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Office of the President
May 5, 2020

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 2019.

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, 2019, the University has recognized \$2,103,603,146 of current funds revenue representing 50 percent of the 2019-20 approved budget of \$4,181,675,300. Expenses and transfers total \$1,888,985,786 or 45 percent of the approved budget.

Action taken: Approved Disapproved Other _____



Consolidated
Financial Statements

For the six months ended December 31, 2019

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 689,982,521	\$ 496,363,360
Notes, loans and accounts receivable, net	612,127,536	468,231,400
Inventories and other assets	66,251,710	63,824,008
Total current assets	1,368,361,767	1,028,418,768
Noncurrent Assets		
Restricted cash and cash equivalents	183,919,535	268,664,930
Endowment investments	1,419,908,504	1,289,937,184
Other long-term investments	222,303,661	310,602,229
Notes, loans and accounts receivable, net	373,458,259	447,405,288
Other noncurrent assets	2,834,298	987,323
Capital assets, net	3,342,960,677	3,295,270,209
Total noncurrent assets	5,545,384,934	5,612,867,163
Total assets	6,913,746,701	6,641,285,931
Deferred Outflows of Resources		
Total assets and deferred outflows of resources	26,239,303	32,224,381
	6,939,986,004	6,673,510,312
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	221,069,606	301,086,979
Unearned revenue	131,298,925	117,786,614
Long-term liabilities - current portion	82,698,607	81,631,395
Total current liabilities	435,067,138	500,504,988
Noncurrent Liabilities		
Unearned revenue	236,859,227	256,116,588
Long-term liabilities	1,407,110,616	1,429,788,382
Total noncurrent liabilities	1,643,969,843	1,685,904,970
Total liabilities	2,079,036,981	2,186,409,958
Deferred Inflows of Resources		
Total liabilities and deferred inflows of resources	530,954,744	548,858,642
	2,609,991,725	2,735,268,600
NET POSITION		
Net investment in capital assets		
	1,862,490,593	1,856,328,459
Restricted		
Nonexpendable		
Scholarships and fellowships	178,466,354	169,473,699
Research	288,724,592	282,252,988
Instruction	81,810,895	82,617,774
Academic support	86,013,364	85,780,511
Other	13,974,002	13,362,021
Total restricted nonexpendable	648,989,207	633,486,993
Expendable		
Scholarships and fellowships	101,138,552	80,214,323
Research	96,933,408	80,052,999
Instruction	56,301,351	47,026,044
Academic support	108,319,087	83,013,567
Loans	12,348,347	12,175,498
Capital projects	80,019,033	78,604,883
Debt service	2,311,931	1,284,447
Auxiliary	38,100,193	35,082,372
Other	51,708,792	38,230,760
Total restricted expendable	547,180,694	455,684,893
Total restricted	1,196,169,901	1,089,171,886
Unrestricted		
Total net position	1,271,333,785	992,741,367
	\$ 4,329,994,279	\$ 3,938,241,712

