

FCR 9

Office of the President
December 3, 2024

Members, Board of Trustees:

ACCEPTANCE OF INTERIM FINANCIAL REPORT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024

Recommendation: that the Board of Trustees accept the University of Kentucky consolidated financial report for the three months ended September 30, 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 September 30, 2024, the University has recognized \$2,154,662,438 of current funds revenue representing 26 percent of the 2024-25 approved budget of \$8,369,418,200. Expenses and transfers total \$1,905,400,942 or 23 percent of the approved budget.

Action taken: Approved Disapproved Other _____



Consolidated Financial Statements

For the three months ended September 30, 2024

UNIVERSITY OF KENTUCKY
A COMPONENT UNIT OF THE COMMONWEALTH OF KENTUCKY
STATEMENTS OF NET POSITION¹
SEPTEMBER 30, 2024 AND 2023

	2024	2023
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and cash equivalents	\$ 1,752,191,457	\$ 1,578,744,023
Notes, loans and accounts receivable, net	1,456,435,693	1,357,652,640
Investments	358,289	792,512
Inventories and other assets	158,914,167	136,041,802
Total current assets	<u>3,367,899,606</u>	<u>3,073,230,977</u>
Noncurrent Assets		
Restricted cash and cash equivalents	340,965,294	228,941,728
Endowment investments	2,126,281,426	1,851,614,169
Other long-term investments	1,056,445,534	883,699,040
Notes, loans and accounts receivable, net	946,927,375	729,904,230
Other noncurrent assets	6,882,695	8,666,463
Capital assets, net	4,460,170,488	3,922,314,012
Lease assets, net	124,970,585	111,427,035
Subscription assets, net	29,894,751	28,751,056
Total noncurrent assets	<u>9,092,538,148</u>	<u>7,765,317,733</u>
Total assets	<u>12,460,437,754</u>	<u>10,838,548,710</u>
Deferred Outflows of Resources		
	<u>30,932,680</u>	<u>30,563,476</u>
Total assets and deferred outflows of resources	<u>12,491,370,434</u>	<u>10,869,112,186</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		
Current Liabilities		
Accounts payable and accrued liabilities	516,246,856	411,038,302
Unearned revenue	129,225,738	162,270,310
Long-term liabilities - current portion	178,722,339	147,145,938
Total current liabilities	<u>824,194,933</u>	<u>720,454,550</u>
Noncurrent Liabilities		
Unearned revenue	165,661,614	184,995,534
Long-term liabilities	1,786,107,644	1,531,917,398
Total noncurrent liabilities	<u>1,951,769,258</u>	<u>1,716,912,932</u>
Total liabilities	<u>2,775,964,191</u>	<u>2,437,367,482</u>
Deferred Inflows of Resources		
	<u>514,000,880</u>	<u>524,870,312</u>
Total liabilities and deferred inflows of resources	<u>3,289,965,071</u>	<u>2,962,237,794</u>
NET POSITION		
Net investment in capital assets	<u>2,472,691,412</u>	<u>2,212,592,372</u>
Restricted		
Nonexpendable		
Scholarships and fellowships	242,339,031	231,386,853
Research	340,098,621	318,910,045
Instruction	95,275,674	92,273,752
Academic support	88,810,662	88,118,753
Other	20,655,069	17,645,274
Total restricted nonexpendable	<u>787,179,057</u>	<u>748,334,677</u>
Expendable		
Scholarships and fellowships	176,594,827	127,075,108
Research	224,762,406	141,025,745
Instruction	93,865,108	74,559,213
Academic support	172,757,952	151,647,770
Loans	13,427,880	12,192,198
Capital projects	311,919,807	207,048,462
Debt service	35,731,541	31,253,133
Auxiliary	24,702,501	52,496,457
Other	177,143,411	155,263,180
Total restricted expendable	<u>1,230,905,433</u>	<u>952,561,266</u>
Total restricted	<u>2,018,084,490</u>	<u>1,700,895,943</u>
Unrestricted		
	<u>4,710,629,461</u>	<u>3,993,386,077</u>
Total net position	<u>\$ 9,201,405,363</u>	<u>\$ 7,906,874,392</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
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION¹
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	2024	2023
OPERATING REVENUES		
Student tuition and fees	\$ 349,394,483	\$ 321,811,113
Federal grants and contracts	65,969,458	63,951,646
State and local grants and contracts	38,942,443	31,050,511
Nongovernmental grants and contracts	99,008,385	81,070,496
Recoveries of facilities and administrative costs	22,534,982	22,522,957
Sales and services	14,254,464	20,202,982
Federal appropriations	6,168,453	5,041,970
County appropriations	9,412,515	8,648,349
Hospital services	1,140,993,081	1,069,235,203
Auxiliary enterprises:		
Housing and dining	8,793,725	9,051,643
Athletics	41,128,508	37,041,820
Other auxiliaries	23,735,425	23,438,749
Other operating revenues	60,696	57,681
Total operating revenues	1,820,396,618	1,693,125,120
OPERATING EXPENSES		
Educational and general:		
Instruction	83,540,346	76,655,197
Research	94,955,199	93,490,854
Public service	66,862,394	62,851,593
Libraries	5,602,967	4,945,646
Academic support	30,915,466	30,444,015
Student services	13,839,278	11,707,107
Institutional support	35,678,059	29,810,348
Operations and maintenance of plant	34,372,688	26,780,782
Student financial aid	147,736,290	136,070,223
Depreciation and amortization	28,016,773	23,944,716
Total educational and general	541,519,460	496,700,481
Clinical operations	142,995,082	128,042,695
Hospital services (including depreciation and amortization of \$44,860,101 in 2024 and \$38,699,975 in 2023)	1,031,371,217	876,235,565
Auxiliary enterprises:		
Housing and dining (including depreciation of \$2,889,842 in 2024 and \$2,723,301 in 2023)	11,460,148	9,764,693
Athletics (including depreciation of \$4,368,670 in 2024 and \$4,050,233 in 2023)	50,804,886	49,858,838
Other auxiliaries (including depreciation and amortization of \$2,415,867 in 2024 and \$2,136,120 in 2023)	12,124,340	11,554,246
Other operating expenses	80,971	31,329
Total operating expenses	1,790,356,104	1,572,187,847
Net income from operations	30,040,514	120,937,273
NONOPERATING REVENUES (EXPENSES)		
State appropriations	121,569,700	95,900,800
Gifts and non-exchange grants	67,350,628	41,419,044
Investment income	140,616,324	(5,611,594)
Interest on capital asset, lease and SBITA-related debt	(14,461,488)	(12,725,801)
Other nonoperating revenues and expenses, net	2,227,100	2,762,290
Net nonoperating revenues	317,302,264	121,744,739
Net income before other revenues, expenses, gains or losses	347,342,778	242,682,012
Capital grants and gifts	204,721,568	255,208,160
Additions to permanent endowments	4,232,975	20,307,815
Special item - acquisition of Claire Blue	119,976,027	-
Other, net	27,735,362	3,293,492
Total other revenues	356,665,932	278,809,467
INCREASE IN NET POSITION	704,008,710	521,491,479
NET POSITION, July 1	8,497,396,653	7,385,382,913
NET POSITION, September 30	\$ 9,201,405,363	\$ 7,906,874,392

