### FCR 7

Office of the President December 15, 2020

Members, Board of Trustees:

#### ACCEPTANCE OF INTERIM FINANCIAL REPORT FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020

<u>Recommendation</u>: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 2020.

<u>Background</u>: 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 September 30, 2020, the university has recognized \$1,207,748,440 of current funds revenue representing 27 percent of the 2020-21 approved budget of \$4,429,389,500. Expenses and transfers total \$999,466,332 or 23 percent of the approved budget.

| Action taken: | MApproved | ☐ Disapproved | ☐ Othe <u>r</u> |  |
|---------------|-----------|---------------|-----------------|--|



### Consolidated Financial Statements

For the three months ended September 30, 2020

#### UNIVERSITY OF KENTUCKY A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY STATEMENTS OF NET POSITION<sup>1</sup> SEPTEMBER 30, 2020 AND 2019

|   | 2020             | 2019             |
|---|------------------|------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES           |                  |                  |
| Current Assets                                      |                  |                  |
| Cash and cash equivalents                           | \$ 1,068,399,692 | \$ 600,532,524   |
| Notes, loans and accounts receivable, net           | 509,491,695      | 473,247,715      |
| Inventories and other assets                        | 90,900,623       | 80,129,273       |
| Total current assets                                | 1,668,792,010    | 1,153,909,512    |
| Noncurrent Assets                                   |                  |                  |
| Restricted cash and cash equivalents                | 179,049,022      | 239,732,720      |
| Endowment investments                               | 1,405,331,204    | 1,381,207,760    |
| Other long-term investments                         | 351,277,328      | 327,214,237      |
| Notes, loans and accounts receivable, net           | 345,496,319      | 400,813,013      |
| Other noncurrent assets                             | 3,095,938        | 2,974,631        |
| Capital assets, net                                 | 3,411,711,145    | 3,349,892,522    |
| Total noncurrent assets                             | 5,695,960,956    | 5,701,834,883    |
| Total assets  | 7,364,752,966    | 6,855,744,395    |
| Deferred Outflows of Resources                      | 23,738,616       | 25,779,476       |
| Total assets and deferred outflows of resources     | 7,388,491,582    | 6,881,523,871    |
| LIABILITIES AND DEFERRED INFLOWS OF RESOURCES       |                  |                  |
| Current Liabilities                                 |                  |                  |
| Accounts payable and accrued liabilities            | 311,265,874      | 256,874,379      |
| Unearned revenue                                    | 175,193,687      | 145,948,499      |
| Long-term liabilities - current portion             | 84,554,574       | 77,219,229       |
| Total current liabilities                           | 571,014,135      | 480,042,107      |
| Noncurrent Liabilities                              |                  |                  |
| Unearned revenue                                    | 222,416,946      | 241,668,567      |
| Long-term liabilities                               | 1,330,240,346    | 1,444,959,866    |
| Total noncurrent liabilities                        | 1,552,657,292    | 1,686,628,433    |
| Total liabilities                                   | 2,123,671,427    | 2,166,670,540    |
| Deferred Inflows of Resources                       | 574,655,353      | 532,649,781      |
| Total liabilities and deferred inflows of resources | 2,698,326,780    | 2,699,320,321    |
| NET POSITION  |                  |                  |
| Net investment in capital assets                    | 1,904,300,982    | 1,856,868,164    |
| Restricted  |                  |                  |
| Nonexpendable                                       |                  |                  |
| Scholarships and fellowships                        | 187,342,044      | 175,366,113      |
| Research  | 290,258,852      | 286,194,259      |
| Instruction   | 83,584,798       | 81,647,541       |
| Academic support                                    | 86,436,134       | 86,000,933       |
| Other   | 14,123,152       | 13,860,844       |
| Total restricted nonexpendable                      | 661,744,980      | 643,069,690      |
| Expendable  |                  |                  |
| Scholarships and fellowships                        | 90,551,309       | 92,603,857       |
| Research  | 75,424,023       | 91,169,001       |
| Instruction   | 51,914,230       | 54,073,102       |
| Academic support                                    | 117,305,666      | 102,045,391      |
| Loans   | 11,467,995       | 12,462,036       |
| Capital projects                                    | 63,832,812       | 74,277,946       |
| Debt service  | 30,536,726       | 30,524,721       |
| Auxiliary   | 37,865,967       | 45,876,048       |
| Other   | 50,691,656       | 49,484,016       |
| Total restricted expendable                         | 529,590,384      | 552,516,118      |
| Total restricted                                    | 1,191,335,364    | 1,195,585,808    |
| Unrestricted  | 1,594,528,456    | 1,129,749,578    |
| Total net position                                  | \$ 4,690,164,802 | \$ 4,182,203,550 |

