

FCR 3

Office of the President
April 29, 2022

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 2021.

Background: The consolidated financial report includes the financial activities of the University of Kentucky and its affiliated corporations:

- University of Kentucky Research Foundation
- University of Kentucky Gluck Equine Research Foundation, Inc.
- University of Kentucky Humanities Foundation, Inc.
- University of Kentucky Mining Engineering Foundation, Inc.
- Central Kentucky Management Services, Inc.
- Beyond Blue Corporation

As of December 31, 2021, the university has recognized \$2,545,673,635 of current funds revenue representing 50 percent of the 2021-22 approved budget of \$5,073,865,200. Expenses and transfers total \$2,273,245,856 or 45 percent of the approved budget.

Action taken: Approved Disapproved Other _____



Consolidated Financial Statements

For the six months ended December 31, 2021

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
DECEMBER 31, 2021 AND 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 985,164,383	\$ 1,001,219,037
Notes, loans and accounts receivable, net	751,779,848	507,198,602
Inventories and other assets	89,337,973	79,893,218
Total current assets	<u>1,826,282,204</u>	<u>1,588,310,857</u>
Noncurrent Assets		
Restricted cash and cash equivalents	196,437,508	171,267,981
Endowment investments	1,928,611,900	1,578,027,429
Other long-term investments	437,671,229	382,028,737
Notes, loans and accounts receivable, net	295,410,838	339,346,142
Other noncurrent assets	4,279,324	2,953,239
Capital assets, net	<u>3,439,237,244</u>	<u>3,410,379,253</u>
Total noncurrent assets	<u>6,301,648,043</u>	<u>5,884,002,781</u>
Total assets	<u>8,127,930,247</u>	<u>7,472,313,638</u>
Deferred Outflows of Resources		
Total assets and deferred outflows of resources	<u>8,156,709,367</u>	<u>7,496,758,570</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	321,275,240	272,154,690
Unearned revenue	107,487,304	175,235,528
Long-term liabilities - current portion	91,335,467	83,723,888
Total current liabilities	<u>520,098,011</u>	<u>531,114,106</u>
Noncurrent Liabilities		
Unearned revenue	199,057,498	217,612,992
Long-term liabilities	<u>1,271,116,005</u>	<u>1,327,840,599</u>
Total noncurrent liabilities	<u>1,470,173,503</u>	<u>1,545,453,591</u>
Total liabilities	<u>1,990,271,514</u>	<u>2,076,567,697</u>
Deferred Inflows of Resources		
Total liabilities and deferred inflows of resources	<u>524,203,108</u>	<u>565,873,233</u>
	<u>2,514,474,622</u>	<u>2,642,440,930</u>
NET POSITION		
Net investment in capital assets		
	<u>1,944,407,856</u>	<u>1,899,874,716</u>
Restricted		
Nonexpendable		
Scholarships and fellowships	211,531,480	190,335,734
Research	293,420,660	290,386,527
Instruction	85,677,463	83,484,374
Academic support	87,464,746	86,779,369
Other	15,364,870	14,199,074
Total restricted nonexpendable	<u>693,459,219</u>	<u>665,185,078</u>
Expendable		
Scholarships and fellowships	168,755,404	117,078,755
Research	174,388,937	106,469,351
Instruction	88,011,497	63,077,216
Academic support	158,982,498	131,969,956
Loans	12,080,025	13,030,705
Capital projects	75,066,736	93,576,685
Debt service	4,802,899	3,128,844
Auxiliary	49,765,687	40,655,064
Other	104,876,248	65,068,038
Total restricted expendable	<u>836,729,931</u>	<u>634,054,614</u>
Total restricted	<u>1,530,189,150</u>	<u>1,299,239,692</u>
Unrestricted		
Total net position	<u>\$ 5,642,234,745</u>	<u>\$ 4,854,317,640</u>