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, 2019 AND 2018

	2019	2018
OPERATING REVENUES		
Student tuition and fees	\$ 278,568,194	\$ 264,819,665
Federal grants and contracts	101,185,251	94,475,585
State and local grants and contracts	41,726,234	41,661,985
Nongovernmental grants and contracts	132,167,327	126,591,358
Recoveries of facilities and administrative costs	33,470,824	31,218,774
Sales and services	30,937,569	30,121,494
Federal appropriations	9,635,954	9,052,157
County appropriations	13,462,384	14,039,375
Hospital services	1,089,109,287	851,763,312
Auxiliary enterprises:		
Housing and dining	17,757,104	17,620,614
Athletics	81,555,842	74,542,816
Other auxiliaries	29,161,909	27,399,135
Other operating revenues	222,757	177,747
Total operating revenues	1,858,960,636	1,583,484,017
OPERATING EXPENSES		
Educational and general:		
Instruction	162,175,308	156,148,826
Research	143,945,167	138,815,260
Public service	102,216,026	96,764,938
Libraries	10,810,211	13,001,605
Academic support	42,360,732	43,488,098
Student services	24,217,460	20,867,904
Institutional support	38,360,119	40,537,655
Operations and maintenance of plant	46,914,322	40,694,026
Student financial aid	114,612,758	110,071,421
Depreciation	39,054,470	35,462,127
Total educational and general	724,666,573	695,851,860
Clinical operations	195,660,526	173,967,899
Hospital services (including depreciation of \$33,749,301 in 2019 and \$32,875,800 in 2018)	841,956,802	748,321,119
Auxiliary enterprises:		
Housing and dining (including depreciation of \$5,650,942 in 2019 and \$6,637,943 in 2018)	13,946,547	13,482,531
Athletics (including depreciation of \$8,446,195 in 2019 and \$9,163,160 in 2018)	77,524,711	78,181,942
Other auxiliaries (including depreciation of \$3,547,602 in 2019 and \$524,575 in 2018)	21,104,135	18,337,480
Other operating expenses	368,086	567,372
Total operating expenses	1,875,227,380	1,728,710,203
Net loss from operations	(16,266,744)	(145,226,186)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	143,581,000	142,172,100
Gifts and non-exchange grants	56,944,565	55,692,077
Investment income (loss)	59,001,523	(16,912,072)
Interest on capital asset-related debt	(22,036,080)	(23,055,486)
Other nonoperating revenues and expenses, net	6,205,772	6,193,112
Net nonoperating revenues (expenses)	243,696,780	164,089,731
Net income before other revenues, expenses, gains or losses	227,430,036	18,863,545
Capital grants and gifts	16,075,639	63,623,631
Additions to permanent endowments	7,459,922	6,211,181
Other, net	(6,565,833)	1,275,192
Total other revenues (expenses)	16,969,728	71,110,004
INCREASE IN NET POSITION	244,399,764	89,973,549
NET POSITION, July 1	4,085,594,515	3,848,268,163
NET POSITION, December 31	\$ 4,329,994,279	\$ 3,938,241,712

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, 2019 AND 2018

	2019			2018	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 554,489,200	\$ 278,568,194	50%	\$ 264,819,665	50%
Federal grants and contracts	217,796,100	101,185,251	46%	94,475,585	45%
State and local grants and contracts	89,462,200	41,726,234	47%	41,661,985	57%
Nongovernmental grants and contracts	304,974,700	132,167,327	43%	126,591,358	43%
Recoveries of facilities and administrative costs	57,000,000	33,470,824	59%	31,218,774	62%
Sales and services	56,518,400	30,937,569	55%	30,121,494	58%
Federal appropriations	18,374,500	9,635,954	52%	9,052,157	49%
County appropriations	35,724,300	13,462,384	38%	14,039,375	48%
Hospital services	1,863,006,000	1,089,109,287	58%	851,763,312	50%
Auxiliary enterprises:					
Housing and dining	29,973,600	17,757,104	59%	17,620,614	65%
Athletics	115,601,100	81,555,842	71%	74,542,816	70%
Other auxiliaries	51,746,600	29,161,909	56%	27,399,135	53%
Total operating revenues	<u>3,394,666,700</u>	<u>1,858,737,879</u>	<u>55%</u>	<u>1,583,306,270</u>	<u>50%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	420,398,200	162,175,308	39%	156,148,826	34%
Research	382,712,200	143,945,167	38%	138,815,260	38%
Public service	244,096,100	102,134,500	42%	96,764,938	47%
Libraries	15,987,000	10,810,211	68%	13,001,605	85%
Academic support	112,605,000	42,360,732	38%	43,488,098	37%
Student services	53,500,400	24,036,651	45%	20,693,838	44%
Institutional support	164,158,300	38,360,119	23%	40,537,655	34%
Operations and maintenance of plant	82,723,200	37,869,308	46%	34,558,680	43%
Student financial aid	238,571,300	114,612,758	48%	110,071,421	51%
Total educational and general	<u>1,714,751,700</u>	<u>676,304,754</u>	<u>39%</u>	<u>654,080,321</u>	<u>40%</u>
Clinical operations	392,291,900	195,660,526	50%	173,967,899	60%
Hospital services	1,626,134,700	799,132,820	49%	708,910,200	45%
Auxiliary enterprises:					
Housing and dining	13,109,700	8,102,627	62%	6,735,747	51%
Athletics	140,353,100	68,949,884	49%	68,360,388	51%
Other auxiliaries	41,221,700	16,356,646	40%	17,170,184	39%
Total operating expenses	<u>3,927,862,800</u>	<u>1,764,507,257</u>	<u>45%</u>	<u>1,629,224,739</u>	<u>44%</u>
Net income (loss) from operations	<u>(533,196,100)</u>	<u>94,230,622</u>	<u>N/A</u>	<u>(45,918,469)</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, 2019 AND 2018