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, 2024 AND 2023

	2024			2023	
	Budget	Actual	%	Actual	%
OPERATING REVENUES					
Student tuition and fees	\$ 674,392,100	\$ 349,394,483	52%	\$ 321,811,113	52%
Federal grants and contracts	385,084,800	65,969,458	17%	63,951,646	18%
State and local grants and contracts	64,090,400	38,942,443	61%	31,050,511	78%
Nongovernmental grants and contracts	503,532,500	99,008,385	20%	81,070,496	19%
Recoveries of facilities and administrative costs	73,000,000	22,534,982	31%	22,522,957	32%
Sales and services	66,802,500	14,254,464	21%	20,202,982	34%
Federal appropriations	19,239,500	6,168,453	32%	5,041,970	26%
County appropriations	41,270,200	9,412,515	23%	8,648,349	22%
Hospital services	5,064,852,000	1,140,993,081	23%	1,069,235,203	27%
Auxiliary enterprises:					
Housing and dining	38,776,600	8,793,725	23%	9,051,643	24%
Athletics	138,629,600	41,128,508	30%	37,041,820	29%
Other auxiliaries	51,695,500	23,735,425	46%	23,438,749	42%
Total operating revenues	<u>7,121,365,700</u>	<u>1,820,335,922</u>	<u>26%</u>	<u>1,693,067,439</u>	<u>29%</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	642,874,500	83,580,542	13%	76,655,197	13%
Research	564,997,000	95,379,474	17%	93,490,827	20%
Public service	320,661,200	67,104,644	21%	62,851,593	22%
Libraries	16,806,100	5,602,967	33%	4,945,646	31%
Academic support	171,398,900	31,089,466	18%	30,444,015	20%
Student services	65,930,500	13,815,843	21%	11,690,196	19%
Institutional support	163,730,900	36,211,538	22%	29,803,625	20%
Operations and maintenance of plant	107,519,000	24,953,657	23%	23,911,366	25%
Student financial aid	329,490,400	147,736,290	45%	136,070,223	47%
Total educational and general	<u>2,383,408,500</u>	<u>505,474,421</u>	<u>21%</u>	<u>469,862,688</u>	<u>22%</u>
Clinical operations	801,782,600	142,995,082	18%	128,042,695	22%
Hospital services	4,370,541,300	991,994,869	23%	842,718,082	24%
Auxiliary enterprises:					
Housing and dining	29,449,700	8,450,238	29%	6,727,929	29%
Athletics	174,084,500	44,722,324	26%	44,048,948	27%
Other auxiliaries	46,656,900	9,302,944	20%	7,841,784	21%
Total operating expenses	<u>7,805,923,500</u>	<u>1,702,939,878</u>	<u>22%</u>	<u>1,499,242,126</u>	<u>23%</u>
Net income (loss) from operations	<u>(684,557,800)</u>	<u>117,396,044</u>	<u>N/A</u>	<u>193,825,313</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, 2024 AND 2023

