

# FCR 5

Office of the President  
June 17, 2022

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT  
FOR THE NINE MONTHS ENDED MARCH 31, 2022

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2022.

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 March 31, 2022, the university has recognized \$3.96 billion of current funds revenue representing 78 percent of the 2021-22 approved budget of \$5.07 billion. Expenses and transfers total \$3.54 billion or 70 percent of the approved budget.

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



## Consolidated Financial Statements

For the nine months ended March 31, 2022

UNIVERSITY OF KENTUCKY  
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY  
STATEMENTS OF NET POSITION<sup>1</sup>  
MARCH 31, 2022 AND 2021

	2022	2021
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,081,059,617	\$ 968,271,952
Notes, loans and accounts receivable, net	850,731,331	615,207,788
Inventories and other assets	74,121,981	67,235,827
Total current assets	<u>2,005,912,929</u>	<u>1,650,715,567</u>
<b>Noncurrent Assets</b>		
Restricted cash and cash equivalents	196,023,812	177,927,226
Endowment investments	1,871,731,432	1,662,160,732
Other long-term investments	492,802,907	456,632,041
Notes, loans and accounts receivable, net	288,142,756	329,150,358
Other noncurrent assets	3,924,764	2,991,933
Capital assets, net	3,422,280,590	3,430,016,201
Total noncurrent assets	<u>6,274,906,261</u>	<u>6,058,878,491</u>
Total assets	<u>8,280,819,190</u>	<u>7,709,594,058</u>
<b>Deferred Outflows of Resources</b>		
Total assets and deferred outflows of resources	<u>8,309,852,530</u>	<u>7,734,368,689</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	347,511,891	287,453,328
Unearned revenue	134,582,771	189,689,791
Long-term liabilities - current portion	94,809,604	84,334,995
Total current liabilities	<u>576,904,266</u>	<u>561,478,114</u>
<b>Noncurrent Liabilities</b>		
Unearned revenue	193,309,911	212,799,331
Long-term liabilities	1,265,169,758	1,326,513,474
Total noncurrent liabilities	<u>1,458,479,669</u>	<u>1,539,312,805</u>
Total liabilities	<u>2,035,383,935</u>	<u>2,100,790,919</u>
<b>Deferred Inflows of Resources</b>		
Total liabilities and deferred inflows of resources	<u>2,544,866,731</u>	<u>2,659,209,355</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>		
<b>Restricted</b>		
Nonexpendable		
Scholarships and fellowships	215,308,674	195,409,001
Research	293,641,280	291,518,323
Instruction	86,361,668	84,390,742
Academic support	87,761,929	86,800,184
Other	15,420,410	14,635,138
Total restricted nonexpendable	<u>698,493,961</u>	<u>672,753,388</u>
Expendable		
Scholarships and fellowships	154,875,445	122,623,437
Research	161,233,374	113,246,734
Instruction	83,960,590	67,614,723
Academic support	155,694,273	138,053,828
Loans	10,158,010	10,651,210
Capital projects	86,255,773	75,990,703
Debt service	24,170,717	22,384,175
Auxiliary	49,975,577	40,977,754
Other	89,272,122	68,638,348
Total restricted expendable	<u>815,595,881</u>	<u>660,180,912</u>
Total restricted	<u>1,514,089,842</u>	<u>1,332,934,300</u>
<b>Unrestricted</b>		
Total net position	<u>\$ 5,764,985,799</u>	<u>\$ 5,075,159,334</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, 2022 AND 2021**

