

FCR 1

Office of the President
June 19, 2020

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE NINE MONTHS
ENDED MARCH 31, 2020

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 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 March 31, 2020, the University has recognized \$3,275,430,750 of current funds revenue representing 73 percent of the 2019-20 approved budget of \$4,476,475,200. Expenses and transfers total \$2,900,604,476 or 65 percent of the approved budget.

Action taken: Approved Disapproved Other _____



Consolidated
Financial Statements

For the nine months ended March 31, 2020

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
MARCH 31, 2020 AND 2019

	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 940,126,632	\$ 505,776,890
Notes, loans and accounts receivable, net	533,462,765	521,172,457
Inventories and other assets	55,404,112	48,805,148
Total current assets	1,528,993,509	1,075,754,495
Noncurrent Assets		
Restricted cash and cash equivalents	222,870,988	265,695,915
Endowment investments	1,260,215,108	1,357,578,664
Other long-term investments	263,891,126	339,788,882
Notes, loans and accounts receivable, net	353,534,408	436,871,044
Other noncurrent assets	2,870,618	1,736,665
Capital assets, net	3,361,766,283	3,313,768,576
Total noncurrent assets	5,465,148,531	5,715,439,746
Total assets	6,994,142,040	6,791,194,241
Deferred Outflows of Resources		
Total assets and deferred outflows of resources	7,021,957,754	6,823,303,345
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	254,421,607	295,304,267
Unearned revenue	142,121,346	130,750,704
Long-term liabilities - current portion	80,469,486	80,517,382
Total current liabilities	477,012,439	506,572,353
Noncurrent Liabilities		
Unearned revenue	232,049,886	251,297,247
Long-term liabilities	1,467,499,869	1,427,955,829
Total noncurrent liabilities	1,699,549,755	1,679,253,076
Total liabilities	2,176,562,194	2,185,825,429
Deferred Inflows of Resources		
Total liabilities and deferred inflows of resources	2,702,117,176	2,727,712,703
NET POSITION		
Net investment in capital assets		
Restricted		
Nonexpendable		
Scholarships and fellowships	181,695,241	170,703,999
Research	289,299,044	283,823,133
Instruction	82,392,145	83,116,243
Academic support	86,039,542	86,032,374
Other	14,010,758	13,439,856
Total restricted nonexpendable	653,436,730	637,115,605
Expendable		
Scholarships and fellowships	67,627,118	90,527,566
Research	49,393,900	96,118,097
Instruction	41,707,498	52,081,788
Academic support	95,781,220	92,002,631
Loans	8,644,703	13,022,824
Capital projects	75,703,139	83,706,486
Debt service	16,696,789	15,379,065
Auxiliary	37,904,794	34,594,941
Other	38,468,940	39,895,152
Total restricted expendable	431,928,101	517,328,550
Total restricted	1,085,364,831	1,154,444,155
Unrestricted		
Total net position	\$ 4,319,840,578	\$ 4,095,590,642

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 NINE MONTHS ENDED MARCH 31, 2020 AND 2019

