

FCR 3

Office of the President
June 30, 2026

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE NINE MONTHS ENDED MARCH 31, 2026

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the nine months ended March 31, 2026.

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 March 31, 2026, the University has recognized \$6,636,891,245 of current funds revenue representing 76 percent of the 2025-26 approved budget of \$8,713,771,000. Expenses and transfers total \$6,128,104,371 or 70 percent of the approved budget.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____



Consolidated Financial Statements

For the nine months ended March 31, 2026

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
MARCH 31, 2026 AND 2025

	2026	2025
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 2,341,460,806	\$ 1,893,355,901
Notes, loans and accounts receivable, net	1,249,559,239	1,272,563,201
Investments	400,943	347,369
Inventories and other assets	172,514,558	135,298,782
Total current assets	3,763,935,546	3,301,565,253
Noncurrent Assets		
Restricted cash and cash equivalents	178,925,142	349,900,877
Endowment investments	2,387,218,720	2,113,808,093
Other long-term investments	1,189,571,602	1,083,413,149
Notes, loans and accounts receivable, net	813,876,780	838,327,996
Other noncurrent assets	3,846,164	5,755,962
Capital assets, net	5,364,079,687	4,682,042,611
Lease assets, net	110,636,788	135,825,917
Subscription assets, net	49,992,617	34,879,651
Total noncurrent assets	10,098,147,500	9,243,954,256
Total assets	13,862,083,046	12,545,519,509
Deferred Outflows of Resources	20,512,413	33,776,564
Total assets and deferred outflows of resources	13,882,595,459	12,579,296,073
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	536,702,145	515,494,383
Unearned revenue	102,023,976	102,373,842
Long-term liabilities - current portion	197,300,693	178,642,846
Total current liabilities	836,026,814	796,511,071
Noncurrent Liabilities		
Unearned revenue	261,641,348	156,064,808
Long-term liabilities	1,768,866,234	1,745,277,643
Total noncurrent liabilities	2,030,507,582	1,901,342,451
Total liabilities	2,866,534,396	2,697,853,522
Deferred Inflows of Resources	462,883,689	496,046,362
Total liabilities and deferred inflows of resources	3,329,418,085	3,193,899,884
NET POSITION		
Net investment in capital assets	3,390,530,189	2,748,462,026
Restricted		
Nonexpendable		
Scholarships and fellowships	262,927,193	250,607,042
Research	380,983,850	346,922,289
Instruction	98,392,921	96,362,955
Academic support	91,145,532	89,730,086
Other	25,780,101	21,362,311
Total restricted nonexpendable	859,229,597	804,984,683
Expendable		
Scholarships and fellowships	212,485,852	171,253,367
Research	297,154,862	216,298,641
Instruction	109,568,716	89,968,296
Academic support	185,426,822	166,273,457
Loans	12,908,077	12,139,760
Capital projects	187,597,293	259,838,018
Debt service	35,337,735	33,525,644
Auxiliary	35,302,215	25,056,860
Other	180,015,760	170,894,296
Total restricted expendable	1,255,797,332	1,145,248,339
Total restricted	2,115,026,929	1,950,233,022
Unrestricted	5,047,620,256	4,686,701,141
Total net position	\$ 10,553,177,374	\$ 9,385,396,189

