

# FCR 3

Office of the President  
June 17, 2021

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT  
FOR THE NINE MONTHS ENDED MARCH 31, 2021

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 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.

As of March 31, 2021, the university has recognized \$3,402,758,152 of current funds revenue representing 70 percent of the FY 2020-21 approved budget of \$4,831,404,000. Expenses and transfers total \$3,096,326,124 or 64 percent of the approved budget.

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



Consolidated  
Financial Statements

For the nine months ended March 31, 2021

UNIVERSITY OF KENTUCKY  
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY  
STATEMENTS OF NET POSITION<sup>1</sup>  
MARCH 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 968,271,952	\$ 940,126,632
Notes, loans and accounts receivable, net	616,022,944	517,096,414
Inventories and other assets	66,420,671	55,404,112
Total current assets	<u>1,650,715,567</u>	<u>1,512,627,158</u>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	177,927,226	222,870,988
Endowment investments	1,662,160,732	1,260,215,108
Other long-term investments	447,590,588	263,891,126
Notes, loans and accounts receivable, net	329,150,358	369,900,759
Other noncurrent assets	2,991,933	2,870,618
Capital assets, net	3,430,016,201	3,361,766,283
Total noncurrent assets	<u>6,049,837,038</u>	<u>5,481,514,882</u>
Total assets	<u>7,700,552,605</u>	<u>6,994,142,040</u>
<b>Deferred Outflows of Resources</b>		
	<u>24,774,631</u>	<u>27,815,714</u>
Total assets and deferred outflows of resources	<u>7,725,327,236</u>	<u>7,021,957,754</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	305,191,510	254,421,607
Unearned revenue	189,689,791	142,121,346
Long-term liabilities - current portion	84,334,995	73,652,247
Total current liabilities	<u>579,216,296</u>	<u>470,195,200</u>
<b>Noncurrent Liabilities</b>		
Unearned revenue	212,799,331	232,049,886
Long-term liabilities	1,295,038,551	1,474,317,108
Total noncurrent liabilities	<u>1,507,837,882</u>	<u>1,706,366,994</u>
Total liabilities	<u>2,087,054,178</u>	<u>2,176,562,194</u>
<b>Deferred Inflows of Resources</b>		
	<u>558,418,436</u>	<u>525,554,982</u>
Total liabilities and deferred inflows of resources	<u>2,645,472,614</u>	<u>2,702,117,176</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>		
	<u>1,906,960,179</u>	<u>1,867,231,957</u>
<b>Restricted</b>		
Nonexpendable		
Scholarships and fellowships	195,409,001	181,695,241
Research	291,518,323	289,299,044
Instruction	84,390,742	82,392,145
Academic support	86,800,184	86,039,542
Other	14,635,138	14,010,758
Total restricted nonexpendable	<u>672,753,388</u>	<u>653,436,730</u>
Expendable		
Scholarships and fellowships	122,623,437	67,627,118
Research	113,246,734	49,393,900
Instruction	67,614,723	41,707,498
Academic support	138,053,828	95,781,220
Loans	10,651,210	8,644,703
Capital projects	75,990,703	75,703,139
Debt service	22,384,175	16,696,789
Auxiliary	40,977,754	37,904,794
Other	68,638,348	38,468,940
Total restricted expendable	<u>660,180,912</u>	<u>431,928,101</u>
Total restricted	<u>1,332,934,300</u>	<u>1,085,364,831</u>
<b>Unrestricted</b>		
	<u>1,839,960,143</u>	<u>1,367,243,790</u>
Total net position	<u>\$ 5,079,854,622</u>	<u>\$ 4,319,840,578</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 NINE MONTHS ENDED MARCH 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 504,427,333	\$ 530,339,058
Federal grants and contracts	177,688,220	156,513,329
State and local grants and contracts	84,806,607	76,202,154
Nongovernmental grants and contracts	166,328,553	191,562,759
Recoveries of facilities and administrative costs	52,820,841	49,944,179
Sales and services	48,295,749	47,306,552
Federal appropriations	14,118,799	13,846,007
County appropriations	19,532,007	20,504,688
Hospital services	1,819,318,610	1,640,768,364
Auxiliary enterprises:		
Housing and dining	21,713,186	25,777,354
Athletics	92,804,766	104,999,781
Other auxiliaries	35,499,714	46,102,473
Other operating revenues	246,668	354,104
Total operating revenues	<u>3,037,601,053</u>	<u>2,904,220,802</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	234,456,731	256,655,699
Research	224,442,942	221,232,591
Public service	156,716,428	155,642,023
Libraries	17,834,448	19,368,038
Academic support	58,835,405	64,540,369
Student services	42,410,347	36,069,123
Institutional support	49,346,427	51,675,776
Operations and maintenance of plant	64,828,033	65,934,950
Student financial aid	219,523,588	223,790,281
Depreciation	63,840,307	58,160,904
Total educational and general	<u>1,132,234,656</u>	<u>1,153,069,754</u>
Clinical operations	275,312,384	286,872,447
Hospital services (including depreciation of \$54,727,821 in 2021 and \$50,410,993 in 2020)	1,400,270,179	1,279,659,982
Auxiliary enterprises:		
Housing and dining (including depreciation of \$3,279,401 in 2021 and \$8,475,421 in 2020)	18,959,079	22,356,901
Athletics (including depreciation of \$13,429,541 in 2021 and \$12,613,391 in 2020)	97,343,033	117,590,616
Other auxiliaries (including depreciation of \$5,556,054 in 2021 and \$5,506,994 in 2020)	24,053,611	35,523,993
Other operating expenses	2,566,283	2,823,057
Total operating expenses	<u>2,950,739,225</u>	<u>2,897,896,750</u>
Net income from operations	<u>86,861,828</u>	<u>6,324,052</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	212,184,700	208,845,100
Gifts and non-exchange grants	103,543,227	99,401,113
Investment income (loss)	243,754,086	(87,607,315)
Interest on capital asset-related debt	(28,446,976)	(32,710,018)
Other nonoperating revenues and expenses, net	6,071,623	9,284,911
Net nonoperating revenues (expenses)	<u>537,106,660</u>	<u>197,213,791</u>
Net income before other revenues, expenses, gains or losses	<u>623,968,488</u>	<u>203,537,843</u>
Capital grants and gifts	24,899,291	25,280,782
Additions to permanent endowments	12,440,137	11,536,507
Other, net	(623,632)	(6,109,069)
Total other revenues (expenses)	<u>36,715,796</u>	<u>30,708,220</u>
<b>INCREASE IN NET POSITION</b>	<u>660,684,284</u>	<u>234,246,063</u>
<b>NET POSITION, July 1</b>	<u>4,419,170,338</u>	<u>4,085,594,515</u>
<b>NET POSITION, March 31</b>	<u>\$ 5,079,854,622</u>	<u>\$ 4,319,840,578</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 NINE MONTHS ENDED MARCH 31, 2021 AND 2020**

