



Research Foundation  
Financial Statements

For the nine months ended March 31, 2019

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY  
STATEMENTS OF NET POSITION  
MARCH 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 91,468,853	\$ 82,496,249
Accounts receivable	31,562,463	33,927,646
Unrecognized charges - patents	1,683,176	1,747,716
Inventories and other assets	2,532,740	1,783,284
Total current assets	<u>127,247,232</u>	<u>119,954,895</u>
<b>Noncurrent Assets</b>		
Endowment investments	14,571,302	14,369,623
Other long-term investments	7,666,095	7,190,112
Accounts receivable - noncurrent	91,694	-
Capital assets, net	3,037,480	3,120,840
Total noncurrent assets	<u>25,366,571</u>	<u>24,680,575</u>
Total assets	<u>152,613,803</u>	<u>144,635,470</u>
 <b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	1,580,252	1,807,678
Unearned grants and contracts revenue	39,264,650	48,786,803
Unearned patent intellectual property revenue	-	5,000
Due to the University of Kentucky	181,077	49,235
Total liabilities	<u>41,025,979</u>	<u>50,648,716</u>
 <b>NET POSITION</b>		
<b>Net investment in capital assets</b>	<u>3,037,480</u>	<u>3,120,840</u>
<b>Restricted</b>		
Nonexpendable	845,413	838,493
Expendable	4,051,821	4,073,294
Total restricted	<u>4,897,234</u>	<u>4,911,787</u>
<b>Unrestricted</b>	<u>103,653,110</u>	<u>85,954,127</u>
Total net position	<u>\$ 111,587,824</u>	<u>\$ 93,986,754</u>

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE NINE MONTHS ENDED MARCH 31, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$ 145,939,714	\$ 131,567,002
State and local grants and contracts	19,745,469	12,714,291
Nongovernmental grants and contracts	21,678,635	27,634,545
Recoveries of facilities and administrative costs	48,185,843	42,837,613
Other operating revenues	245,671	295,450
Total operating revenues	<u>235,795,332</u>	<u>215,048,901</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	8,689,470	7,658,933
Research	134,199,203	126,550,252
Public service	58,363,955	56,366,661
Academic support	1,064,574	913,487
Student services	6,918	12,713
Institutional support	643,877	556,899
Operations and maintenance of plant	357,068	373,081
Student financial aid	1,601,670	1,833,397
Total operating expenses	<u>204,926,735</u>	<u>194,265,423</u>
Net income from operations	<u>30,868,597</u>	<u>20,783,478</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	42,725	38,629
Investment income (loss)	968,735	987,435
License income	2,401,696	1,830,993
Grants (to) from the University of Kentucky for noncapital purposes	(8,655,967)	(9,638,362)
Other nonoperating revenues and expenses	717	5,395
Net nonoperating revenues (expenses)	<u>(5,242,094)</u>	<u>(6,775,910)</u>
Net income before other revenues, expenses, gains, or losses	<u>25,626,503</u>	<u>14,007,568</u>
Capital grants and gifts	3,139,774	4,255,551
Additions to permanent endowments	6,500	6,150
Grants (to) from the University of Kentucky for capital purposes	(12,500,755)	(5,947,985)
Other, net	41,712	49,582
Total other revenues (expenses)	<u>(9,312,769)</u>	<u>(1,636,702)</u>
Increase in net position	<u>16,313,734</u>	<u>12,370,866</u>
<b>NET POSITION, July 1</b>	<u>95,274,090</u>	<u>81,615,888</u>
<b>NET POSITION, March 31</b>	<u>\$ 111,587,824</u>	<u>\$ 93,986,754</u>

**UNIVERSITY OF KENTUCKY  
RESEARCH FOUNDATION  
SCHEDULE OF UNRESTRICTED FUNDS REVENUES, APPROPRIATED FUND BALANCES AND EXPENSES  
FOR THE NINE MONTHS ENDED MARCH 31, 2019  
WITH COMPARATIVE FIGURES FROM MARCH 31, 2018**

	2019			2018	
	Budget	Realized	%	Realized	%
<b>REVENUES</b>					
Recoveries of facilities and administration	\$ 50,000,000	\$ 48,185,843	96	\$ 42,837,613	91
Fixed price contracts	1,935,000	710,598	37	987,618	51
Investment income	-	608,566	-	273,645	-
Miscellaneous income	20,000	97,342	487	414,871	2,074
License income	1,700,000	2,401,696	141	1,830,993	108
Transfers from University of Kentucky for cost share	-	11,370,374	-	9,455,904	-
<b>Total revenues</b>	<b>53,655,000</b>	<b>63,374,419</b>	<b>118</b>	<b>55,800,644</b>	<b>110</b>
<b>EXPENSES</b>					
Operating	2,068,600	1,232,326	60	1,105,459	59
Patent costs	800,000	366,881	46	336,435	42
Royalty income sharing program	7,526,800	386,944	5	268,264	5
Research program	59,924,300	15,255,243	25	14,358,406	27
Cost share	-	10,855,061	-	9,396,004	-
Other	5,000,000	-	-	-	-
Grants to the University of Kentucky	26,177,760	18,892,668	72	18,170,013	73
<b>Total expenses</b>	<b>101,497,460</b>	<b>46,989,123</b>	<b>46</b>	<b>43,634,581</b>	<b>48</b>
<b>Net income (loss)</b>	<b>(47,842,460)</b>	<b>16,385,296</b>	<b>-</b>	<b>12,166,063</b>	<b>-</b>
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	47,842,460	-	-	-	-
Total non-GASB current funds activity	47,842,460	-	-	-	-
<b>NET INCREASE for the period</b>	<b>\$ -</b>	<b>16,385,296</b>		<b>12,166,063</b>	
<b>FUND BALANCE, July 1</b>		<b>77,240,627</b>		<b>63,827,133</b>	
<b>FUND BALANCE, March 31</b>		<b>\$ 93,625,923</b>		<b>\$ 75,993,196</b>	