

FCR 2

Office of the President
April 25, 2025

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the six months ended December 31, 2024.

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 and its non-profit subsidiaries Royal Blue Health, LLC and Claire Blue Health, LLC

As of December 31, 2024, the University has recognized \$3,856,245,516 of current funds revenue representing 46 percent of the 2024-25 approved budget of \$8,367,136,200. Expenses and transfers total \$3,693,830,010 or 44 percent of the approved budget.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____



Consolidated Financial Statements

For the six months ended December 31, 2024

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 1,848,710,755	\$ 1,515,896,850
Notes, loans and accounts receivable, net	1,206,528,409	1,465,840,595
Investments	359,866	-
Inventories and other assets	137,224,287	126,185,613
Total current assets	3,192,823,317	3,107,923,058
Noncurrent Assets		
Restricted cash and cash equivalents	330,817,986	187,033,060
Endowment investments	2,121,443,185	1,955,898,157
Other long-term investments	1,011,789,471	885,922,821
Notes, loans and accounts receivable, net	918,866,706	713,716,446
Other noncurrent assets	6,467,878	8,386,595
Capital assets, net	4,564,742,814	3,965,781,941
Lease assets, net	128,210,884	120,599,708
Subscription assets, net	32,727,401	25,590,366
Total noncurrent assets	9,115,066,325	7,862,929,094
Total assets	12,307,889,642	10,970,852,152
Deferred Outflows of Resources	32,011,503	31,102,451
Total assets and deferred outflows of resources	12,339,901,145	11,001,954,603
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	478,908,724	364,128,501
Unearned revenue	98,532,812	131,968,810
Long-term liabilities - current portion	167,946,027	156,195,458
Total current liabilities	745,387,563	652,292,769
Noncurrent Liabilities		
Unearned revenue	160,906,025	180,179,427
Long-term liabilities	1,753,946,924	1,493,656,013
Total noncurrent liabilities	1,914,852,949	1,673,835,440
Total liabilities	2,660,240,512	2,326,128,209
Deferred Inflows of Resources	505,086,433	512,204,410
Total liabilities and deferred inflows of resources	3,165,326,945	2,838,332,619
NET POSITION		
Net investment in capital assets	2,618,365,080	2,278,493,624
Restricted		
Nonexpendable		
Scholarships and fellowships	248,444,471	234,074,221
Research	341,933,685	332,339,374
Instruction	95,518,355	93,346,165
Academic support	89,149,509	88,693,045
Other	21,026,552	18,638,714
Total restricted nonexpendable	796,072,572	767,091,519
Expendable		
Scholarships and fellowships	182,610,785	158,896,817
Research	220,956,686	161,949,805
Instruction	92,353,952	82,503,494
Academic support	169,436,059	157,188,558
Loans	12,892,994	12,924,677
Capital projects	290,968,058	196,946,630
Debt service	965,336	5,600,798
Auxiliary	24,954,967	43,629,961
Other	179,631,564	172,967,918
Total restricted expendable	1,174,770,401	992,608,658
Total restricted	1,970,842,973	1,759,700,177
Unrestricted	4,585,366,147	4,125,428,183
Total net position	\$ 9,174,574,200	\$ 8,163,621,984