	2022	2021
<b>OPERATING REVENUES</b>		
Student tuition and fees	\$ 540,428,099	\$ 504,427,333
Federal grants and contracts	220,914,124	177,688,220
State and local grants and contracts	86,955,432	84,806,607
Nongovernmental grants and contracts	272,944,433	166,328,553
Recoveries of facilities and administrative costs	65,073,421	52,820,841
Sales and services	59,600,526	48,295,749
Federal appropriations	12,068,025	14,118,799
County appropriations	20,361,134	19,532,007
Hospital services	2,071,865,584	1,819,318,610
Auxiliary enterprises:		
Housing and dining	22,923,771	21,713,186
Athletics	107,987,943	92,804,766
Other auxiliaries	39,612,009	35,499,714
Other operating revenues	315,299	246,668
Total operating revenues	3,521,049,800	3,037,601,053
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	248,506,130	234,456,731
Research	249,221,637	224,442,942
Public service	198,304,405	156,716,428
Libraries	18,547,344	17,834,448
Academic support	64,175,689	58,835,405
Student services	42,699,920	42,410,347
Institutional support	36,032,230	49,346,427
Operations and maintenance of plant	65,936,805	64,828,033
Student financial aid	227,599,219	219,523,588
Depreciation	70,000,170	63,840,307
Total educational and general	1,221,023,549	1,132,234,656
Clinical operations	334,289,835	280,007,672
Hospital services (including depreciation of \$64,981,946 in 2022 and \$54,727,821 in 2021)	1,721,289,746	1,405,182,898
Auxiliary enterprises:		
Housing and dining (including depreciation of \$8,152,418 in 2022 and \$7,553,430 in 2021)	20,679,068	18,959,079
Athletics (including depreciation of \$12,705,349 in 2022 and \$13,429,541 in 2021)	121,570,937	97,343,033
Other auxiliaries (including depreciation of \$5,613,838 in 2022 and \$5,556,054 in 2021)	27,001,659	19,140,892
Other operating expenses	3,022,346	2,566,283
Total operating expenses	3,448,877,140	2,955,434,513
Net income from operations	72,172,660	82,166,540
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State appropriations	217,053,800	212,184,700
COVID-19 funding	69,094,002	17,683,780
Gifts and non-exchange grants	112,340,434	85,859,447
Investment income (loss)	(3,674,203)	243,754,086
Interest on capital asset-related debt	(27,313,782)	(28,446,976)
Other nonoperating revenues and expenses, net	(41,812,192)	6,071,623
Net nonoperating revenues	325,688,059	537,106,660
Net income before other revenues, expenses, gains or losses	397,860,719	619,273,200
Capital grants and gifts	25,558,122	24,899,291
Additions to permanent endowments	16,844,946	12,440,137
Other, net	34,331,115	(623,632)
Total other revenues	76,734,183	36,715,796
<b>INCREASE IN NET POSITION</b>	474,594,902	655,988,996
<b>NET POSITION, July 1</b>	5,290,390,897	4,419,170,338
<b>NET POSITION, March 31</b>	\$ 5,764,985,799	\$ 5,075,159,334

<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**  
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**CURRENT FUNDS**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2022 AND 2021**

	2022			2021	
	Budget	Actual	%	Actual	%
<b>OPERATING REVENUES</b>					
Student tuition and fees	\$ 544,603,100	\$ 540,428,099	99%	\$ 504,427,333	96%
Federal grants and contracts	280,127,000	220,914,124	79%	177,688,220	70%
State and local grants and contracts	119,702,500	86,955,432	73%	84,806,607	72%
Nongovernmental grants and contracts	408,885,900	272,944,433	67%	166,328,553	51%
Recoveries of facilities and administrative costs	62,000,000	65,073,421	105%	52,820,841	90%
Sales and services	68,313,900	59,600,526	87%	48,295,749	83%
Federal appropriations	19,033,000	12,068,025	63%	14,118,799	74%
County appropriations	35,879,800	20,361,134	57%	19,532,007	52%
Hospital services	2,494,552,400	2,071,865,584	83%	1,819,318,610	75%
Auxiliary enterprises:					
Housing and dining	39,171,600	22,923,771	59%	21,713,186	96%
Athletics	113,144,100	107,987,943	95%	92,804,766	85%
Other auxiliaries	47,796,400	39,612,009	83%	35,499,714	75%
Total operating revenues	<u>4,233,209,700</u>	<u>3,520,734,501</u>	<u>83%</u>	<u>3,037,354,385</u>	<u>76%</u>
<b>OPERATING EXPENSES</b>					
Educational and general:					
Instruction	393,870,100	248,506,130	63%	234,456,731	63%
Research	484,973,800	249,175,151	51%	224,442,942	47%
Public service	260,404,800	198,304,405	76%	156,716,428	64%
Libraries	17,825,900	18,547,344	104%	17,834,448	100%
Academic support	130,636,300	64,175,689	49%	58,835,405	56%
Student services	69,481,000	42,545,115	61%	42,244,723	68%
Institutional support	114,751,400	36,031,755	31%	49,328,771	40%
Operations and maintenance of plant	89,346,800	55,273,398	62%	50,862,945	65%
Student financial aid	245,588,700	227,599,219	93%	219,523,588	91%
Total educational and general	<u>1,806,878,800</u>	<u>1,140,158,206</u>	<u>63%</u>	<u>1,054,245,981</u>	<u>61%</u>
Clinical operations	548,142,000	334,289,835	61%	280,007,672	63%
Hospital services	2,246,961,700	1,637,507,059	73%	1,338,943,060	61%
Auxiliary enterprises:					
Housing and dining	24,351,000	12,402,082	51%	11,245,010	98%
Athletics	142,928,200	107,311,004	75%	83,011,271	62%
Other auxiliaries	29,729,000	19,834,713	67%	12,604,264	43%
Total operating expenses	<u>4,798,990,700</u>	<u>3,251,502,899</u>	<u>68%</u>	<u>2,780,057,258</u>	<u>61%</u>
Net income (loss) from operations	<u>(565,781,000)</u>	<u>269,231,602</u>	<u>N/A</u>	<u>257,297,127</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, 2022 AND 2021**