¹ 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 POSITION¹
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
Student tuition and fees	\$ 286,465,971	\$ 269,863,885
Federal grants and contracts	147,718,885	108,476,582
State and local grants and contracts	56,624,829	56,924,666
Nongovernmental grants and contracts	202,258,415	101,644,997
Recoveries of facilities and administrative costs	42,258,286	34,139,140
Sales and services	37,658,495	30,766,115
Federal appropriations	8,553,699	10,247,830
County appropriations	12,782,739	12,875,518
Hospital services	1,338,286,226	1,229,311,648
Auxiliary enterprises:		
Housing and dining	15,002,553	14,578,178
Athletics	81,141,707	45,824,475
Other auxiliaries	24,034,753	21,127,082
Other operating revenues	158,998	171,122
Total operating revenues	2,252,945,556	1,935,951,238
OPERATING EXPENSES		
Educational and general:		
Instruction	154,277,098	145,569,779
Research	160,522,084	145,046,907
Public service	131,725,153	99,278,680
Libraries	12,062,454	9,123,296
Academic support	42,592,037	40,018,182
Student services	28,396,569	27,710,907
Institutional support	27,676,036	36,633,847
Operations and maintenance of plant	42,648,704	44,625,745
Student financial aid	115,130,281	109,422,850
Depreciation	46,508,597	42,337,804
Total educational and general	761,539,013	699,767,997
Clinical operations	222,755,778	185,379,276
Hospital services (including depreciation of \$42,975,091 in 2021 and \$35,486,773 in 2020)	1,108,686,687	922,639,005
Auxiliary enterprises:		
Housing and dining (including depreciation of \$5,436,249 in 2021 and \$5,053,436 in 2020)	13,736,560	13,149,307
Athletics (including depreciation of \$8,488,832 in 2021 and \$9,078,928 in 2020)	78,527,710	61,249,864
Other auxiliaries (including depreciation of \$3,741,692 in 2021 and \$3,704,036 in 2020)	14,350,392	13,680,032
Other operating expenses	1,284,961	84,177
Total operating expenses	2,200,881,101	1,895,949,658
Net income from operations	52,064,455	40,001,580
NONOPERATING REVENUES (EXPENSES)		
State appropriations	149,224,500	145,877,000
COVID-19 funding	47,248,948	-
Gifts and non-exchange grants	73,224,793	48,145,611
Investment income	54,369,965	192,500,946
Interest on capital asset-related debt	(18,395,795)	(19,170,752)
Other nonoperating revenues and expenses, net	(29,100,618)	3,528,172
Net nonoperating revenues (expenses)	276,571,793	370,880,977
Net income before other revenues, expenses, gains or losses	328,636,248	410,882,557
Capital grants and gifts	10,193,761	19,127,373
Additions to permanent endowments	12,113,108	5,758,247
Other, net	900,731	(620,875)
Total other revenues (expenses)	23,207,600	24,264,745
INCREASE IN NET POSITION	351,843,848	435,147,302
NET POSITION, July 1	5,290,390,897	4,419,170,338
NET POSITION, December 31	\$ 5,642,234,745	\$ 4,854,317,640

