

# FCR 4

Office of the President  
May 4, 2021

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2020

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 2020.

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.

As of December 31, 2020, the university has recognized \$2,167,179,217 of current funds revenue representing 49 percent of the Fiscal Year 2020-21 approved budget of \$4,429,389,500. Expenses and transfers total \$1,956,941,346 or 44 percent of the approved budget.

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Action taken:     Approved     Disapproved     Other \_\_\_\_\_



Consolidated  
Financial Statements

For the six months ended December 31, 2020

UNIVERSITY OF KENTUCKY  
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY  
STATEMENTS OF NET POSITION<sup>1</sup>  
DECEMBER 31, 2020 AND 2019

	2020	2019
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,001,219,037	\$ 689,982,521
Notes, loans and accounts receivable, net	507,877,554	606,596,276
Inventories and other assets	79,214,266	66,251,710
Total current assets	<u>1,588,310,857</u>	<u>1,362,830,507</u>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	171,267,981	183,919,535
Endowment investments	1,578,027,429	1,419,908,504
Other long-term investments	373,455,550	222,303,661
Notes, loans and accounts receivable, net	339,346,142	378,989,519
Other noncurrent assets	2,953,239	2,834,298
Capital assets, net	3,410,379,253	3,342,960,677
Total noncurrent assets	<u>5,875,429,594</u>	<u>5,550,916,194</u>
Total assets	<u>7,463,740,451</u>	<u>6,913,746,701</u>
<b>Deferred Outflows of Resources</b>		
Total assets and deferred outflows of resources	<u>7,487,421,477</u>	<u>6,939,986,004</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	288,179,771	221,069,606
Unearned revenue	175,235,528	131,298,925
Long-term liabilities - current portion	83,723,888	76,004,369
Total current liabilities	<u>547,139,187</u>	<u>428,372,900</u>
<b>Noncurrent Liabilities</b>		
Unearned revenue	217,612,992	236,859,227
Long-term liabilities	1,296,833,942	1,413,804,854
Total noncurrent liabilities	<u>1,514,446,934</u>	<u>1,650,664,081</u>
Total liabilities	<u>2,061,586,121</u>	<u>2,079,036,981</u>
<b>Deferred Inflows of Resources</b>		
Total liabilities and deferred inflows of resources	<u>2,627,053,064</u>	<u>2,609,991,725</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>	<u>1,899,874,716</u>	<u>1,862,490,593</u>
<b>Restricted</b>		
Nonexpendable		
Scholarships and fellowships	190,335,734	178,466,354
Research	290,386,527	288,724,592
Instruction	83,484,374	81,810,895
Academic support	86,779,369	86,013,364
Other	14,199,074	13,974,002
Total restricted nonexpendable	<u>665,185,078</u>	<u>648,989,207</u>
Expendable		
Scholarships and fellowships	117,078,755	101,138,552
Research	106,469,351	96,933,408
Instruction	63,077,216	56,301,351
Academic support	131,969,956	108,319,087
Loans	13,030,705	12,348,347
Capital projects	93,576,685	80,019,033
Debt service	3,128,844	2,311,931
Auxiliary	40,655,064	38,100,193
Other	65,068,038	51,708,792
Total restricted expendable	<u>634,054,614</u>	<u>547,180,694</u>
Total restricted	<u>1,299,239,692</u>	<u>1,196,169,901</u>
<b>Unrestricted</b>		
Total net position	<u>\$ 4,860,368,413</u>	<u>\$ 4,329,994,279</u>