¹ Statements include all funds with exception of fiduciary funds held in trust for beneficiaries of 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, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Student tuition and fees	\$ 353,755,166	\$ 325,706,397
Federal grants and contracts	138,697,934	138,758,437
State and local grants and contracts	81,954,442	64,719,840
Nongovernmental grants and contracts	186,537,320	174,541,626
Recoveries of facilities and administrative costs	47,000,596	47,227,141
Sales and services	33,179,531	41,687,793
Federal appropriations	9,978,597	8,961,805
County appropriations	19,953,596	18,298,695
Hospital services	2,351,133,954	2,183,917,070
Auxiliary enterprises:		
Housing and dining	18,659,637	19,019,419
Athletics	95,406,313	87,014,149
Other auxiliaries	30,255,135	29,103,319
Other operating revenues	282,779	245,071
Total operating revenues	<u>3,366,795,000</u>	<u>3,139,200,762</u>
OPERATING EXPENSES		
Educational and general:		
Instruction	193,264,365	178,390,375
Research	195,982,745	190,344,854
Public service	141,333,028	133,196,264
Libraries	13,488,181	14,198,845
Academic support	64,821,872	58,475,069
Student services	34,026,473	30,714,047
Institutional support	35,031,975	28,320,721
Operations and maintenance of plant	62,086,448	53,315,234
Student financial aid	156,503,704	142,076,883
Depreciation and amortization	56,358,732	51,227,167
Total educational and general	<u>952,897,523</u>	<u>880,259,459</u>
Clinical operations	296,269,152	259,417,932
Hospital services (including depreciation and amortization of \$91,027,569 in 2024 and \$79,377,168 in 2023)	2,114,024,122	1,790,714,940
Auxiliary enterprises:		
Housing and dining (including depreciation of \$5,756,861 in 2024 and \$5,445,958 in 2023)	17,640,751	16,870,733
Athletics (including depreciation of \$8,667,550 in 2024 and \$8,086,099 in 2023)	102,219,412	98,297,210
Other auxiliaries (including depreciation and amortization of \$4,831,624 in 2024 and \$4,272,687 in 2023)	24,616,780	23,033,149
Other operating expenses	897,119	142,120
Total operating expenses	<u>3,508,564,859</u>	<u>3,068,735,543</u>
Net income (loss) from operations	<u>(141,769,859)</u>	<u>70,465,219</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	204,711,100	175,818,100
Gifts and non-exchange grants	99,150,625	69,254,191
Investment income	167,402,333	153,868,767
Interest on capital asset, lease and SBITA-related debt	(30,402,084)	(25,847,178)
Other nonoperating revenues and expenses, net	5,515,579	8,985,008
Net nonoperating revenues	<u>446,377,553</u>	<u>382,078,888</u>
Net income before other revenues, expenses, gains or losses	<u>304,607,694</u>	<u>452,544,107</u>
Capital grants and gifts	219,603,776	283,433,493
Additions to permanent endowments	12,372,809	39,833,100
Special item - acquisition of Claire Blue Health	114,500,474	-
Other, net	26,092,794	2,428,371
Total other revenues	<u>372,569,853</u>	<u>325,694,964</u>
INCREASE IN NET POSITION	<u>677,177,547</u>	<u>778,239,071</u>
NET POSITION, July 1	<u>8,497,396,653</u>	<u>7,385,382,913</u>
NET POSITION, December 31	<u>\$ 9,174,574,200</u>	<u>\$ 8,163,621,984</u>

¹ Statements include all funds with exception of fiduciary funds held in trust for beneficiaries of 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, 2024 AND 2023