<sup>&</sup>lt;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 THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

| Poperating Revenues  | FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019                                   |    |               |    |               |
|--|--|----|---------------|----|---------------|
| Student fution and fees         \$ 264,912,081         \$ 270,122,075           Federal grants and contracts         50,218,482         50,088,657           Consider and local grants and contracts         40,085,241         60,084,127           Recoveries of facilities and administrative costs         16,817,086         16,866,624           Sales and services         16,817,086         6,085,543         6,085,241           Federal appropriations         6,055,593         6,088,545           County appropriations         606,007,388         436,399,561           Housing and dining         7,351,311         8,308,168,80           Abiticis         17,111,927         22,035,80           Other operating revenues         17,811,927         22,035,80           Other operating revenues         17,811,927         22,035,80           Other operating revenues         17,811,927         22,035,80           Other operating revenues         18,822         18,822         18,822           Educational and general:         18,922         18,822         18,822           Educational and general:         18,922         18,922         18,922           Libraries         22,925,456         22,931,462         18,932         18,935         22,935,935         20,933 <t< th=""><th></th><th></th><th>2020</th><th></th><th>2019</th></t<>   |  |    | 2020          |    | 2019          |
| Federal grants and contracts         50,218,482         50,088,587           Nongovernmental grants and contracts         46,085,241         60,43,727           Recoveries of facilities and administrative costs         11,648,303         15,062,543           Federal appropriations         6,505,593         6,095,554           County appropriations         6,505,593         436,389,561           Availary enterprises   |  | •  | 004 040 004   | •  | 070 400 075   |
| State and local grants and contracts         29,527,185         20,684,487           Nongovernmental grants and contracts         16,417,086         16,685,437           Recoveries of facilities and administrative costs         16,417,086         15,606,543           Federal appropriations         6,505,593         6,508,097           Housing and contracts         606,007,358         436,399,581           Auxiliary enterprises:         11,747,108         33,681,564           Other auxiliaries         17,741,1927         22,035,820           Other operating revenues         22,022         91,482           Total operating revenues         10,780,046,524         952,601,551           OPERATING EXPENSES         20         72,292,582           Educational and general:         63,901,456         72,894,882           Instruction         63,901,456         72,894,882           Research         71,750,853         72,789,956           Public service         43,478,830         51,525,975           Public service         20,554,665         22,451,175           Student services         12,282,204         43,471,855         72,789,968           Public services and maintenance of plant         20,554,665         22,451,715         5,096,758           A  |  | \$ |               | \$ |               |
| Nongovernmental grants and contracts         46,085,241         60,643,726         61,686,662         68,666,662         Sales and services         14,484,303         16,062,563         6,085,593         6,085,283         7,174,1165         6,085,593,593         6,085,283         6,085,283         6,085,283         6,085,285         6,285,1715         5,085,788         6,085,285         6,08   |  |    |               |    |               |
| Recoveries of facilities and administrative costs         16,870,086         16,806,024,33         15,005,254         Federal appropriations         6,505,593         6,098,545         County appropriations         6,505,693         6,098,545         County appropriations         6,056,594         6,815,840         County appropriations         6,000,07,358         436,399,561         Husbill appropriations         6,000,07,358         436,399,561         Husbill appropriations         6,000,07,358         436,399,561         Husbill appropriations         4,735,1731         8,034,638         3,651,564         Other appropriations         11,747,108         33,651,564         Other appropriations         11,747,108         33,651,564         Other appropriations         22,022         91,482         20,055,260         Other appropriations of appropriation of appropriations of appropriations of appropriations of appropriation of appropriations of appropriations of appropriations of appropriations of appropriations of appropriation of appropriations of appropriations of appropriations of appropriations of ap  |  |    |               |    |               |
| Sales and services         14,484,303         15,082,543         26,085,533         6,085,533         6,085,553         6,085,503         6,085,502         6,084,1918         6,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         4,081,1918         3,095,1518         4,081,1918         4,0  |  |    |               |    |               |