	2022			2021	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(565,781,000)</u>	<u>269,231,602</u>	<u>N/A</u>	<u>257,297,127</u>	<u>N/A</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
State appropriations	271,317,200	217,053,800	80%	212,184,700	80%
COVID-19 funding	-	69,094,002	100%	17,683,780	100%
Gifts and non-exchange grants	99,975,400	110,383,420	110%	83,928,335	84%
Investment income	36,755,100	11,704,177	32%	22,511,371	79%
Other nonoperating revenues and expenses, net	<u>7,958,500</u>	<u>(41,812,975)</u>	<u>-525%</u>	<u>6,074,321</u>	<u>78%</u>
Net nonoperating revenues	<u>416,006,200</u>	<u>366,422,424</u>	<u>88%</u>	<u>342,382,507</u>	<u>85%</u>
Net income (loss) before other revenues, expenses, gains or losses	<u>(149,774,800)</u>	<u>635,654,026</u>	<u>N/A</u>	<u>599,679,634</u>	<u>N/A</u>
Capital grants and gifts	10,751,300	25,022,305	233%	22,371,056	203%
Other, net	-	8,167,141	-	650,204	-
Total other revenues	<u>10,751,300</u>	<u>33,189,446</u>	<u>309%</u>	<u>23,021,260</u>	<u>209%</u>
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	384,615,100	-	-	-	-
Capital purchases and transfers	(168,261,600)	(155,302,949)	92%	(175,745,526)	95%
Debt service transfers	(91,971,300)	(81,777,579)	89%	(82,104,452)	89%
Noncapital transfers	<u>14,641,300</u>	<u>(13,897,192)</u>	<u>-95%</u>	<u>(63,114,175)</u>	<u>-537%</u>
Total non-GASB current funds activity	<u>139,023,500</u>	<u>(250,977,720)</u>	<u>N/A</u>	<u>(320,964,153)</u>	<u>N/A</u>
<b>INCREASE IN NET POSITION</b>	-	417,865,752		301,736,741	
<b>NET POSITION, July 1</b>		<u>1,304,227,022</u>		<u>1,023,363,535</u>	
<b>NET POSITION, March 31</b>		<u>\$ 1,722,092,774</u>		<u>\$ 1,325,100,276</u>	
<b>RECONCILIATION TO ANNUAL BUDGET</b>					
Operating revenues	\$ 4,233,209,800	\$ 3,520,734,501	83%	\$ 3,037,354,385	76%
Nonoperating revenues and transfers	<u>840,655,400</u>	<u>441,424,845</u>	<u>53%</u>	<u>365,403,767</u>	<u>45%</u>
Total revenues	<u>5,073,865,200</u>	<u>3,962,159,346</u>	<u>78%</u>	<u>3,402,758,152</u>	<u>70%</u>
Operating expenses	4,798,990,700	3,251,502,899	68%	2,780,057,258	61%
Nonoperating expenses and transfers	<u>274,874,500</u>	<u>292,790,695</u>	<u>107%</u>	<u>320,964,153</u>	<u>120%</u>
Total expenses and transfers	<u>5,073,865,200</u>	<u>3,544,293,594</u>	<u>70%</u>	<u>3,101,021,411</u>	<u>64%</u>
<b>INCREASE IN NET POSITION</b>	<u>\$ -</u>	<u>\$ 417,865,752</u>		<u>\$ 301,736,741</u>	