	2024			2023	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 674,492,100	\$ 353,755,166	52%	\$ 325,706,397	52%
Federal grants and contracts	385,084,800	138,697,934	36%	138,758,437	38%
State and local grants and contracts	64,090,400	81,954,442	128%	64,719,840	162%
Nongovernmental grants and contracts	503,532,500	186,537,320	37%	174,541,626	41%
Recoveries of facilities and administrative costs	73,000,000	47,000,596	64%	47,227,141	67%
Sales and services	59,802,500	33,179,531	55%	41,687,793	70%
Federal appropriations	19,239,500	9,978,597	52%	8,961,805	47%
County appropriations	41,270,200	19,953,596	48%	18,298,695	46%
Hospital services	5,064,852,000	2,351,133,954	46%	2,183,917,070	55%
Auxiliary enterprises:					
Housing and dining	38,776,600	18,659,637	48%	19,019,419	51%
Athletics	138,629,600	95,406,313	69%	87,014,149	69%
Other auxiliaries	51,779,300	30,255,135	58%	29,103,319	53%
Total operating revenues	<u>7,114,549,500</u>	<u>3,366,512,221</u>	<u>47%</u>	<u>3,138,955,691</u>	<u>54%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	628,538,500	193,344,757	31%	178,577,126	38%
Research	586,102,800	196,834,014	34%	191,130,912	36%
Public service	323,207,900	141,805,601	44%	133,777,398	43%
Libraries	16,806,100	13,488,181	80%	14,198,845	89%
Academic support	172,393,300	65,270,274	38%	59,115,732	30%
Student services	66,569,000	33,978,663	51%	30,680,920	40%
Institutional support	147,622,900	36,862,031	25%	29,004,523	18%
Operations and maintenance of plant	108,175,500	43,664,802	40%	43,338,625	36%
Student financial aid	329,490,300	156,503,704	47%	142,076,883	49%
Total educational and general	<u>2,378,906,300</u>	<u>881,752,027</u>	<u>37%</u>	<u>821,900,964</u>	<u>38%</u>
Clinical operations	802,592,700	296,269,152	37%	259,417,932	45%
Hospital services	4,370,541,300	2,032,770,532	47%	1,716,688,363	49%
Auxiliary enterprises:					
Housing and dining	29,449,700	11,743,220	40%	11,005,906	47%
Athletics	174,084,500	90,416,007	52%	87,621,446	54%
Other auxiliaries	47,835,000	19,423,434	41%	15,295,160	34%
Total operating expenses	<u>7,803,409,500</u>	<u>3,332,374,372</u>	<u>43%</u>	<u>2,911,929,771</u>	<u>45%</u>
Net income (loss) from operations	<u>(688,860,000)</u>	<u>34,137,849</u>	<u>N/A</u>	<u>227,025,920</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, 2024 AND 2023

	2024			2023	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	(688,860,000)	34,137,849	N/A	227,025,920	N/A
NONOPERATING REVENUES (EXPENSES)					
State appropriations	358,565,600	204,711,100	57%	175,818,100	55%
Gifts and non-exchange grants	136,071,100	93,879,094	69%	65,284,492	54%
Investment income	63,798,500	92,020,370	144%	91,013,227	167%
Other nonoperating revenues and expenses, net	14,390,300	5,124,877	36%	8,787,622	115%
Net nonoperating revenues	572,825,500	395,735,441	69%	340,903,441	68%
Net income (loss) before other revenues, expenses, gains or losses	(116,034,500)	429,873,290	N/A	567,929,361	N/A
Capital grants and gifts	22,690,400	14,824,897	65%	33,433,493	189%
Special item - acquisition of Claire Blue	-	49,364,933	-	-	-
Other, net	-	29,808,024	-	3,230,188	-
Total other revenues	22,690,400	93,997,854	414%	36,663,681	207%
NON-GASB ACTIVITY					
Appropriated fund balance	627,543,800	-	-	-	-
Capital purchases and transfers	(439,291,500)	(299,324,427)	68%	(207,186,801)	77%
Debt service transfers	(113,101,400)	(54,412,829)	48%	(47,216,552)	43%
Noncapital transfers	18,193,200	(7,718,382)	(42%)	6,645,319	(29%)
Total non-GASB current funds activity	93,344,100	(361,455,638)	N/A	(247,758,034)	N/A
INCREASE IN NET POSITION	-	162,415,506		356,835,008	
NET POSITION, July 1		3,378,198,792		3,041,328,460	
NET POSITION, December 31		<u>\$ 3,540,614,298</u>		<u>\$ 3,398,163,468</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 7,114,549,500	\$ 3,366,512,221	47%	\$ 3,138,955,691	54%
Nonoperating revenues and transfers	1,252,586,700	489,733,295	39%	377,567,122	34%
Total revenues	8,367,136,200	3,856,245,516	46%	3,516,522,813	51%
Operating expenses	7,803,409,500	3,332,374,372	43%	2,911,929,771	45%
Nonoperating expenses and transfers	563,726,700	361,455,638	64%	247,758,034	63%
Total expenses and transfers	8,367,136,200	3,693,830,010	44%	3,159,687,805	46%
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 162,415,506</u>		<u>\$ 356,835,008</u>	