| Federal appropriations         6,056,593         6,088,149 for 6,841,918           Hospital services         606,007,358         436,399,561           Auxiliary enterprises:         11,747,108         33,651,564           Housing and dining         7,351,731         33,651,564           Athelics         11,747,108         33,651,564           Other auxiliaries         22,022         29,135,820           Other operating revenues         22,025, 22         29,135,820           Total operating revenues         22,020         952,601,551           Colspan="2">Colsp  |  |    |               |    |               |
| County appropriations         6.559.407         6.841.918           Housing arvices         60.007.358         438.399.561           Auxiliary enterprises:         4         43.30.95.1           Housing and dining         7.351.731         8.034 838           Alhielics         11.747.108         33.661.564           Other operating revenues         22.022         91.482           Total operating revenues           Total operating revenues           February Total operating revenues           Research         71.759.853         72.884.682           Instruction         63.901.456         72.884.682           Research         71.759.853         72.789.956           Public service         43.471.65         50.969.758           Academic support         20.254.665         22.451.715         51.0401           Student francial aid         10.4130.538         10.783.589         20.201.908 <t< td=""><td></td><td></td><td></td><td></td><td></td></t<>  |  |    |               |    |               |
| Hospital services  | •••  |    |               |    |               |
| Auxiliary enterprises:   |  |    |               |    | , ,           |
| Ablatica   | ·  |    | 606,007,358   |    | 436,399,561   |
| Athletics Other auxillaries (17,471,108 (22,035,164) (17,076,046,524 (22,035,164) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,035,162) (17,076,046,524 (22,045,176,526) (17,076,046,524 (22,045,176,526) (17,076,046,524 (22,045,176,526) (17,076,046,524 (22,045,176,526) (17,076,046,524 (22,045,176,526) (17,076,046,524 (22,045,176,526) (17,076,046,526) (17,076         |  |    |               |    |               |
| Other auxiliaries         17,811 927         22,035 820           Other operating revenues         22,022         91,882           Total operating revenues         30,80,46,524         952,601,551           DEPERATING EXPENSES           Educational and general:         83,901,456         72,884,682           Research         17,1750,853         72,788,956           Public service         48,478,830         51,925,975           Libraries         4,741,165         5,096,758           Academic support         20,548,665         22,451,715           Student services         12,262,204         13,447,444           Institutional support         28,490,457         30,170,326           Operations and maintenance of plant         23,555,280         26,016,968           Student financial aid         104,130,538         107,836,389           Depreciation         20,763,875         18,711,397           Clinical operations         88,126,022         421,330,610           Clinical operations         88,126,022         421,330,610           Clinical operations         88,126,022         421,330,610           Clinical operations         88,126,022         421,330,610           Clinical operations         88,126,22  |  |    |               |    |               |
| Other operating revenues         22.022         91.482           Total operating revenues         952.601.551           OPERATING EXPENSES           Educational and general:         Instruction         63.901.456         72.884.682           Research         71.750.853         72.78.99.665         Public service         48.478.830         51.925.975           Libraries         4,741.165         50.96.758         Academic support         20.554.665         22.451.715           Student services         12.26.204         13.447.444         13.811.01907         30.170.326           Operations and maintenance of plant         23.55.260         26.016.9688         Student financial aid         104.130.538         107.836.389           Depreciation         20.768.375         20.538.25         26.016.9688         Student financial aid         104.130.538         107.836.389           Depreciation         20.768.375         30.170.326         40.420.733         416.501.330.899           Hospilal services (including depreciation of \$17.570.102 in 2020         40.420.733         416.502.93.802 in 2019         7.632.179         7.643.255           Audiliary emprises:         40.22.25.769 in 2019         7.632.179         7.643.255           Altielities (including depreciation of \$17.570.102 and \$4.280.985 in 2019  | 1.000  |    |               |    |               |
| Total operating revenues   |  |    |               |    |               |
| Defeating Expenses   Educational and general:  | ,  |    |               |    |               |
| Educational and general:   Instruction   | Total operating revenues   |    | 1,078,046,524 |    | 952,601,551   |
| Educational and general:   Instruction   | OPERATING EXPENSES   |    |               |    |               |
| Research   |  |    |               |    |               |
| Public service   |  |    | 63,901,456    |    | 72,884,682    |
| Libraries  | Research   |    | 71,750,853    |    | 72,788,956    |
