

FCR 4

Office of the President
December 2, 2025

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2025

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 2025.

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, Claire Blue Health LLC and Champions Blue LLC

As of September 30, 2025, the University has recognized \$2,348,254,354 of current funds revenue representing 27 percent of the 2025-26 approved budget of \$8,621,830,300. Expenses and transfers total \$2,098,993,628 or 24 percent of the approved budget.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____



Consolidated Financial Statements

For the three months ended September 30, 2025

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
SEPTEMBER 30, 2025 AND 2024

	2025	2024
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 2,088,143,065	\$ 1,752,191,457
Notes, loans and accounts receivable, net	1,225,125,023	1,456,435,693
Investments	399,352	358,289
Inventories and other assets	183,640,675	158,914,167
Total current assets	3,497,308,115	3,367,899,606
Noncurrent Assets		
Restricted cash and cash equivalents	278,994,416	340,965,294
Endowment investments	2,343,989,584	2,126,281,426
Other long-term investments	1,179,470,859	1,056,445,534
Notes, loans and accounts receivable, net	759,531,361	946,927,375
Other noncurrent assets	4,751,415	6,882,695
Capital assets, net	5,082,405,445	4,460,170,488
Lease assets, net	115,208,181	124,970,585
Subscription assets, net	49,294,942	29,894,751
Total noncurrent assets	9,813,646,203	9,092,538,148
Total assets	13,310,954,318	12,460,437,754
Deferred Outflows of Resources	18,273,846	30,932,680
Total assets and deferred outflows of resources	13,329,228,164	12,491,370,434
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	566,717,758	517,964,512
Unearned revenue	112,899,140	129,225,738
Long-term liabilities - current portion	174,952,113	178,722,339
Total current liabilities	854,569,011	825,912,589
Noncurrent Liabilities		
Unearned revenue	136,538,425	165,661,614
Long-term liabilities	1,791,651,675	1,786,107,644
Total noncurrent liabilities	1,928,190,100	1,951,769,258
Total liabilities	2,782,759,111	2,777,681,847
Deferred Inflows of Resources	487,431,828	514,000,880
Total liabilities and deferred inflows of resources	3,270,190,939	3,291,682,727
NET POSITION		
Net investment in capital assets	3,070,238,462	2,472,691,412
Restricted		
Nonexpendable		
Scholarships and fellowships	256,643,079	242,339,031
Research	349,863,108	340,098,621
Instruction	96,748,599	95,275,674
Academic support	89,884,106	88,810,662
Other	23,146,140	20,655,069
Total restricted nonexpendable	816,285,032	787,179,057
Expendable		
Scholarships and fellowships	205,265,332	176,594,827
Research	290,652,599	224,762,406
Instruction	109,070,347	93,865,108
Academic support	187,390,730	172,757,952
Loans	13,856,590	13,427,880
Capital projects	228,564,479	311,919,807
Debt service	33,720,604	35,731,541
Auxiliary	26,305,640	24,702,501
Other	184,405,974	177,143,411
Total restricted expendable	1,279,232,295	1,230,905,433
Total restricted	2,095,517,327	2,018,084,490
Unrestricted	4,893,281,436	4,708,911,805
Total net position	\$10,059,037,225	\$ 9,199,687,707