	2024			2023	
	Budget	Actual	%	Actual	%
Net income (loss) from operations	<u>(684,557,800)</u>	<u>117,396,044</u>	<u>N/A</u>	<u>193,825,313</u>	<u>N/A</u>
NONOPERATING REVENUES (EXPENSES)					
State appropriations	358,565,600	121,569,700	34%	95,900,800	30%
Gifts and non-exchange grants	136,071,100	64,554,325	47%	39,979,108	33%
Investment income	63,798,500	63,397,202	99%	24,514,892	45%
Other nonoperating revenues and expenses, net	<u>7,390,300</u>	<u>2,037,312</u>	<u>28%</u>	<u>2,762,181</u>	<u>36%</u>
Net nonoperating revenues	<u>565,825,500</u>	<u>251,558,539</u>	<u>44%</u>	<u>163,156,981</u>	<u>32%</u>
Net income (loss) before other revenues, expenses, gains or losses	<u>(118,732,300)</u>	<u>368,954,583</u>	<u>N/A</u>	<u>356,982,294</u>	<u>N/A</u>
Capital grants and gifts	22,690,400	4,207,436	19%	5,208,160	29%
Special item - acquisition of Claire Blue	-	49,364,933	-	-	-
Other, net	<u>-</u>	<u>29,195,608</u>	<u>-</u>	<u>4,059,685</u>	<u>-</u>
Total other revenues	<u>22,690,400</u>	<u>82,767,977</u>	<u>365%</u>	<u>9,267,845</u>	<u>52%</u>
NON-GASB ACTIVITY					
Appropriated fund balance	630,009,600	-	-	-	-
Capital purchases and transfers	(439,059,500)	(142,874,265)	33%	(124,844,868)	52%
Debt service transfers	(113,101,400)	(41,857,149)	37%	(35,811,802)	33%
Noncapital transfers	18,193,200	(17,729,650)	-97%	1,886,679	-8%
Total non-GASB current funds activity	<u>96,041,900</u>	<u>(202,461,064)</u>	<u>N/A</u>	<u>(158,769,991)</u>	<u>N/A</u>
INCREASE IN NET POSITION	-	249,261,496		207,480,148	
NET POSITION, July 1		<u>3,378,198,792</u>		<u>3,041,328,460</u>	
NET POSITION, September 30		<u>\$ 3,627,460,288</u>		<u>\$ 3,248,808,608</u>	
RECONCILIATION TO ANNUAL BUDGET					
Operating revenues	\$ 7,121,365,700	\$ 1,820,335,922	26%	\$ 1,693,067,439	29%
Nonoperating revenues and transfers	<u>1,248,052,500</u>	<u>334,326,516</u>	<u>27%</u>	<u>169,662,645</u>	<u>17%</u>
Total revenues	<u>8,369,418,200</u>	<u>2,154,662,438</u>	<u>26%</u>	<u>1,862,730,084</u>	<u>27%</u>
Operating expenses	7,805,923,500	1,702,939,878	22%	1,499,242,126	23%
Nonoperating expenses and transfers	<u>563,494,700</u>	<u>202,461,064</u>	<u>36%</u>	<u>156,007,810</u>	<u>43%</u>
Total expenses and transfers	<u>8,369,418,200</u>	<u>1,905,400,942</u>	<u>23%</u>	<u>1,655,249,936</u>	<u>24%</u>
INCREASE IN NET POSITION	<u>\$ -</u>	<u>\$ 249,261,496</u>		<u>\$ 207,480,148</u>	