| Academic support         20,554,665         22,451,715           Student services         12,262,204         13,447,444           Institutional support         28,490,457         30,170,326           Operations and maintenance of plant         23,355,280         26,016,968           Student financial aid         104,130,538         107,836,389           Depreciation         20,763,875         18,711,397           Total educational and general         398,429,323         421,330,610           Clinical operations         88,126,062         91,339,693           Hospital services (including depreciation of \$1,7570,102 in 2020         440,420,733         416,502,194           Auxiliary enterprises:         40,420,733         416,502,194           Housing and dining (including depreciation of \$2,538,772 in 2020         7,632,179         7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657         40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         30,741,657         40,918,413           Other operating expenses         971,436,740         988,195,985           Total operating expenses         971,436,740         988,195,985           Net income (loss) from operations         77,582,800         78,316,  | Public service   |    | 48,478,830    |    | 51,925,975    |
| Student services         12,262,204         13,447,444           Institutional support         28,490,457         30,170,326           Operations and maintenance of plant         23,355,280         26,016,968           Student financial aid         104,130,538         107,836,389           Depreciation         398,429,323         421,330,610           Clinical operations         88,126,062         91,339,693           Hospital services (including depreciation of \$17,570,102 in 2020         440,420,733         416,502,194           Auxiliary enterprises:         Housing and dining (including depreciation of \$2,538,772 in 2020         7,632,179         7,632,179         7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657         40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242         10,418,936           Other operating expenses         31,544         42,884           Total operating expenses         971,436,740         988,195,985           Net income (loss) from operations         105,609,784         (35,594,34)           Net non-exchange grants         77,582,800         78,316,900           Sitate appropriations         77,582,800         78,316,900           Gifts and non-excha  | Libraries  |    | 4,741,165     |    | 5,096,758     |
| Student services         12,262,204         13,447,444           Institutional support         28,490,457         30,170,326           Operations and maintenance of plant         23,355,280         26,016,968           Student financial aid         104,130,538         107,836,389           Depreciation         398,429,323         421,330,610           Clinical operations         88,126,062         91,339,693           Hospital services (including depreciation of \$17,570,102 in 2020         440,420,733         416,502,194           Auxiliary enterprises:         Housing and dining (including depreciation of \$2,538,772 in 2020         7,632,179         7,632,179         7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657         40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242         10,418,936           Other operating expenses         31,544         42,884           Total operating expenses         971,436,740         988,195,985           Net income (loss) from operations         105,609,784         (35,594,34)           Net non-exchange grants         77,582,800         78,316,900           Sitate appropriations         77,582,800         78,316,900           Gifts and non-excha  | Academic support   |    | 20,554,665    |    | 22,451,715    |
| Institutional support  | • •  |    |               |    |               |
| Operations and maintenance of plant         23,355,280         26,016,988           Student financial aid         104,130,538         107,836,389           Depreciation         20,763,875         18,711,397           Total educational and general         398,429,323         421,330,610           Clinical operations         88,126,062         91,339,693           Hospital services (including depreciation of \$17,570,102 in 2020         440,420,733         416,502,194           Auxiliary enterprises:         Housing and dining (including depreciation of \$2,538,772 in 2020         7,632,179         7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657         40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242         10,418,936           Other operating expenses         31,544         42,884           Total operating expenses         971,436,740         988,159,985           Net income (loss) from operations         77,582,800         78,316,900           State appropriations         77,582,800         78,316,900           Gifts and non-exchange grants         77,582,800         78,316,900           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-re   | Institutional support  |    |               |    | 30.170.326    |
| Student financial aid         104,130,538 20,783,838 20,783,878 107,836,389 20,763,875 18,711,397           Depreciation         398,429,323 421,330,610           Clinical operations         88,126,062 91,339,693           Hospital services (including depreciation of \$17,570,102 in 2020 and \$16,293,802 in 2019)         440,420,733 416,502,194           Auxiliary enterprises:         Housing and dining (including depreciation of \$2,538,772 in 2020 and \$2,825,769 in 2019)         7,632,179 7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657 40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242 10,418,936           Other operating expenses         971,436,740 988,195,985           Net income (loss) from operations         106,609,784 325,943           Net income (loss) from operations         77,582,800 78,316,900           Gifts and non-exchange grants         33,252,820 44,307,597           Investment income (loss)         48,015,144 9,574,685           Interest on capital asset-related debt         9,485,5566 1(10,833,567)           Other nonoperating revenues and expenses, net         2,043,876 3,330,408           Net nonoperating revenues (expenses)         151,409,084 124,646,023           Net nonoperating revenues (expenses)         151,409,084 124,646,023           Net nonoperating revenu   | •  |    | , ,           |    |               |