	2020	2019
OPERATING REVENUES		
Student tuition and fees	\$ 530,339,058	\$ 502,010,229
Federal grants and contracts	156,513,329	147,779,248
State and local grants and contracts	76,202,154	66,705,998
Nongovernmental grants and contracts	191,562,759	193,850,526
Recoveries of facilities and administrative costs	49,944,179	48,212,733
Sales and services	47,306,552	45,357,269
Federal appropriations	13,846,007	12,955,547
County appropriations	20,504,688	21,291,652
Hospital services	1,640,768,364	1,268,994,447
Auxiliary enterprises:		
Housing and dining	25,777,354	26,753,112
Athletics	104,999,781	100,274,523
Other auxiliaries	46,102,473	44,351,121
Other operating revenues	354,104	309,960
Total operating revenues	2,904,220,802	2,478,846,365
OPERATING EXPENSES		
Educational and general:		
Instruction	256,655,699	247,201,230
Research	221,232,591	212,786,253
Public service	155,642,023	148,767,732
Libraries	19,368,038	20,180,391
Academic support	64,540,369	64,305,809
Student services	36,069,123	33,005,333
Institutional support	51,675,776	55,876,543
Operations and maintenance of plant	66,628,095	59,408,289
Student financial aid	223,790,281	213,540,952
Depreciation	58,160,904	54,973,481
Total educational and general	1,153,762,899	1,110,046,013
Clinical operations	286,872,447	266,400,086
Hospital services (including depreciation of \$50,410,993 in 2020 and \$49,714,238 in 2019)	1,279,659,982	1,130,368,985
Auxiliary enterprises:		
Housing and dining (including depreciation of \$8,475,421 in 2020 and \$9,631,108 in 2019)	21,663,756	22,092,689
Athletics (including depreciation of \$12,613,391 in 2020 and \$13,835,393 in 2019)	117,590,616	114,231,443
Other auxiliaries (including depreciation of \$5,506,994 in 2020 and \$787,086 in 2019)	35,523,993	29,006,791
Other operating expenses	2,823,057	681,376
Total operating expenses	2,897,896,750	2,672,827,383
Net income (loss) from operations	6,324,052	(193,981,018)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	208,845,100	206,795,800
Gifts and non-exchange grants	99,401,113	95,312,061
Investment income (loss)	(87,607,315)	67,993,716
Interest on capital asset-related debt	(32,710,018)	(34,055,052)
Other nonoperating revenues and expenses, net	9,284,911	10,730,789
Net nonoperating revenues (expenses)	197,213,791	346,777,314
Net income before other revenues, expenses, gains or losses	203,537,843	152,796,296
Capital grants and gifts	25,280,782	72,727,926
Additions to permanent endowments	11,536,507	9,812,415
Other, net	(6,109,069)	11,985,842
Total other revenues (expenses)	30,708,220	94,526,183
INCREASE IN NET POSITION	234,246,063	247,322,479
NET POSITION, July 1	4,085,594,515	3,848,268,163
NET POSITION, March 31	\$ 4,319,840,578	\$ 4,095,590,642

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 NINE MONTHS ENDED MARCH 31, 2020 AND 2019

	2020			2019	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 554,489,200	\$ 530,339,058	96%	\$ 502,010,229	94%
Federal grants and contracts	217,796,100	156,513,329	72%	147,779,248	70%
State and local grants and contracts	89,462,200	76,202,154	85%	66,705,998	90%
Nongovernmental grants and contracts	304,974,700	191,562,759	63%	193,850,526	65%
Recoveries of facilities and administrative costs	57,000,000	49,944,179	88%	48,212,733	96%
Sales and services	56,518,400	47,306,552	84%	45,357,269	87%
Federal appropriations	18,374,500	13,846,007	75%	12,955,547	70%
County appropriations	35,724,300	20,504,688	57%	21,291,652	72%
Hospital services	2,157,805,900	1,640,768,364	76%	1,268,994,447	74%
Auxiliary enterprises:					
Housing and dining	29,973,600	25,777,354	86%	26,753,112	99%
Athletics	115,601,100	104,999,781	91%	100,274,523	94%
Other auxiliaries	51,746,600	46,102,473	89%	44,351,121	86%
Total operating revenues	<u>3,689,466,600</u>	<u>2,903,866,698</u>	<u>79%</u>	<u>2,478,536,405</u>	<u>78%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	385,325,900	256,655,699	67%	247,201,230	64%
Research	407,199,800	221,232,591	54%	212,786,253	56%
Public service	254,087,500	155,560,498	61%	148,767,732	69%
Libraries	18,736,500	19,368,038	103%	20,180,391	112%
Academic support	127,465,200	64,540,369	51%	64,305,809	47%
Student services	60,577,300	35,852,075	59%	32,753,750	64%
Institutional support	135,019,700	51,675,776	38%	55,876,543	46%
Operations and maintenance of plant	84,017,200	53,898,735	64%	50,727,338	65%
Student financial aid	240,103,500	223,790,281	93%	213,540,952	98%
Total educational and general	<u>1,712,532,600</u>	<u>1,082,574,062</u>	<u>63%</u>	<u>1,046,139,998</u>	<u>65%</u>
Clinical operations	393,084,900	286,872,447	73%	266,400,086	92%
Hospital services	1,920,990,600	1,216,466,766	63%	1,072,944,608	68%
Auxiliary enterprises:					
Housing and dining	13,109,700	12,903,081	98%	12,292,538	94%
Athletics	140,353,100	104,847,961	75%	99,720,838	74%
Other auxiliaries	40,955,400	28,562,491	70%	27,505,618	62%
Total operating expenses	<u>4,221,026,300</u>	<u>2,732,226,808</u>	<u>65%</u>	<u>2,525,003,686</u>	<u>69%</u>
Net income (loss) from operations	<u>(531,559,700)</u>	<u>171,639,890</u>	<u>N/A</u>	<u>(46,467,281)</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 NINE MONTHS ENDED MARCH 31, 2020 AND 2019