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 NINE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026	2025
OPERATING REVENUES		
Student tuition and fees	\$ 739,498,832	\$ 674,036,651
Federal grants and contracts	211,181,156	216,404,813
State and local grants and contracts	108,793,355	117,542,696
Nongovernmental grants and contracts	282,121,819	286,795,650
Recoveries of facilities and administrative costs	69,850,807	71,308,550
Sales and services	60,543,979	54,820,743
Federal appropriations	14,434,863	13,327,950
County appropriations	30,997,592	29,430,841
Hospital services	4,282,297,335	3,593,807,952
Auxiliary enterprises:		
Housing and dining	28,682,338	28,568,231
Athletics	129,011,159	127,486,009
Other auxiliaries	52,099,146	47,478,587
Other operating revenues	205,236	373,520
Total operating revenues	<u>6,009,717,617</u>	<u>5,261,382,193</u>
OPERATING EXPENSES		
Educational and general:		
Instruction	311,583,252	303,126,317
Research	309,184,976	297,347,949
Public service	207,410,430	213,686,836
Libraries	21,477,268	21,921,407
Academic support	109,978,203	100,534,817
Student services	47,127,782	47,505,987
Institutional support	63,251,653	51,697,582
Operations and maintenance of plant	91,022,653	89,018,690
Student financial aid	315,143,883	307,551,163
Depreciation and amortization	89,559,836	84,890,282
Total educational and general	<u>1,565,739,936</u>	<u>1,517,281,030</u>
Clinical operations	490,420,552	451,137,830
Hospital services (including depreciation and amortization of \$138,088,589 in 2026 and \$136,205,767 in 2025)	3,475,866,661	3,196,321,785
Auxiliary enterprises:		
Housing and dining (including depreciation of \$8,508,892 in 2026 and \$8,628,621 in 2025)	27,609,580	26,234,560
Athletics (including depreciation of \$16,245,284 in 2026 and \$13,231,115 in 2025)	162,510,915	149,924,494
Other auxiliaries (including depreciation and amortization of \$7,289,430 in 2026 and \$7,251,385 in 2025)	38,948,533	34,616,359
Other operating expenses	1,288,614	2,882,853
Total operating expenses	<u>5,762,384,791</u>	<u>5,378,398,911</u>
Net income (loss) from operations	<u>247,332,826</u>	<u>(117,016,718)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	295,202,600	290,852,500
Gifts and non-exchange grants	164,558,587	157,788,884
Investment income	282,046,718	205,825,998
Interest on capital asset, lease and SBITA-related debt	(48,208,432)	(45,878,887)
Other nonoperating revenues and expenses, net	(96,413)	8,022,519
Net nonoperating revenues	<u>693,503,060</u>	<u>616,611,014</u>
Net income before other revenues, expenses, gains or losses	<u>940,835,886</u>	<u>499,594,296</u>
Capital grants and gifts	25,645,799	229,303,743
Additions to permanent endowments	37,094,936	18,656,179
Other, net	6,981,919	25,944,844
Total other revenues	<u>69,722,654</u>	<u>273,904,766</u>
Net income before unusual or infrequent items	<u>1,010,558,540</u>	<u>773,499,062</u>
UNUSUAL OR INFREQUENT ITEMS		
Acquisition of Claire Blue Health	-	114,500,474
Contract separation costs	(38,233,969)	-
Total unusual or infrequent items	<u>(38,233,969)</u>	<u>114,500,474</u>
INCREASE IN NET POSITION	<u>972,324,571</u>	<u>887,999,536</u>
NET POSITION, July 1	<u>9,580,852,803</u>	<u>8,497,396,653</u>
NET POSITION, March 31	<u>\$ 10,553,177,374</u>	<u>\$ 9,385,396,189</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 NINE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026			2025	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 732,750,200	\$ 739,498,832	101%	\$ 674,036,651	100%
Federal grants and contracts	243,780,800	211,181,156	87%	216,404,813	56%
State and local grants and contracts	239,108,200	108,793,355	45%	117,542,696	68%
Nongovernmental grants and contracts	465,448,500	282,121,819	61%	286,795,650	72%
Recoveries of facilities and administrative costs	48,910,000	69,850,807	143%	71,308,550	98%
Sales and services	58,965,200	60,543,979	103%	54,820,743	92%
Federal appropriations	19,167,700	14,434,863	75%	13,327,950	69%
County appropriations	44,008,200	30,997,592	70%	29,430,841	71%
Hospital services	5,122,153,200	4,282,297,335	84%	3,593,807,952	71%
Auxiliary enterprises:					
Housing and dining	39,702,600	28,682,338	72%	28,568,231	74%
Athletics	142,666,400	129,011,159	90%	127,486,009	92%
Other auxiliaries	58,817,400	52,099,146	89%	47,478,587	92%
Total operating revenues	<u>7,215,478,400</u>	<u>6,009,512,381</u>	<u>83%</u>	<u>5,261,008,673</u>	<u>74%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	478,433,800	311,703,840	65%	303,246,905	62%
Research	617,605,300	310,383,084	50%	298,601,903	49%
Public service	330,512,600	207,926,948	63%	214,389,732	63%
Libraries	19,093,700	21,477,268	112%	21,921,407	118%
Academic support	247,751,000	111,211,381	45%	101,157,219	48%
Student services	70,231,900	47,052,849	67%	47,457,892	70%
Institutional support	301,996,800	66,910,586	22%	53,801,027	32%
Operations and maintenance of plant	161,782,300	72,556,336	45%	64,433,905	54%
Student financial aid	357,840,300	315,143,883	88%	307,551,163	93%
Total educational and general	<u>2,585,247,700</u>	<u>1,464,366,175</u>	<u>57%</u>	<u>1,412,561,153</u>	<u>60%</u>
Clinical operations	802,723,300	490,420,552	61%	451,137,830	56%
Hospital services	4,498,336,600	3,304,697,319	73%	3,063,499,742	70%
Auxiliary enterprises:					
Housing and dining	27,008,000	18,136,650	67%	17,395,635	59%
Athletics	198,298,000	145,008,002	73%	133,159,062	76%
Other auxiliaries	49,079,100	30,250,358	62%	26,614,333	56%
Total operating expenses	<u>8,160,692,700</u>	<u>5,452,879,056</u>	<u>67%</u>	<u>5,104,367,755</u>	<u>66%</u>
Net income (loss) from operations	<u>(945,214,300)</u>	<u>556,633,325</u>	<u>N/A</u>	<u>156,640,918</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 NINE MONTHS ENDED MARCH 31, 2026 AND 2025