| Depreciation   | ·  |    | 104.130.538   |    |               |
| Total educational and general         398,429,323         421,330,610           Clinical operations         88,126,062         91,339,693           Hospital services (including depreciation of \$17,570,102 in 2020 and \$16,293,802 in 2019)         440,420,733         416,502,194           Auxiliary enterprises:         Housing and dining (including depreciation of \$2,538,772 in 2020 and \$2,825,769 in 2019)         7,632,179         7,643,255           Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)         30,741,657         40,918,413           Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242         10,418,936           Other operating expenses         971,436,740         988,195,985           Net income (loss) from operations         106,609,784         (35,594,434)           NONOPERATING REVENUES (EXPENSES)         77,582,800         78,316,900           Gifts and non-exchange grants         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net nonop   |  |    |               |    |               |
| Clinical operations  |  |    |               |    |               |
| Hospital services (including depreciation of \$17,570,102 in 2020 and \$16,293,802 in 2019)   440,420,733   416,502,194   Auxiliary enterprises:   |  |    |               |    |               |
| Auxiliary enterprises: Housing and dining (including depreciation of \$2,538,772 in 2020 and \$2,825,769 in 2019) Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019) Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019) Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019) Other operating expenses Other operating expenses Total operating expenses Net income (loss) from operations  ANONOPERATING REVENUES (EXPENSES) State appropriations Gifts and non-exchange grants Investment income (loss) Interest on capital asset-related debt Other nonoperating revenues and expenses, net Net nonoperating revenues and expenses, gains or losses Capital grants and gifts Additions to permanent endowments Other, net Total other revenues (expenses)  NET POSITION, July 1  A40,419,170,338  440,420,733 440,420,420 440,420,420 440,420,420 440,420,420 440,420,420 440,420,420 440,420 |  |    | ,,            |    |               |
| Housing and dining (including depreciation of \$2,538,772 in 2020 and \$2,825,769 in 2019) 7,643,255 Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019) 30,741,657 40,918,413 Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019) 6,055,242 10,418,936 Other operating expenses 31,544 42,884 Total operating expenses 971,436,740 988,195,985 Net income (loss) from operations 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (35,594,434) 106,609,784 (36,609,035) 106,609,784 (36,609,035) 106,609,784 (36,609,035) 106,609,784 (36,609,035) 106,609,784 (36,609,035) 106,609,784 (36,609,035) 106,609,035 (3   |  |    | 440,420,733   |    | 416,502,194   |
| and \$2,825,769 in 2019)       7,632,179       7,643,255         Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)       30,741,657       40,918,413         Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)       6,055,242       10,418,936         Other operating expenses       31,544       42,884         Total operating expenses       971,436,740       988,195,985         Net income (loss) from operations       106,609,784       (35,594,434)         NONOPERATING REVENUES (EXPENSES)         State appropriations       77,582,800       78,316,900         Gifts and non-exchange grants       33,252,820       44,307,597         Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018   | Auxiliary enterprises:   |    |               |    |               |
| Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)       30,741,657       40,918,413         Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)       6,055,242       10,418,936         Other operating expenses       31,544       42,884         Total operating expenses       971,436,740       988,195,985         Net income (loss) from operations       106,609,784       (35,594,434)         NONOPERATING REVENUES (EXPENSES)         State appropriations       77,582,800       78,316,900         Gifts and non-exchange grants       33,252,820       44,307,597         Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035 <td>Housing and dining (including depreciation of \$2,538,772 in 2020</td> <td></td> <td></td> <td></td> <td></td>  | Housing and dining (including depreciation of \$2,538,772 in 2020                        |    |               |    |               |
| Other auxiliaries (including depreciation of \$1,852,018 in 2020 and \$1,773,936 in 2019)         6,055,242         10,418,936           Other operating expenses         31,544         42,884           Total operating expenses         971,436,740         988,195,985           Net income (loss) from operations         106,609,784         (35,594,434)           NONOPERATING REVENUES (EXPENSES)         *** State appropriations**         77,582,800         78,316,900           Gifts and non-exchange grants         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,668         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         4,419,170,338   | and \$2,825,769 in 2019)   |    | 7,632,179     |    | 7,643,255     |