<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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 269,863,885	\$ 278,568,194
Federal grants and contracts	108,476,582	101,185,251
State and local grants and contracts	56,924,666	41,726,234
Nongovernmental grants and contracts	101,644,997	132,167,327
Recoveries of facilities and administrative costs	34,139,140	33,470,824
Sales and services	30,766,115	30,937,569
Federal appropriations	10,247,830	9,635,954
County appropriations	12,875,518	13,462,384
Hospital services	1,229,311,648	1,089,109,287
Auxiliary enterprises:		
Housing and dining	14,578,178	17,757,104
Athletics	45,824,475	81,555,842
Other auxiliaries	21,127,082	29,161,909
Other operating revenues	<u>171,122</u>	<u>222,757</u>
Total operating revenues	<u>1,935,951,238</u>	<u>1,858,960,636</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	145,569,779	162,175,308
Research	145,046,907	143,945,167
Public service	99,278,680	102,216,026
Libraries	9,123,296	10,810,211
Academic support	40,018,182	42,360,732
Student services	27,710,907	24,217,460
Institutional support	36,991,463	38,360,119
Operations and maintenance of plant	44,625,745	46,914,322
Student financial aid	109,422,850	114,612,758
Depreciation	<u>42,337,804</u>	<u>39,054,470</u>
Total educational and general	700,125,613	724,666,573
Clinical operations	178,970,887	195,660,526
Hospital services (including depreciation of \$35,486,773 in 2020 and \$33,749,301 in 2019)	922,639,005	841,956,802
Auxiliary enterprises:		
Housing and dining (including depreciation of \$2,204,084 in 2020 and \$5,650,942 in 2019)	13,149,307	13,946,547
Athletics (including depreciation of \$9,078,928 in 2020 and \$8,446,195 in 2019)	61,249,864	77,524,711
Other auxiliaries (including depreciation of \$3,704,036 in 2020 and \$3,547,602 in 2019)	13,680,032	21,104,135
Other operating expenses	<u>84,177</u>	<u>368,086</u>
Total operating expenses	<u>1,889,898,885</u>	<u>1,875,227,380</u>
Net income (loss) from operations	<u>46,052,353</u>	<u>(16,266,744)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	145,877,000	143,581,000
Gifts and non-exchange grants	48,145,611	56,944,565
Investment income	192,500,946	59,001,523
Interest on capital asset-related debt	(19,170,752)	(22,036,080)
Other nonoperating revenues and expenses, net	3,528,172	6,205,772
Net nonoperating revenues (expenses)	<u>370,880,977</u>	<u>243,696,780</u>
Net income before other revenues, expenses, gains or losses	<u>416,933,330</u>	<u>227,430,036</u>
Capital grants and gifts	19,127,373	16,075,639
Additions to permanent endowments	5,758,247	7,459,922
Other, net	<u>(620,875)</u>	<u>(6,565,833)</u>
Total other revenues (expenses)	<u>24,264,745</u>	<u>16,969,728</u>
<b>INCREASE IN NET POSITION</b>	<u>441,198,075</u>	<u>244,399,764</u>
<b>NET POSITION, July 1</b>	<u>4,419,170,338</u>	<u>4,085,594,515</u>
<b>NET POSITION, December 31</b>	<u>\$ 4,860,368,413</u>	<u>\$ 4,329,994,279</u>

<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**  
**CURRENT FUNDS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE SIX MONTHS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019	
	Budget	Actual	%	Actual	%
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 527,757,100	\$ 269,863,885	51%	\$ 278,568,194	50%
Federal grants and contracts	254,048,000	108,476,582	43%	101,185,251	46%
State and local grants and contracts	117,858,400	56,924,666	48%	41,726,234	47%
Nongovernmental grants and contracts	327,378,400	101,644,997	31%	132,167,327	43%
Recoveries of facilities and administrative costs	59,000,000	34,139,140	58%	33,470,824	59%
Sales and services	58,042,300	30,766,115	53%	30,937,569	55%
Federal appropriations	19,179,000	10,247,830	53%	9,635,954	52%
County appropriations	37,696,200	12,875,518	34%	13,462,384	38%
Hospital services	2,438,035,900	1,229,311,648	50%	1,089,109,287	58%
Auxiliary enterprises:					
Housing and dining	22,531,500	14,578,178	65%	17,757,104	59%
Athletics	109,623,600	45,824,475	42%	81,555,842	71%
Other auxiliaries	47,052,000	21,127,082	45%	29,161,909	56%
Total operating revenues	<u>4,018,202,400</u>	<u>1,935,780,116</u>	<u>48%</u>	<u>1,858,737,879</u>	<u>55%</u>
<b>OPERATING EXPENSES</b>					
Educational and general:					
Instruction	455,076,600	145,569,779	32%	162,175,308	39%
Research	462,503,200	145,046,907	31%	143,945,167	38%
Public service	232,658,500	99,278,680	43%	102,134,500	42%
Libraries	14,516,200	9,123,296	63%	10,810,211	68%
Academic support	95,103,600	40,018,182	42%	42,360,732	38%
Student services	54,236,000	27,646,505	51%	24,036,651	45%
Institutional support	114,039,800	36,979,932	32%	38,360,119	23%
Operations and maintenance of plant	77,730,900	35,455,297	46%	37,869,308	46%
Student financial aid	238,269,500	109,422,850	46%	114,612,758	48%
Total educational and general	<u>1,744,134,300</u>	<u>648,541,428</u>	<u>37%</u>	<u>676,304,754</u>	<u>39%</u>
Clinical operations	444,599,600	178,970,887	40%	195,660,526	50%
Hospital services	2,189,725,300	880,357,067	40%	799,132,820	49%
Auxiliary enterprises:					
Housing and dining	11,420,400	7,994,637	70%	8,102,627	62%
Athletics	133,011,300	51,268,715	39%	68,949,884	49%
Other auxiliaries	42,795,300	9,136,870	21%	16,356,646	40%
Total operating expenses	<u>4,565,686,200</u>	<u>1,776,269,604</u>	<u>39%</u>	<u>1,764,507,257</u>	<u>45%</u>
Net income (loss) from operations	<u>(547,483,800)</u>	<u>159,510,512</u>	<u>N/A</u>	<u>94,230,622</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, 2020 AND 2019**

