



Research Foundation
Financial Statements

For the nine months ended March 31, 2020

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY
STATEMENTS OF NET POSITION
MARCH 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 103,645,004	\$ 91,468,853
Accounts receivable	31,929,466	31,562,463
Unrecognized charges - patents	1,782,676	1,683,176
Inventories and other assets	876,680	2,532,740
Total current assets	<u>138,233,826</u>	<u>127,247,232</u>
Noncurrent Assets		
Restricted cash and cash equivalents	222,206	-
Endowment investments	14,863,995	14,571,302
Other long-term investments	7,642,615	7,666,095
Accounts receivable - noncurrent	13,997	91,694
Capital assets, net	2,954,121	3,037,480
Total noncurrent assets	<u>25,696,934</u>	<u>25,366,571</u>
Total assets	<u>163,930,760</u>	<u>152,613,803</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	2,067,043	1,580,252
Unearned grants and contracts revenue	33,170,055	39,264,650
Due to the University of Kentucky	-	181,077
Total liabilities	<u>35,237,098</u>	<u>41,025,979</u>
NET POSITION		
Net investment in capital assets	<u>2,954,121</u>	<u>3,037,480</u>
Restricted		
Nonexpendable	855,513	845,413
Expendable	4,681,882	4,051,821
Total restricted	<u>5,537,395</u>	<u>4,897,234</u>
Unrestricted		
Total net position	<u>\$ 128,693,662</u>	<u>\$ 111,587,824</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, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Federal grants and contracts	\$ 155,835,885	\$ 146,290,164
State and local grants and contracts	14,476,788	12,681,806
Nongovernmental grants and contracts	21,415,661	21,678,635
Recoveries of facilities and administrative costs	49,917,753	48,185,843
Other operating revenues	278,766	245,671
Total operating revenues	<u>241,924,853</u>	<u>229,082,119</u>
OPERATING EXPENSES		
Educational and general:		
Instruction	9,007,772	8,689,470
Research	142,019,153	134,199,203
Public service	63,220,158	58,363,955
Academic support	1,128,249	1,064,574
Student services	28,251	6,918
Institutional support	717,054	643,877
Operations and maintenance of plant	82,857	357,068
Student financial aid	1,571,439	1,601,670
Total operating expenses	<u>217,774,933</u>	<u>204,926,735</u>
Net income from operations	<u>24,149,920</u>	<u>24,155,384</u>
NONOPERATING REVENUES (EXPENSES)		
Gifts	264,299	42,725
Investment income	397,211	968,735
License income	2,910,948	2,401,696
Grants to the University of Kentucky for noncapital purposes	(8,363,957)	(8,655,967)
Other nonoperating revenues and expenses	389	717
Net nonoperating expenses	<u>(4,791,110)</u>	<u>(5,242,094)</u>
Net income before other revenues, expenses, gains, or losses	<u>19,358,810</u>	<u>18,913,290</u>
Capital grants and gifts	3,848,707	9,852,987
Additions to permanent endowments	2,500	6,500
Grants to the University of Kentucky for capital purposes	(11,278,281)	(12,500,755)
Other, net	-	41,712
Total other revenues (expenses)	<u>(7,427,074)</u>	<u>(2,599,556)</u>
Increase in net position	11,931,736	16,313,734
NET POSITION, July 1	<u>116,761,926</u>	<u>95,274,090</u>
NET POSITION, March 31	<u>\$ 128,693,662</u>	<u>\$ 111,587,824</u>

**UNIVERSITY OF KENTUCKY
RESEARCH FOUNDATION
SCHEDULE OF UNRESTRICTED FUNDS REVENUES, APPROPRIATED FUND BALANCES AND EXPENSES
FOR THE NINE MONTHS ENDED MARCH 31, 2020
WITH COMPARATIVE FIGURES FROM MARCH 31, 2019**

	2020			2019	
	Budget	Realized	%	Realized	%
REVENUES					
Recoveries of facilities and administration	\$ 57,000,000	\$ 49,917,833	88	\$ 48,185,843	96
Fixed price contracts	1,935,000	798,343	41	710,598	37
Investment income	-	377,168	-	608,566	-
Miscellaneous income	50,000	432,731	865	97,342	487
License income	1,800,000	2,910,948	162	2,401,696	141
Transfers from University of Kentucky for cost share	-	13,602,846	-	11,370,374	-
Total revenues	60,785,000	68,039,869	112	63,374,419	118
EXPENSES					
Operating	2,498,500	1,456,046	58	1,232,326	60
Patent costs	800,000	401,307	50	366,881	46
Royalty income sharing program	7,753,900	569,540	7	386,944	5
Research program	71,499,400	19,696,013	28	15,255,243	25
Cost share	-	13,037,666	-	10,855,061	-
Other	5,700,000	-	-	-	-
Grants to the University of Kentucky	28,111,200	20,430,494	73	18,892,668	72
Total expenses	116,363,000	55,591,066	48	46,989,123	46
Net income (loss)	(55,578,000)	12,448,803	-	16,385,296	-
NON-GASB ACTIVITY					
Appropriated fund balance	55,578,000	-	-	-	-
Total non-GASB current funds activity	55,578,000	-	-	-	-
NET INCREASE for the period	\$ -	12,448,803		16,385,296	
FUND BALANCE, July 1		97,646,680		77,240,627	
FUND BALANCE, March 31		\$ 110,095,483		\$ 93,625,923	