| Other operating expenses         31,544         42,884           Total operating expenses         971,436,740         988,195,985           Net income (loss) from operations         106,609,784         (35,594,434)           NONOPERATING REVENUES (EXPENSES)           State appropriations         77,582,800         78,316,900           Gifts and non-exchange grants         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,868         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515  | Athletics (including depreciation of \$4,743,441 in 2020 and \$4,280,985 in 2019)        |    | 30,741,657    |    | 40,918,413    |
| Total operating expenses Net income (loss) from operations         971,436,740         988,195,985           NONOPERATING REVENUES (EXPENSES)         77,582,800         78,316,900           State appropriations         77,582,800         78,316,900           Gifts and non-exchange grants         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net income before other revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,868         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515   | Other auxiliaries (including depreciaton of \$1,852,018 in 2020 and \$1,773,936 in 2019) |    | 6,055,242     |    | 10,418,936    |
| Nonoperating Revenues (expenses)         77,582,800         78,316,900           Sitate appropriations         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,868         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515  | Other operating expenses   |    | 31,544        |    | 42,884        |
| NONOPERATING REVENUES (EXPENSES)           State appropriations         77,582,800         78,316,900           Gifts and non-exchange grants         33,252,820         44,307,597           Investment income (loss)         48,015,144         9,574,685           Interest on capital asset-related debt         (9,485,556)         (10,883,567)           Other nonoperating revenues and expenses, net         2,043,876         3,330,408           Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,868         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515   | Total operating expenses   |    | 971,436,740   |    | 988,195,985   |
| State appropriations       77,582,800       78,316,900         Gifts and non-exchange grants       33,252,820       44,307,597         Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515  | Net income (loss) from operations  |    | 106,609,784   |    | (35,594,434)  |
| State appropriations       77,582,800       78,316,900         Gifts and non-exchange grants       33,252,820       44,307,597         Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515  | NONODEDATING DEVENUES (EVDENSES)   |    |               |    |               |
| Gifts and non-exchange grants       33,252,820       44,307,597         Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   |  |    | 77 500 000    |    | 70 246 000    |
| Investment income (loss)       48,015,144       9,574,685         Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   |  |    |               |    |               |
| Interest on capital asset-related debt       (9,485,556)       (10,883,567)         Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   |  |    |               |    |               |
| Other nonoperating revenues and expenses, net       2,043,876       3,330,408         Net nonoperating revenues (expenses)       151,409,084       124,646,023         Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   |  |    |               |    |               |
| Net nonoperating revenues (expenses)         151,409,084         124,646,023           Net income before other revenues, expenses, gains or losses         258,018,868         89,051,589           Capital grants and gifts         10,821,771         6,106,618           Additions to permanent endowments         2,824,023         1,796,846           Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515   |  |    | , ,           |    | ,             |
| Net income before other revenues, expenses, gains or losses       258,018,868       89,051,589         Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515  | , , ,  |    |               |    |               |
| Capital grants and gifts       10,821,771       6,106,618         Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   | , , ,  |    |               |    |               |
| Additions to permanent endowments       2,824,023       1,796,846         Other, net       (670,198)       (346,018)         Total other revenues (expenses)       12,975,596       7,557,446         INCREASE IN NET POSITION       270,994,464       96,609,035         NET POSITION, July 1       4,419,170,338       4,085,594,515   | · · · · · · ·  |    |               |    |               |
| Other, net         (670,198)         (346,018)           Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515   | , ,  |    |               |    |               |
| Total other revenues (expenses)         12,975,596         7,557,446           INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515  |  |    |               |    |               |
| INCREASE IN NET POSITION         270,994,464         96,609,035           NET POSITION, July 1         4,419,170,338         4,085,594,515   | ·  |    |               |    |               |
| NET POSITION, July 1 4,419,170,338 4,085,594,515   |  |    |               |    |               |
|  | INCREASE IN NET PUSITION   |    | 210,994,464   |    | 90,009,035    |
| NET POSITION, September 30 <u>\$ 4,690,164,802</u> <u>\$ 4,182,203,550</u>   | NET POSITION, July 1   |    | 4,419,170,338 |    | 4,085,594,515 |
|  | NET POSITION, September 30   | \$ | 4,690,164,802 | \$ | 4,182,203,550 |