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 THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
OPERATING REVENUES		
Student tuition and fees	\$ 383,797,652	\$ 349,394,483
Federal grants and contracts	64,401,096	66,459,314
State and local grants and contracts	34,498,617	38,942,443
Nongovernmental grants and contracts	104,836,578	99,065,650
Recoveries of facilities and administrative costs	22,569,136	22,534,982
Sales and services	21,534,970	14,254,464
Federal appropriations	6,516,254	6,168,453
County appropriations	9,885,491	9,412,515
Hospital services	1,366,891,886	1,140,993,081
Auxiliary enterprises:		
Housing and dining	7,889,379	8,224,062
Athletics	39,990,409	41,128,508
Other auxiliaries	26,775,643	24,305,088
Other operating revenues	65,597	60,696
Total operating revenues	<u>2,089,652,708</u>	<u>1,820,943,739</u>
OPERATING EXPENSES		
Educational and general:		
Instruction	84,775,772	83,540,346
Research	102,500,389	94,955,199
Public service	66,488,444	66,862,394
Libraries	6,091,819	5,656,947
Academic support	37,274,652	32,579,142
Student services	13,629,625	13,839,278
Institutional support	33,442,804	35,678,059
Operations and maintenance of plant	34,393,150	34,372,688
Student financial aid	156,070,237	147,736,290
Depreciation and amortization	28,711,930	28,016,773
Total educational and general	<u>563,378,822</u>	<u>543,237,116</u>
Clinical operations	157,537,333	142,995,082
Hospital services (including depreciation and amortization of \$49,799,101 in 2025 and \$44,860,101 in 2024)	1,152,189,730	1,031,918,338
Auxiliary enterprises:		
Housing and dining (including depreciation of \$2,839,334 in 2025 and \$2,889,842 in 2024)	12,020,511	11,460,148
Athletics (including depreciation of \$5,430,788 in 2025 and \$4,368,670 in 2024)	54,084,377	50,804,886
Other auxiliaries (including depreciation and amortization of \$2,426,979 in 2025 and \$2,415,867 in 2024)	15,740,267	12,124,340
Other operating expenses	124,902	80,971
Total operating expenses	<u>1,955,075,942</u>	<u>1,792,620,881</u>
Net income from operations	<u>134,576,766</u>	<u>28,322,858</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	123,200,998	121,569,700
Gifts and non-exchange grants	68,012,902	67,350,628
Investment income	159,909,241	140,616,324
Interest on capital asset, lease and SBITA-related debt	(15,770,166)	(14,461,488)
Other nonoperating revenues and expenses, net	(5,001,618)	2,227,100
Net nonoperating revenues	<u>330,351,357</u>	<u>317,302,264</u>
Net income before other revenues, expenses, gains or losses	<u>464,928,123</u>	<u>345,625,122</u>
Capital grants and gifts	4,965,529	204,721,568
Additions to permanent endowments	3,336,998	4,232,975
Special item - acquisition of Claire Blue	-	119,976,027
Other, net	4,953,772	27,735,362
Total other revenues	<u>13,256,299</u>	<u>356,665,932</u>
INCREASE IN NET POSITION	<u>478,184,422</u>	<u>702,291,054</u>
NET POSITION, July 1	<u>9,580,852,803</u>	<u>8,497,396,653</u>
NET POSITION, September 30	<u>\$10,059,037,225</u>	<u>\$ 9,199,687,707</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 THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	2025			2024	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 732,750,200	\$ 383,797,652	52%	\$ 349,394,483	52%
Federal grants and contracts	243,780,800	64,401,096	26%	66,459,314	17%
State and local grants and contracts	238,908,200	34,498,617	14%	38,942,443	23%
Nongovernmental grants and contracts	465,448,500	104,836,578	23%	99,065,650	25%
Recoveries of facilities and administrative costs	48,910,000	22,569,136	46%	22,534,982	31%
Sales and services	59,140,400	21,534,970	36%	14,254,464	24%
Federal appropriations	19,167,700	6,516,254	34%	6,168,453	32%
County appropriations	44,008,200	9,885,491	22%	9,412,515	23%
Hospital services	5,122,153,200	1,366,891,886	27%	1,140,993,081	23%
Auxiliary enterprises:					
Housing and dining	39,702,600	7,889,379	20%	8,224,062	21%
Athletics	142,666,400	39,990,409	28%	41,128,508	30%
Other auxiliaries	58,745,000	26,775,643	46%	24,305,088	47%
Total operating revenues	<u>7,215,381,200</u>	<u>2,089,587,111</u>	<u>29%</u>	<u>1,820,883,043</u>	<u>26%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	645,513,700	84,815,968	13%	83,580,542	13%
Research	571,434,700	102,901,401	18%	95,379,474	17%
Public service	311,802,100	66,725,148	21%	67,104,644	21%
Libraries	17,646,900	6,091,819	35%	5,656,947	34%
Academic support	192,168,200	38,159,830	20%	32,753,142	19%
Student services	66,332,400	13,601,015	21%	13,815,843	21%
Institutional support	234,251,900	35,373,516	15%	36,211,538	22%
Operations and maintenance of plant	132,153,300	29,488,635	22%	24,953,657	23%
Student financial aid	348,510,200	156,070,237	45%	147,736,290	45%
Total educational and general	<u>2,519,813,400</u>	<u>533,227,569</u>	<u>21%</u>	<u>507,192,077</u>	<u>21%</u>
Clinical operations	801,958,000	157,537,333	20%	142,995,082	18%
Hospital services	4,498,336,600	1,100,584,255	24%	992,541,990	23%
Auxiliary enterprises:					
Housing and dining	27,008,000	8,426,993	31%	8,450,238	29%
Athletics	199,798,000	48,417,471	24%	44,722,324	26%
Other auxiliaries	48,984,300	12,751,313	26%	9,302,944	20%
Total operating expenses	<u>8,095,898,300</u>	<u>1,860,944,934</u>	<u>23%</u>	<u>1,705,204,655</u>	<u>22%</u>
Net income (loss) from operations	<u>(880,517,100)</u>	<u>228,642,177</u>	<u>N/A</u>	<u>115,678,388</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 THREE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024