¹ 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
CURRENT FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 544,603,100	\$ 286,465,971	53%	\$ 269,863,885	51%
Federal grants and contracts	280,127,000	147,718,885	53%	108,476,582	43%
State and local grants and contracts	119,702,600	56,624,829	47%	56,924,666	48%
Nongovernmental grants and contracts	408,885,900	202,258,415	49%	101,644,997	31%
Recoveries of facilities and administrative costs	62,000,000	42,258,286	68%	34,139,140	58%
Sales and services	68,313,900	37,658,495	55%	30,766,115	53%
Federal appropriations	19,033,000	8,553,699	45%	10,247,830	53%
County appropriations	35,879,800	12,782,739	36%	12,875,518	34%
Hospital services	2,494,552,400	1,338,286,226	54%	1,229,311,648	50%
Auxiliary enterprises:					
Housing and dining	39,171,600	15,002,553	38%	14,578,178	65%
Athletics	113,144,100	81,141,707	72%	45,824,475	42%
Other auxiliaries	47,796,400	24,034,753	50%	21,127,082	45%
Total operating revenues	<u>4,233,209,800</u>	<u>2,252,786,558</u>	<u>53%</u>	<u>1,935,780,116</u>	<u>48%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	462,472,800	154,277,098	33%	145,569,779	32%
Research	458,264,000	160,521,974	35%	145,046,907	31%
Public service	242,450,100	131,725,153	54%	99,278,680	43%
Libraries	14,762,000	12,062,454	82%	9,123,296	63%
Academic support	105,499,500	42,592,037	40%	40,018,182	42%
Student services	56,031,400	28,314,762	51%	27,646,505	51%
Institutional support	139,489,600	27,676,036	20%	36,622,316	32%
Operations and maintenance of plant	87,097,400	36,503,006	42%	35,455,297	46%
Student financial aid	243,811,800	115,130,281	47%	109,422,850	46%
Total educational and general	<u>1,809,878,600</u>	<u>708,802,801</u>	<u>39%</u>	<u>648,183,812</u>	<u>37%</u>
Clinical operations	547,517,300	222,755,778	41%	185,379,276	42%
Hospital services	2,246,961,700	1,053,314,114	47%	880,357,067	40%
Auxiliary enterprises:					
Housing and dining	24,351,000	8,235,159	34%	7,994,637	70%
Athletics	142,928,200	69,614,673	49%	51,268,715	39%
Other auxiliaries	29,729,000	9,245,453	31%	9,136,870	21%
Total operating expenses	<u>4,801,365,800</u>	<u>2,071,967,978</u>	<u>43%</u>	<u>1,782,320,377</u>	<u>39%</u>
Net income (loss) from operations	<u>(568,156,000)</u>	<u>180,818,580</u>	<u>N/A</u>	<u>153,459,739</u>	<u>N/A</u>

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
CURRENT FUNDS
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	(568,156,000)	180,818,580	N/A	153,459,739	N/A
NONOPERATING REVENUES (EXPENSES)					
State appropriations	271,317,200	149,224,500	55%	145,877,000	55%
COVID-19 funding	-	47,248,948	100%	-	100%
Gifts and non-exchange grants	99,975,400	71,679,484	72%	47,580,211	48%
Investment income	36,755,100	12,815,194	35%	17,187,517	61%
Other nonoperating revenues and expenses, net	7,958,500	(29,101,216)	-366%	3,531,002	45%
Net nonoperating revenues (expenses)	416,006,200	251,866,910	61%	214,175,730	53%
Net income (loss) before other revenues, expenses, gains or losses	(152,149,800)	432,685,490	N/A	367,635,469	N/A
Capital grants and gifts	10,751,300	9,657,944	90%	16,638,286	151%
Other, net	-	2,261,007	-	585,085	-
Total other revenues (expenses)	10,751,300	11,918,951	111%	17,223,371	156%
NON-GASB ACTIVITY					
Appropriated fund balance	384,615,100	-	-	-	-
Capital purchases and transfers	(165,886,600)	(102,215,561)	62%	(97,619,063)	59%
Debt service transfers	(91,971,300)	(51,489,151)	56%	(51,738,341)	56%
Noncapital transfers	14,641,300	(18,471,950)	-126%	(31,314,338)	-267%
Total non-GASB current funds activity	141,398,500	(172,176,662)	N/A	(180,671,742)	N/A
INCREASE IN NET POSITION	-	272,427,779		204,187,098	
NET POSITION, July 1		1,304,227,022		1,023,363,535	
NET POSITION, December 31		<u>\$ 1,576,654,801</u>		<u>\$ 1,227,550,633</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 4,233,209,800	\$ 2,252,786,558	53%	\$ 1,935,780,116	53%
Nonoperating revenues	840,655,400	292,887,077	35%	231,399,101	29%
Total revenues	5,073,865,200	2,545,673,635	50%	2,167,179,217	49%
Operating expenses	4,801,365,800	2,071,967,978	43%	1,782,320,377	43%
Nonoperating expenses and transfers	272,499,400	201,277,878	74%	180,671,742	68%
Total expenses and transfers	5,073,865,200	2,273,245,856	45%	1,962,992,119	44%
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 272,427,779</u>		<u>\$ 204,187,098</u>	