<sup>&</sup>lt;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 THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

|   | 2020 |               |    |               |     | 2019              |     |  |  |
|---|------|---------------|----|---------------|-----|-------------------|-----|--|--|
|   |      | Budget        |    | Actual        | %   | Actual            | %   |  |  |
| OPERATING REVENUES                                |      | ŭ             |    |               |     |                   |     |  |  |
| Student tuition and fees                          | \$   | 527,757,100   | \$ | 264,912,081   | 50% | \$<br>276,122,075 | 50% |  |  |
| Federal grants and contracts                      |      | 254,048,000   |    | 50,218,482    | 20% | 50,058,557        | 23% |  |  |
| State and local grants and contracts              |      | 100,911,400   |    | 29,527,185    | 29% | 20,694,497        | 23% |  |  |
| Nongovernmental grants and contracts              |      | 327,378,400   |    | 46,085,241    | 14% | 60,643,727        | 20% |  |  |
| Recoveries of facilities and administrative costs |      | 59,000,000    |    | 16,817,086    | 29% | 16,866,624        | 30% |  |  |
| Sales and services                                |      | 58,042,300    |    | 14,484,303    | 25% | 15,062,543        | 27% |  |  |
| Federal appropriations                            |      | 19,179,000    |    | 6,505,593     | 34% | 6,098,545         | 33% |  |  |
| County appropriations                             |      | 37,696,200    |    | 6,556,407     | 17% | 6,841,918         | 19% |  |  |
| Hospital services                                 |      | 2,081,083,900 |    | 606,007,358   | 29% | 436,399,561       | 23% |  |  |
| Auxiliary enterprises:                            |      |               |    |               |     |                   |     |  |  |
| Housing and dining                                |      | 22,531,500    |    | 7,351,731     | 33% | 8,034,638         | 27% |  |  |
| Athletics   |      | 109,623,600   |    | 11,747,108    | 11% | 33,651,564        | 29% |  |  |
| Other auxiliaries                                 |      | 46,933,100    |    | 17,811,927    | 38% | 22,035,820        | 43% |  |  |
| Total operating revenues                          |      | 3,644,184,500 |    | 1,078,024,502 | 30% | 952,510,069       | 28% |  |  |
| OPERATING EXPENSES                                |      |               |    |               |     |                   |     |  |  |
| Educational and general:                          |      |               |    |               |     |                   |     |  |  |
| Instruction                                       |      | 424,708,600   |    | 63,901,456    | 15% | 72,884,682        | 17% |  |  |
| Research  |      | 446,705,400   |    | 71,750,853    | 16% | 72,788,956        | 19% |  |  |
| Public service                                    |      | 231,905,100   |    | 48,478,830    | 21% | 51,844,449        | 21% |  |  |
| Libraries   |      | 14,516,100    |    | 4,741,165     | 33% | 5,096,758         | 32% |  |  |
| Academic support                                  |      | 93,477,600    |    | 20,554,665    | 22% | 22,451,715        | 22% |  |  |
| Student services                                  |      | 53,898,300    |    | 12,230,535    | 23% | 13,411,842        | 24% |  |  |
| Institutional support                             |      | 139,594,500   |    | 28,479,854    | 20% | 30,170,326        | 18% |  |  |
| Operations and maintenance of plant               |      | 91,847,300    |    | 20,143,450    | 22% | 20,593,982        | 25% |  |  |
| Student financial aid                             |      | 238,209,500   |    | 104,130,538   | 44% | 107,836,389       | 45% |  |  |
| Total educational and general                     |      | 1,734,862,400 |    | 374,411,346   | 22% | 397,079,099       | 23% |  |  |
| Clinical operations                               |      | 427,652,600   |    | 88,126,062    | 21% | 91,339,693        | 23% |  |  |
| Hospital services                                 |      | 1,811,415,300 |    | 420,950,291   | 23% | 394,563,568       | 24% |  |  |
| Auxiliary enterprises:                            |      |               |    |               |     |                   |     |  |  |
| Housing and dining                                |      | 11,420,400    |    | 5,043,265     | 44% | 4,762,470         | 36% |  |  |
| Athletics   |      | 133,011,300   |    | 25,582,187    | 19% | 36,508,796        | 26% |  |  |
| Other auxiliaries                                 |      | 42,789,900    |    | 3,934,458     | 9%  | 7,560,874         | 19% |  |  |
| Total operating expenses                          |      | 4,161,151,900 |    | 918,047,609   | 22% | 931,814,500       | 24% |  |  |
| Net income (loss) from operations                 |      | (516,967,400) |    | 159,976,893   | N/A | 20,695,569        | N/A |  |  |
| Net income (loss) from operations                 |      | (516,967,400) |    | 159,976,893   | N/A | <br>20,695,569    | N/A |  |  |