	2020			2019	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(547,483,800)</u>	<u>159,510,512</u>	N/A	<u>94,230,622</u>	N/A
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	265,230,800	145,877,000	55%	143,581,000	55%
Gifts and non-exchange grants	99,907,700	47,580,211	48%	56,329,465	53%
Investment income	28,382,400	17,187,517	61%	22,640,437	47%
Other nonoperating revenues and expenses, net	7,763,100	3,531,002	45%	6,205,484	62%
Net nonoperating revenues (expenses)	<u>401,284,000</u>	<u>214,175,730</u>	53%	<u>228,756,386</u>	54%
Net income (loss) before other revenues, expenses, gains or losses	<u>(146,199,800)</u>	<u>373,686,242</u>	N/A	<u>322,987,008</u>	N/A
Capital grants and gifts	11,024,100	16,638,286	151%	16,075,639	139%
Other, net	-	585,085	-	33,242	-
Total other revenues (expenses)	<u>11,024,100</u>	<u>17,223,371</u>	156%	<u>16,108,881</u>	140%
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	380,855,700	-	-	-	-
Capital purchases and transfers	(165,047,000)	(97,619,063)	59%	(77,262,668)	49%
Debt service transfers	(92,379,300)	(51,738,341)	56%	(51,778,162)	58%
Noncapital transfers	11,746,300	(31,314,338)	-267%	4,562,301	26%
Total non-GASB current funds activity	<u>135,175,700</u>	<u>(180,671,742)</u>	N/A	<u>(124,478,529)</u>	N/A
<b>INCREASE IN NET POSITION</b>	-	210,237,871		214,617,360	
<b>NET POSITION, July 1</b>		<u>1,023,363,535</u>		<u>616,787,264</u>	
<b>NET POSITION, December 31</b>		<u>\$ 1,233,601,406</u>		<u>\$ 831,404,624</u>	
<b>RECONCILIATION TO ANNUAL BUDGET</b>					
Operating revenues	\$ 3,640,785,900	\$ 1,935,780,116	53%	\$ 1,858,737,879	55%
Nonoperating revenues	<u>788,603,600</u>	<u>231,399,101</u>	29%	<u>244,865,267</u>	31%
Total revenues	<u>4,429,389,500</u>	<u>2,167,179,217</u>	49%	<u>2,103,603,146</u>	50%
Operating expenses	4,161,751,900	1,776,269,604	43%	1,764,507,257	45%
Nonoperating expenses and transfers	<u>267,637,600</u>	<u>180,671,742</u>	68%	<u>124,478,529</u>	49%
Total expenses and transfers	<u>4,429,389,500</u>	<u>1,956,941,346</u>	44%	<u>1,888,985,786</u>	45%
<b>INCREASE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 210,237,871</u>		<u>\$ 214,617,360</u>	