,200	47,154,557	64%	41,525,090	56%
Nongovernmental grants and contracts	296,274,000	126,591,358	43%	108,465,257	43%
Recoveries of facilities and administrative costs	50,000,000	31,218,774	62%	27,689,531	59%
Sales and services	51,912,800	30,121,494	58%	28,404,495	59%
Federal appropriations	18,399,200	9,052,157	49%	11,331,717	61%
County appropriations	29,427,800	14,039,375	48%	16,800,160	61%
Hospital services	1,708,947,000	851,763,312	50%	807,526,410	51%
Auxiliary enterprises:					
Housing and dining	27,082,000	18,045,610	67%	17,705,900	67%
Athletics	106,946,300	76,344,854	71%	72,471,324	69%
Other auxiliaries	51,356,700	27,399,135	53%	28,260,607	55%
Total operating revenues	<u>3,160,793,100</u>	<u>1,591,025,876</u>	<u>50%</u>	<u>1,503,817,618</u>	<u>51%</u>
<b>OPERATING EXPENSES</b>					
Educational and general:					
Instruction	455,165,400	156,148,826	34%	153,824,311	36%
Research	361,753,900	138,815,260	38%	131,681,270	37%
Public service	207,795,700	96,764,938	47%	95,165,000	48%
Libraries	15,300,400	13,001,605	85%	10,698,499	70%
Academic support	116,476,500	43,488,098	37%	41,228,802	41%
Student services	47,314,900	20,693,838	44%	19,832,470	42%
Institutional support	120,413,300	40,537,655	34%	42,893,035	26%
Operations and maintenance of plant	80,074,700	34,558,680	43%	34,707,383	39%
Student financial aid	216,552,700	110,071,421	51%	104,934,224	50%
Total educational and general	<u>1,620,847,500</u>	<u>654,080,321</u>	<u>40%</u>	<u>634,964,994</u>	<u>39%</u>
Clinical operations	290,299,300	173,967,899	60%	157,556,882	55%
Hospital services	1,578,245,200	708,910,200	45%	662,313,132	48%
Auxiliary enterprises:					
Housing and dining	13,125,900	6,735,747	51%	8,575,103	65%
Athletics	134,007,600	68,360,388	51%	59,834,676	49%
Other auxiliaries	44,211,300	17,170,184	39%	11,732,241	27%
Total operating expenses	<u>3,680,736,800</u>	<u>1,629,224,739</u>	<u>44%</u>	<u>1,534,977,028</u>	<u>44%</u>
Net loss from operations	<u>(519,943,700)</u>	<u>(38,198,863)</u>	<u>N/A</u>	<u>(31,159,410)</u>	<u>N/A</u>

UNIVERSITY OF KENTUCKY  
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CURRENT FUNDS  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2018 AND 2017

	2018			2017	
	Budget	Actual	%	Actual	%
Net loss from operations	<u>(519,943,700)</u>	<u>(38,198,863)</u>	N/A	<u>(31,159,410)</u>	N/A
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	258,526,900	142,172,100	55%	146,899,100	55%
Gifts and non-exchange grants	102,457,100	55,174,217	54%	60,294,042	63%
Investment income	40,504,800	22,822,637	56%	16,166,491	48%
Other nonoperating revenues and expenses, net	9,432,300	6,192,654	66%	4,964,579	54%
Net nonoperating revenues (expenses)	<u>410,921,100</u>	<u>226,361,608</u>	55%	<u>228,324,212</u>	56%
Net income before other revenues, expenses, gains or losses	<u>(109,022,600)</u>	<u>188,162,745</u>	N/A	<u>197,164,802</u>	N/A
Capital grants and gifts	10,465,900	17,936,730	171%	17,241,337	120%
Other, net	-	88,680	-	581,453	-
Total other revenues (expenses)	<u>10,465,900</u>	<u>18,025,410</u>	172%	<u>17,822,790</u>	124%
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	327,232,400	-	-	-	-
Capital purchases and transfers	(152,442,600)	(104,103,678)	68%	(130,691,326)	92%
Debt service transfers	(89,702,900)	(52,415,203)	58%	(48,044,896)	55%
Noncapital transfers	13,469,800	4,250,690	32%	2,820,668	32%
Total non-GASB current funds activity	<u>98,556,700</u>	<u>(152,268,191)</u>	N/A	<u>(175,915,554)</u>	N/A
<b>INCREASE IN NET POSITION</b>	-	53,919,964		39,072,038	
<b>NET POSITION, July 1, as previously reported</b>		536,013,658		756,483,587	
<b>Cumulative effect of change in accounting principles</b>		-		(241,796,958)	
<b>NET POSITION, July 1, as restated</b>		536,013,658		514,686,629	
<b>NET POSITION, December 31</b>		<u>\$ 589,933,622</u>		<u>\$ 553,758,667</u>	
<b>RECONCILIATION TO ANNUAL BUDGET</b>					
Operating revenues	\$ 3,160,793,100	\$ 1,591,025,876	50%	\$ 1,503,817,618	51%
Nonoperating revenues	<u>769,994,500</u>	<u>244,387,018</u>	32%	<u>246,147,002</u>	32%
Total revenues	<u>3,930,787,600</u>	<u>1,835,412,894</u>	47%	<u>1,749,964,620</u>	47%
Operating expenses	3,680,736,800	1,629,224,739	44%	1,534,977,028	44%
Nonoperating expenses and transfers	<u>250,050,800</u>	<u>152,268,191</u>	61%	<u>175,915,554</u>	73%
Total expenses and transfers	<u>3,930,787,600</u>	<u>1,781,492,930</u>	45%	<u>1,710,892,582</u>	46%
<b>INCREASE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 53,919,964</u>		<u>\$ 39,072,038</u>	