	2019			2018	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(533,196,100)</u>	<u>94,230,622</u>	N/A	<u>(45,918,469)</u>	<u>N/A</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	261,056,400	143,581,000	55%	142,172,100	55%
Gifts and non-exchange grants	105,298,000	56,329,465	53%	55,174,217	54%
Investment income	48,423,600	22,640,437	47%	22,822,637	56%
Other nonoperating revenues and expenses, net	9,970,500	6,205,484	62%	6,192,654	66%
Net nonoperating revenues (expenses)	<u>424,748,500</u>	<u>228,756,386</u>	<u>54%</u>	<u>226,361,608</u>	<u>55%</u>
Net income (loss) before other revenues, expenses, gains or losses	<u>(108,447,600)</u>	<u>322,987,008</u>	N/A	<u>180,443,139</u>	<u>N/A</u>
Capital grants and gifts	11,524,000	16,075,639	139%	23,429,302	224%
Other, net	-	33,242	-	182,531	-
Total other revenues (expenses)	<u>11,524,000</u>	<u>16,108,881</u>	<u>140%</u>	<u>23,611,833</u>	<u>226%</u>
NON-GASB ACTIVITY					
Appropriated fund balance	326,548,700	-	-	-	-
Capital purchases and transfers	(158,191,000)	(77,262,668)	49%	(104,103,678)	68%
Debt service transfers	(88,673,400)	(51,778,162)	58%	(52,415,203)	58%
Noncapital transfers	17,239,300	4,562,301	26%	4,250,690	32%
Total non-GASB current funds activity	<u>96,923,600</u>	<u>(124,478,529)</u>	<u>N/A</u>	<u>(152,268,191)</u>	<u>N/A</u>
INCREASE IN NET POSITION	-	214,617,360		51,786,781	
NET POSITION, July 1		<u>616,787,264</u>		<u>536,013,658</u>	
NET POSITION, December 31		<u>\$ 831,404,624</u>		<u>\$ 587,800,439</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 3,394,666,700	\$ 1,858,737,879	55%	\$ 1,583,306,270	50%
Nonoperating revenues	787,008,600	244,865,267	31%	249,973,441	32%
Total revenues	<u>4,181,675,300</u>	<u>2,103,603,146</u>	<u>50%</u>	<u>1,833,279,711</u>	<u>47%</u>
Operating expenses	3,927,862,800	1,764,507,257	45%	1,629,224,739	44%
Nonoperating expenses and transfers	253,812,500	124,478,529	49%	152,268,191	61%
Total expenses and transfers	<u>4,181,675,300</u>	<u>1,888,985,786</u>	<u>45%</u>	<u>1,781,492,930</u>	<u>45%</u>
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 214,617,360</u>		<u>\$ 51,786,781</u>	