	2026			2025	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	(945,214,300)	556,633,325	N/A	156,640,918	N/A
NONOPERATING REVENUES (EXPENSES)					
State appropriations	364,003,300	295,202,600	81%	290,852,500	81%
Gifts and non-exchange grants	158,540,800	155,114,729	98%	150,626,728	111%
Investment income	67,740,700	141,770,386	209%	133,970,296	210%
Interest on lease and SBITA asset-related debt	-	-	-	-	-
Other nonoperating revenues and expenses, net	(24,189,300)	(904,195)	4%	7,442,724	101%
Net nonoperating revenues	566,095,500	591,183,520	104%	582,892,248	103%
Net income (loss) before other revenues, expenses, gains or losses	(379,118,800)	1,147,816,845	N/A	739,533,166	N/A
Capital grants and gifts	11,116,200	25,645,799	231%	21,186,077	71%
Other, net	-	8,378,931	-	30,333,399	-
Total other revenues	11,116,200	34,024,730	306%	51,519,476	174%
NON-GASB ACTIVITY					
Appropriated fund balance	857,284,900	-	-	-	-
Capital purchases and transfers	(381,221,300)	(532,203,966)	140%	(462,365,302)	101%
Debt service transfers	(131,181,400)	(103,883,185)	79%	(99,763,716)	88%
Noncapital transfers	23,120,400	1,266,419	5%	(2,621,372)	-14%
Total non-GASB current funds activity	368,002,600	(634,820,732)	N/A	(564,750,390)	N/A
Net income before unusual or infrequent items	-	547,020,843	N/A	226,302,252	N/A
UNUSUAL OR INFREQUENT ITEMS					
Acquisition of Claire Blue Health	-	-	-	49,364,933	-
Contract separation costs	-	(38,233,969)	100%	-	-
Total unusual or infrequent items	-	(38,233,969)	100%	49,364,933	-
INCREASE IN NET POSITION	-	508,786,874		275,667,185	
NET POSITION, July 1		3,671,179,833		3,378,198,792	
NET POSITION, March 31		<u>\$ 4,179,966,707</u>		<u>\$ 3,653,865,977</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 7,215,478,400	\$ 6,009,512,381	83%	\$ 5,261,008,673	74%
Nonoperating revenues and transfers	1,498,292,600	627,378,864	42%	683,776,657	55%
Total revenues	8,713,771,000	6,636,891,245	76%	5,944,785,330	71%
Operating expenses	8,160,692,700	5,452,879,056	67%	5,104,367,755	66%
Nonoperating expenses and transfers	553,078,300	675,225,315	122%	564,750,390	97%
Total expenses and transfers	8,713,771,000	6,128,104,371	70%	5,669,118,145	68%
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 508,786,874</u>		<u>\$ 275,667,185</u>	