	2021			2020	
	Budget	Actual	%	Actual	%
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 527,757,100	\$ 504,427,333	96%	\$ 530,339,058	96%
Federal grants and contracts	254,048,000	177,688,220	70%	156,513,329	72%
State and local grants and contracts	117,858,400	84,806,607	72%	76,202,154	85%
Nongovernmental grants and contracts	327,378,400	166,328,553	51%	191,562,759	63%
Recoveries of facilities and administrative costs	59,000,000	52,820,841	90%	49,944,179	88%
Sales and services	58,042,300	48,295,749	83%	47,306,552	84%
Federal appropriations	19,179,000	14,118,799	74%	13,846,007	75%
County appropriations	37,696,200	19,532,007	52%	20,504,688	57%
Hospital services	2,438,035,900	1,819,318,610	75%	1,640,768,364	76%
Auxiliary enterprises:					
Housing and dining	22,531,500	21,713,186	96%	25,777,354	86%
Athletics	109,623,600	92,804,766	85%	104,999,781	91%
Other auxiliaries	47,052,000	35,499,714	75%	46,102,473	89%
Total operating revenues	<u>4,018,202,400</u>	<u>3,037,354,385</u>	<u>76%</u>	<u>2,903,866,698</u>	<u>79%</u>
<b>OPERATING EXPENSES</b>					
Educational and general:					
Instruction	373,843,400	234,456,731	63%	256,655,699	67%
Research	493,094,600	224,442,942	46%	221,232,591	54%
Public service	245,608,600	156,716,428	64%	155,560,498	61%
Libraries	17,919,500	17,834,448	100%	19,368,038	103%
Academic support	104,906,900	58,835,405	56%	64,540,369	51%
Student services	62,542,100	42,244,723	68%	35,852,075	59%
Institutional support	122,755,800	49,328,771	40%	51,675,776	38%
Operations and maintenance of plant	78,267,800	50,862,945	65%	53,205,590	63%
Student financial aid	241,318,400	219,523,588	91%	223,790,281	93%
Total educational and general	<u>1,740,257,100</u>	<u>1,054,245,981</u>	<u>61%</u>	<u>1,081,880,917</u>	<u>63%</u>
Clinical operations	445,649,200	275,312,384	62%	286,872,447	73%
Hospital services	2,189,725,300	1,334,030,342	61%	1,216,466,766	63%
Auxiliary enterprises:					
Housing and dining	11,420,400	11,245,010	98%	13,596,226	104%
Athletics	133,011,300	83,011,271	62%	104,847,961	75%
Other auxiliaries	42,795,300	17,516,983	41%	28,562,491	70%
Total operating expenses	<u>4,562,858,600</u>	<u>2,775,361,971</u>	<u>61%</u>	<u>2,732,226,808</u>	<u>65%</u>
Net income (loss) from operations	<u>(544,656,200)</u>	<u>261,992,414</u>	<u>N/A</u>	<u>171,639,890</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 NINE MONTHS ENDED MARCH 31, 2021 AND 2020**