Department of Intercollegiate Athletics
Financial Statements

For the six months ended December 31, 2019

UNIVERSITY OF KENTUCKY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
AN ORGANZATIONAL UNIT OF THE UNIVERSITY OF KENTUCKY
STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 15,423,508	\$ 6,359,641
Accounts receivable, net	51,644,001	49,530,501
Inventories and other assets	4,143,658	3,742,729
Total current assets	<u>71,211,167</u>	<u>59,632,871</u>
Noncurrent Assets		
Restricted cash and cash equivalents	326,856	697,098
Endowment investments	21,627,845	19,731,677
Other long-term investments	335,838	291,925
Accounts receivable, net	261,324,064	275,426,388
Capital assets, net	287,415,925	300,660,559
Total noncurrent assets	<u>571,030,528</u>	<u>596,807,647</u>
Total assets	<u>642,241,695</u>	<u>656,440,518</u>
Deferred Outflows of Resources		
Total assets and deferred outflows of resources	<u>642,342,594</u>	<u>656,569,391</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	7,737,635	8,467,150
Unearned revenue	19,220,631	19,207,510
Due to the University of Kentucky	1,645,099	1,132,319
Long term liabilities - current portion	2,967,180	2,932,570
Total current liabilities	<u>31,570,545</u>	<u>31,739,549</u>
Noncurrent Liabilities		
Unearned revenue	236,500,893	255,700,754
Long term liabilities	101,050,206	109,041,979
Total noncurrent liabilities	<u>337,551,099</u>	<u>364,742,733</u>
Total liabilities	<u>369,121,644</u>	<u>396,482,282</u>
Deferred Inflows of Resources		
Total liabilities and deferred inflows of resources	<u>7,705,730</u>	<u>8,516,859</u>
NET POSITION		
Net investment in capital assets	<u>184,090,559</u>	<u>194,472,271</u>
Restricted		
Nonexpendable		
Scholarships and fellowships	5,942,778	5,883,171
Total restricted nonexpendable	<u>5,942,778</u>	<u>5,883,171</u>
Expendable		
Scholarships and fellowships	23,739,145	22,181,437
Capital projects	15,838,171	1,534,376
Auxiliary	8,657,721	8,079,253
Total restricted expendable	<u>48,235,037</u>	<u>31,795,066</u>
Total restricted	<u>54,177,815</u>	<u>37,678,237</u>
Unrestricted	<u>27,246,846</u>	<u>19,419,742</u>
Total net position	<u>\$ 265,515,220</u>	<u>\$ 251,570,250</u>

UNIVERSITY OF KENTUCKY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
AN ORGANIZATIONAL UNIT OF THE UNIVERSITY OF KENTUCKY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Sports:		
Football	\$ 35,308,359	\$ 30,836,710
Basketball	23,251,227	21,701,083
Other sports	602,845	633,677
Total sports	<u>59,162,431</u>	<u>53,171,470</u>
Sport camps	2,154,713	1,923,212
Facilities and operations	342,311	163,542
Other operating revenues, primarily media rights and sponsorships	19,896,386	19,284,593
Total operating revenues	<u>81,555,841</u>	<u>74,542,817</u>
OPERATING EXPENSES		
Sports:		
Football	16,838,736	15,665,963
Basketball	8,846,138	9,248,145
Other sports	13,420,877	13,545,664
Total sports	<u>39,105,751</u>	<u>38,459,772</u>
Sport camps	2,147,593	1,928,060
Facilities and operations	7,651,927	8,846,145
Administrative and general	18,695,008	18,489,193
Depreciation	8,446,195	9,142,584
Total operating expenses	<u>76,046,474</u>	<u>76,865,754</u>
Net income (loss) from operations	<u>5,509,367</u>	<u>(2,322,937)</u>
NONOPERATING REVENUES (EXPENSES)		
Royalties/license fees	1,727,017	1,669,808
Gifts	12,301,328	11,387,078
Investment income (loss)	845,483	(325,810)
Interest on capital asset-related debt	(2,102,109)	(2,134,562)
Grants (to) from the University of Kentucky for non-capital purposes	(3,699,815)	1,471,378
Net nonoperating revenues (expenses)	<u>9,071,904</u>	<u>12,067,892</u>
Net income before other revenues, expenses, gains, or losses	<u>14,581,271</u>	<u>9,744,955</u>
Capital grants and gifts	5,938,076	6,268,851
Additions to permanent endowments	43,557	37,275
Grants from the University of Kentucky for capital purposes	-	1,335,959
Other, net	121,000	114,679
Total other revenues (expenses)	<u>6,102,633</u>	<u>7,756,764</u>
Increase in net position	20,683,904	17,501,719
NET POSITION, July 1	<u>244,831,316</u>	<u>234,068,531</u>
NET POSITION, December 31	<u>\$ 265,515,220</u>	<u>\$ 251,570,250</u>

UNIVERSITY OF KENTUCKY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
AN ORGANIZATIONAL UNIT OF THE UNIVERSITY OF KENTUCKY
SCHEDULE OF UNRESTRICTED FUNDS REVENUES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
WITH COMPARATIVE FIGURES FROM DECEMBER 31, 2018