	2025			2024	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	(880,517,100)	228,642,177	N/A	115,678,388	N/A
NONOPERATING REVENUES (EXPENSES)					
State appropriations	364,003,300	123,200,998	34%	121,569,700	34%
Gifts and non-exchange grants	158,420,800	65,963,975	42%	64,554,325	47%
Investment income	67,770,800	59,004,371	87%	63,397,202	99%
Other nonoperating revenues and expenses, net	(24,189,300)	(5,220,173)	22%	2,037,312	147%
Net nonoperating revenues	566,005,600	242,949,171	43%	251,558,539	45%
Net income (loss) before other revenues, expenses, gains or losses	(314,511,500)	471,591,348	N/A	367,236,927	N/A
Capital grants and gifts	11,116,200	4,965,529	45%	4,207,436	14%
Special item - acquisition of Claire Blue	-	-	-	49,364,933	-
Other, net	-	5,532,370	-	29,195,608	-
Total other revenues	11,116,200	10,497,899	94%	82,767,977	279%
NON-GASB ACTIVITY					
Appropriated fund balance	765,531,300	-	-	-	-
Capital purchases and transfers	(354,075,000)	(170,846,186)	48%	(142,874,265)	33%
Debt service transfers	(131,181,400)	(45,527,127)	35%	(41,857,149)	37%
Noncapital transfers	23,120,400	(16,455,208)	-71%	(17,729,650)	-97%
Total non-GASB current funds activity	303,395,300	(232,828,521)	N/A	(202,461,064)	N/A
INCREASE IN NET POSITION	-	249,260,726		247,543,840	
NET POSITION, July 1		3,671,179,833		3,378,198,792	
NET POSITION, September 30		<u>\$ 3,920,440,559</u>		<u>\$ 3,625,742,632</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 7,215,381,200	\$ 2,089,587,111	29%	\$ 1,820,883,043	26%
Nonoperating revenues and transfers	1,406,449,100	258,667,243	18%	334,326,516	27%
Total revenues	8,621,830,300	2,348,254,354	27%	2,155,209,559	26%
Operating expenses	8,095,898,300	1,860,944,934	23%	1,705,204,655	22%
Nonoperating expenses and transfers	525,932,000	238,048,694	45%	202,461,064	36%
Total expenses and transfers	8,621,830,300	2,098,993,628	24%	1,907,665,719	23%
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 249,260,726</u>		<u>\$ 247,543,840</u>	