# UNIVERSITY OF KENTUCKY A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY CURRENT FUNDS STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019

|   |                  | 2019             |      |                |      |
|---|------------------|------------------|------|----------------|------|
|   | Budget           | Actual           | %    | Actual         | %    |
| NONOPERATING REVENUES (EXPENSES)              |                  |                  |      |                |      |
| State appropriations                          | 265,230,800      | 77,582,800       | 29%  | 78,316,900     | 30%  |
| Gifts and non-exchange grants                 | 99,907,700       | 32,949,748       | 33%  | 44,051,684     | 42%  |
| Investment income                             | 28,382,400       | 7,709,639        | 27%  | 10.903.634     | 23%  |
| Other nonoperating revenues and expenses, net | 7,763,100        | 2,046,739        | 26%  | 3,330,351      | 33%  |
| Net nonoperating revenues (expenses)          | 401,284,000      | 120,288,926      | 30%  | 136,602,569    | 32%  |
| Net income before other revenues.             | 401,204,000      | 120,200,020      | 0070 | 100,002,000    | 0270 |
| expenses, gains or losses                     | (115,683,400)    | 280,265,819      | N/A  | 157,298,138    | N/A  |
| Capital grants and gifts                      | 11,024,100       | 9,400,029        | 85%  | 6,106,618      | 53%  |
| Other, net                                    | - 1,021,100      | 34,983           | -    | 9.067          | -    |
| Total other revenues (expenses)               | 11,024,100       | 9,435,012        | 86%  | 6,115,685      | 53%  |
| , ,   |                  |                  |      |                |      |
| NON-GASB ACTIVITY                             |                  |                  |      |                |      |
| Appropriated fund balance                     | 352,859,100      | -                | -    | -              | -    |
| Capital purchases and transfers               | (167,566,800)    | (43,459,058)     | 26%  | (35,366,164)   | 23%  |
| Debt service transfers                        | (92,379,300)     | (39,763,142)     | 43%  | (40,251,583)   | 45%  |
| Noncapital transfers                          | 11,746,300       | 1,803,477        | 15%  | 1,998,108      | 12%  |
| Total non-GASB current funds activity         | 104,659,300      | (81,418,723)     | N/A  | (73,619,639)   | N/A  |
| INCREASE IN NET POSITION                      | -                | 208,282,108      |      | 89,794,184     |      |
| NET POSITION, July 1                          |                  | 1,023,363,535    |      | 616,787,264    |      |
| NET POSITION, September 30                    |                  | \$ 1,231,645,643 |      | \$ 706,581,448 |      |
|   |                  |                  |      |                |      |
| RECONCILIATION TO ANNUAL BUDGET               |                  |                  |      |                |      |
| Operating revenues                            | \$ 3,640,785,900 | \$ 1,078,024,502 | 30%  | \$ 952,510,069 | 28%  |
| Nonoperating revenues                         | 788,603,600      | 129,723,938      | 16%  | 142,718,254    | 18%  |
| Total revenues                                | 4,429,389,500    | 1,207,748,440    | 27%  | 1,095,228,323  | 26%  |
| Operating expenses                            | 4,161,751,900    | 918,047,609      | 22%  | 931,814,500    | 24%  |
| Nonoperating expenses and transfers           | 267,637,600      | 81,418,723       | 30%  | 73,619,639     | 29%  |
| Total expenses and transfers                  | 4,429,389,500    | 999,466,332      | 23%  | 1,005,434,139  | 24%  |
| INCREASE IN NET POSITION                      | \$ -             | \$ 208,282,108   |      | \$ 89,794,184  |      |