	2019			2018	
	Budget	Realized	%	Realized	%
Football					
Ticket sales	\$ 15,000,000	\$ 15,965,649	106	\$ 14,130,933	109
TV/Broadcasting	22,955,000	15,726,750	69	13,170,000	61
Other income	3,350,000	3,968,960	118	3,535,777	100
Total football	<u>41,305,000</u>	<u>35,661,359</u>	86	<u>30,836,710</u>	81
Basketball					
Ticket sales	22,000,000	20,445,852	93	19,289,368	88
TV/Broadcasting	6,540,000	1,281,454	20	1,149,343	19
Other income	1,270,000	1,170,922	92	1,262,372	71
Total basketball	<u>29,810,000</u>	<u>22,898,228</u>	77	<u>21,701,083</u>	73
Other sports					
Income from other sports	<u>1,054,000</u>	<u>602,845</u>	57	<u>633,677</u>	60
Total other sports	<u>1,054,000</u>	<u>602,845</u>	57	<u>633,677</u>	60
Sport camps					
Income from sport camps	<u>2,500,000</u>	<u>2,154,713</u>	86	<u>1,923,212</u>	77
Total other auxiliaries	<u>2,500,000</u>	<u>2,154,713</u>	86	<u>1,923,212</u>	77
Administrative and general					
Administrative support	1,798,000	851,791	47	836,983	19
External operations	72,028,790	32,809,803	46	31,251,244	48
Facilities and operations	7,976,370	342,312	4	5,031,800	71
Total administration	<u>81,803,160</u>	<u>34,003,906</u>	42	<u>37,120,027</u>	49
Total revenues	<u>\$ 156,472,160</u>	<u>\$ 95,321,051</u>	61	<u>\$ 92,214,709</u>	63

UNIVERSITY OF KENTUCKY DEPARTMENT OF INTERCOLLEGIATE ATHLETICS
AN ORGANIZATIONAL UNIT OF THE UNIVERSITY OF KENTUCKY
SCHEDULE OF UNRESTRICTED FUNDS EXPENDITURES
FOR THE SIX MONTHS ENDED DECEMBER 31, 2019
WITH COMPARATIVE FIGURES FROM DECEMBER 31, 2018

	2019			2018	
	Budget	Expended	%	Expended	%
Football					
Salaries and wages	\$ 13,487,109	\$ 7,288,708	54	\$ 7,216,603	59
Other	17,097,081	9,575,398	56	8,529,166	51
Total football	<u>30,584,190</u>	<u>16,864,106</u>	55	<u>15,745,769</u>	54
Basketball					
Salaries and wages	12,109,871	5,566,898	46	5,580,749	44
Other	9,777,163	3,297,235	34	3,678,949	38
Total basketball	<u>21,887,034</u>	<u>8,864,133</u>	40	<u>9,259,698</u>	41
Other sports					
Salaries and wages	11,063,650	5,124,716	46	5,047,185	49
Other	21,031,756	8,414,079	40	8,512,700	42
Total other sports	<u>32,095,406</u>	<u>13,538,795</u>	42	<u>13,559,885</u>	44
Sport camps					
Salaries and wages	1,428,000	1,104,010	77	1,023,176	72
Other	1,072,000	1,043,583	97	904,884	84
Total sport camps	<u>2,500,000</u>	<u>2,147,593</u>	86	<u>1,928,060</u>	77
Administration and general					
Administrative support	20,915,235	10,584,237	51	10,581,926	54
External operations	14,888,995	6,997,841	47	7,433,869	68
Support services	11,206,943	5,973,493	53	5,103,633	48
Facilities and operations	15,569,257	7,976,296	51	13,287,786	90
Debt service - Kroger Field	6,341,100	2,043,520	32	2,067,768	33
Debt service - Memorial Coliseum	484,000	428,860	89	415,236	86
Total administration	<u>69,405,530</u>	<u>34,004,247</u>	49	<u>38,890,218</u>	59
Total expenditures	<u>\$ 156,472,160</u>	<u>\$ 75,418,874</u>	48	<u>\$ 79,383,630</u>	53