	2021			2020	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(544,656,200)</u>	<u>261,992,414</u>	<u>N/A</u>	<u>171,639,890</u>	<u>N/A</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	265,230,800	212,184,700	80%	208,845,100	80%
Gifts and non-exchange grants	99,907,700	101,612,115	102%	96,782,569	92%
Investment income	28,382,400	22,511,371	79%	33,346,154	69%
Other nonoperating revenues and expenses, net	7,763,100	6,074,321	78%	9,284,522	93%
Net nonoperating revenues (expenses)	<u>401,284,000</u>	<u>342,382,507</u>	<u>85%</u>	<u>348,258,345</u>	<u>82%</u>
Net income (loss) before other revenues, expenses, gains or losses	<u>(143,372,200)</u>	<u>604,374,921</u>	<u>N/A</u>	<u>519,898,235</u>	<u>N/A</u>
Capital grants and gifts	11,024,100	22,371,056	203%	22,671,357	197%
Other, net	-	650,204	-	634,350	-
Total other revenues (expenses)	<u>11,024,100</u>	<u>23,021,260</u>	<u>209%</u>	<u>23,305,707</u>	<u>202%</u>
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	380,855,700	-	-	-	-
Capital purchases and transfers	(167,874,600)	(175,745,526)	105%	(100,627,844)	63%
Debt service transfers	(92,379,300)	(82,104,452)	89%	(77,191,639)	87%
Noncapital transfers	11,746,300	(63,114,175)	-537%	9,441,815	55%
Total non-GASB current funds activity	<u>132,348,100</u>	<u>(320,964,153)</u>	<u>N/A</u>	<u>(168,377,668)</u>	<u>N/A</u>
<b>INCREASE IN NET POSITION</b>	-	306,432,028		374,826,274	
<b>NET POSITION, July 1</b>		<u>1,023,363,535</u>		<u>616,787,264</u>	
<b>NET POSITION, March 31</b>		<u>\$ 1,329,795,563</u>		<u>\$ 991,613,538</u>	
<b>RECONCILIATION TO ANNUAL BUDGET</b>					
Operating revenues	\$ 4,018,202,400	\$ 3,037,354,385	76%	\$ 2,903,866,698	79%
Nonoperating revenues	813,201,600	365,403,767	45%	371,561,052	47%
Total revenues	<u>4,831,404,000</u>	<u>3,402,758,152</u>	<u>70%</u>	<u>3,275,427,750</u>	<u>73%</u>
Operating expenses	4,562,858,600	2,775,361,971	61%	2,732,226,808	65%
Nonoperating expenses and transfers	268,545,400	320,964,153	120%	168,377,668	66%
Total expenses and transfers	<u>4,831,404,000</u>	<u>3,096,326,124</u>	<u>64%</u>	<u>2,900,604,476</u>	<u>65%</u>
<b>INCREASE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 306,432,028</u>		<u>\$ 374,823,274</u>	