	2020			2019	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(531,559,700)</u>	<u>171,639,890</u>	N/A	<u>(46,467,281)</u>	<u>N/A</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	261,056,400	208,845,100	80%	206,795,800	80%
Gifts and non-exchange grants	105,298,000	96,782,569	92%	93,790,788	92%
Investment income	48,423,600	33,346,154	69%	37,691,751	93%
Other nonoperating revenues and expenses, net	<u>9,970,500</u>	<u>9,284,522</u>	<u>93%</u>	<u>10,730,072</u>	<u>114%</u>
Net nonoperating revenues (expenses)	<u>424,748,500</u>	<u>348,258,345</u>	<u>82%</u>	<u>349,008,411</u>	<u>85%</u>
Net income (loss) before other revenues, expenses, gains or losses	<u>(106,811,200)</u>	<u>519,898,235</u>	N/A	<u>302,541,130</u>	<u>N/A</u>
Capital grants and gifts	11,523,900	22,671,357	197%	30,305,097	290%
Other, net	-	634,350	-	1,121,478	-
Total other revenues (expenses)	<u>11,523,900</u>	<u>23,305,707</u>	<u>202%</u>	<u>31,426,575</u>	<u>300%</u>
NON-GASB ACTIVITY					
Appropriated fund balance	326,548,700	-	-	-	-
Capital purchases and transfers	(159,827,300)	(100,627,844)	63%	(157,905,814)	95%
Debt service transfers	(88,673,400)	(77,191,639)	87%	(77,890,235)	87%
Noncapital transfers	<u>17,239,300</u>	<u>9,441,815</u>	<u>55%</u>	<u>6,884,802</u>	<u>51%</u>
Total non-GASB current funds activity	<u>95,287,300</u>	<u>(168,377,668)</u>	<u>N/A</u>	<u>(228,911,247)</u>	<u>N/A</u>
INCREASE IN NET POSITION	-	374,826,274		105,056,458	
NET POSITION, July 1		<u>616,787,264</u>		<u>536,013,658</u>	
NET POSITION, March 31		<u>\$ 991,613,538</u>		<u>\$ 641,070,116</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 3,689,466,600	\$ 2,903,866,698	79%	\$ 2,478,536,405	78%
Nonoperating revenues	<u>787,008,600</u>	<u>371,564,052</u>	<u>47%</u>	<u>380,434,986</u>	<u>49%</u>
Total revenues	<u>4,476,475,200</u>	<u>3,275,430,750</u>	<u>73%</u>	<u>2,858,971,391</u>	<u>73%</u>
Operating expenses	\$ 4,221,026,300	2,732,226,808	65%	2,525,003,686	69%
Nonoperating expenses and transfers	<u>255,448,900</u>	<u>168,377,668</u>	<u>66%</u>	<u>228,911,247</u>	<u>87%</u>
Total expenses and transfers	<u>4,476,475,200</u>	<u>2,900,604,476</u>	<u>65%</u>	<u>2,753,914,933</u>	<u>70%</u>
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 374,826,274</u>		<u>\$ 105,056,458</u>	