



Research Foundation
Financial Statements

For the nine months ended March 31, 2018

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY
STATEMENTS OF NET POSITION
MARCH 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 82,496,249	\$ 62,508,725
Accounts receivable	33,927,646	22,495,813
Unrecognized charges - patents	1,747,716	2,349,834
Inventories and other assets	1,783,284	1,714,794
Total current assets	<u>119,954,895</u>	<u>89,069,166</u>
Noncurrent Assets		
Endowment investments	14,369,623	13,495,370
Other long term investments	7,190,112	7,500,530
Capital assets, net	3,120,840	3,204,200
Total noncurrent assets	<u>24,680,575</u>	<u>24,200,100</u>
Total assets	<u>144,635,470</u>	<u>113,269,266</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	1,807,678	1,162,563
Unearned grants and contracts revenue	48,786,803	34,717,754
Unearned patent intellectual property revenue	5,000	3,061,115
Due to the University of Kentucky	49,235	28,586
Total liabilities	<u>50,648,716</u>	<u>38,970,018</u>
NET POSITION		
Net investment in capital assets	<u>3,120,840</u>	<u>3,204,200</u>
Restricted		
Nonexpendable	838,493	832,043
Expendable	4,073,294	3,991,871
Total restricted	<u>4,911,787</u>	<u>4,823,914</u>
Unrestricted	<u>85,954,127</u>	<u>66,271,134</u>
Total net position	<u>\$ 93,986,754</u>	<u>\$ 74,299,248</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, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Federal grants and contracts	\$ 131,567,002	\$ 122,594,702
State and local grants and contracts	12,714,291	11,552,120
Nongovernmental grants and contracts	27,634,545	21,909,090
Recoveries of facilities and administrative costs	42,837,613	38,370,413
Other operating revenues	295,450	431,119
Total operating revenues	<u>215,048,901</u>	<u>194,857,444</u>
OPERATING EXPENSES		
Educational and general:		
Instruction	7,658,933	7,467,553
Research	126,550,252	116,804,976
Public service	56,366,661	49,877,356
Academic support	913,487	1,430,499
Student services	12,713	9,781
Institutional support	556,899	610,069
Operations and maintenance of plant	373,081	3,458
Student financial aid	1,833,397	1,761,338
Total operating expenses	<u>194,265,423</u>	<u>177,965,030</u>
Net income from operations	<u>20,783,478</u>	<u>16,892,414</u>
NONOPERATING REVENUES (EXPENSES)		
Gifts	38,629	89,004
Investment income (loss)	987,435	940,579
License income	1,830,993	1,361,007
Grants (to) from the University of Kentucky for noncapital purposes	(9,638,362)	(11,188,945)
Other nonoperating revenues and expenses	5,395	494
Net nonoperating revenues (expenses)	<u>(6,775,910)</u>	<u>(8,797,861)</u>
Net income before other revenues, expenses, gains, or losses	<u>14,007,568</u>	<u>8,094,553</u>
Capital grants and gifts	4,255,551	4,708,456
Additions to permanent endowments	6,150	-
Grants (to) from the University of Kentucky for capital purposes	(5,947,985)	(6,878,706)
Other, net	49,582	(24,790)
Total other revenues (expenses)	<u>(1,636,702)</u>	<u>(2,195,040)</u>
Increase in net position	<u>12,370,866</u>	<u>5,899,513</u>
NET POSITION, July 1	<u>81,615,888</u>	<u>68,399,735</u>
NET POSITION, March 31	<u>\$ 93,986,754</u>	<u>\$ 74,299,248</u>

**UNIVERSITY OF KENTUCKY
RESEARCH FOUNDATION
SCHEDULE OF UNRESTRICTED FUNDS REVENUES, APPROPRIATED FUND BALANCES AND EXPENSES
FOR THE NINE MONTHS ENDED MARCH 31, 2018
WITH COMPARATIVE FIGURES FROM MARCH 31, 2017**

	2018			2017	
	Budget	Realized	%	Realized	%
REVENUES					
Recoveries of facilities and administration	\$ 47,000,000	\$ 42,837,613	91	\$ 38,370,413	85
Fixed price contracts	1,935,000	987,618	51	832,784	43
Investment income	-	273,645	-	143,141	-
Miscellaneous income	20,000	414,871	2,074	246,740	1,234
License income	1,700,000	1,830,993	108	1,361,007	32
Transfers from University of Kentucky for cost share	-	9,455,904	-	8,629,502	-
Total revenues	50,655,000	55,800,644	110	49,583,587	97
EXPENSES					
Operating	1,889,400	1,105,459	59	1,076,546	50
Patent costs	800,000	336,435	42	708,124	41
Royalty income sharing program	5,900,000	268,264	5	404,080	3
Research program	52,314,600	14,358,406	27	13,322,798	37
Cost share	-	9,396,004	-	10,139,013	-
Other	4,700,000	-	-	859,826	19
Grants to the University of Kentucky	24,844,860	18,170,013	73	17,689,554	72
Total expenses	90,448,860	43,634,581	48	44,199,941	53
Net income (loss)	(39,793,860)	12,166,063	-	5,383,646	-
NON-GASB ACTIVITY					
Appropriated fund balance	39,793,860	-	-	-	-
Total non-GASB current funds activity	39,793,860	-	-	-	-
NET INCREASE for the period	\$ -	12,166,063		5,383,646	
FUND BALANCE, July 1		63,827,133		51,570,178	
FUND BALANCE, March 31		\$ 75,993,196		\$ 56,953,824	