



Research Foundation  
Financial Statements

For the nine months ended March 31, 2017

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY  
STATEMENTS OF NET POSITION  
MARCH 31, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 62,508,725	\$ 58,419,978
Accounts receivable	22,495,813	24,151,905
Unrecognized charges - patents	2,349,834	2,627,898
Inventories and other assets	1,714,794	-
Total current assets	<u>89,069,166</u>	<u>85,199,781</u>
<b>Noncurrent Assets</b>		
Endowment investments	13,495,370	3,890,292
Other long term investments	7,500,530	7,549,672
Capital assets, net	3,204,200	3,287,559
Total noncurrent assets	<u>24,200,100</u>	<u>14,727,523</u>
Total assets	<u>113,269,266</u>	<u>99,927,304</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	1,162,563	1,420,738
Unearned grants and contracts revenue	34,717,754	31,469,996
Unearned patent intellectual property revenue	3,061,115	2,131,194
Due to the University of Kentucky	28,586	53,765
Total liabilities	<u>38,970,018</u>	<u>35,075,693</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>	<u>3,204,200</u>	<u>3,287,559</u>
<b>Restricted</b>		
Nonexpendable	832,043	832,043
Expendable	3,991,871	3,779,781
Total restricted	<u>4,823,914</u>	<u>4,611,824</u>
<b>Unrestricted</b>		
Total net position	<u>\$ 74,299,248</u>	<u>\$ 64,851,611</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, 2017 AND 2016**

	2017	2016
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$ 122,594,702	\$ 119,872,169
State and local grants and contracts	11,552,120	11,695,722
Nongovernmental grants and contracts	21,909,090	22,829,767
Recoveries of facilities and administrative costs	38,370,413	36,182,873
Other operating revenues	431,119	161,779
Total operating revenues	<u>194,857,444</u>	<u>190,742,310</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	7,467,553	6,933,287
Research	116,804,976	115,880,465
Public service	49,877,356	50,925,681
Academic support	1,430,499	756,156
Student services	9,781	-
Institutional support	610,069	729,788
Operations and maintenance of plant	3,458	11,115
Student financial aid	1,761,338	1,146,971
Total operating expenses	<u>177,965,030</u>	<u>176,383,463</u>
Net income from operations	<u>16,892,414</u>	<u>14,358,847</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	89,004	164,192
Investment income (loss)	940,579	(186,580)
Patent income	1,361,007	8,121,149
Grants (to) from the University of Kentucky for noncapital purposes	(11,188,945)	(11,433,357)
Other nonoperating revenues and expenses	494	4,514
Net nonoperating revenues (expenses)	<u>(8,797,861)</u>	<u>(3,330,082)</u>
Net income before other revenues, expenses, gains, or losses	<u>8,094,553</u>	<u>11,028,765</u>
Capital grants and gifts	4,708,456	2,943,506
Additions to permanent endowments	-	7,971
Grants (to) from the University of Kentucky for capital purposes	(6,878,706)	(7,518,211)
Other, net	(24,790)	(20,939)
Total other revenues (expenses)	<u>(2,195,040)</u>	<u>(4,587,673)</u>
Increase in net position	5,899,513	6,441,092
<b>NET POSITION, July 1</b>	<u>68,399,735</u>	<u>58,410,519</u>
<b>NET POSITION, March 31</b>	<u>\$ 74,299,248</u>	<u>\$ 64,851,611</u>

UNIVERSITY OF KENTUCKY  
RESEARCH FOUNDATION  
SCHEDULE OF UNRESTRICTED FUNDS REVENUES, APPROPRIATED FUND BALANCES AND EXPENSES  
FOR THE NINE MONTHS ENDED MARCH 31, 2017  
WITH COMPARATIVE FIGURES FROM MARCH 31, 2016

	<u>2017</u>			<u>2016</u>	
	<u>Budget</u>	<u>Realized</u>	<u>%</u>	<u>Realized</u>	<u>%</u>
<b>REVENUES</b>					
Recoveries of facilities and administration	\$ 45,000,000	\$ 38,370,413	85	\$ 36,182,873	82
Fixed price contracts	1,935,000	832,784	43	547,324	28
Investment income	-	143,141	-	65,471	-
Miscellaneous income	20,000	246,740	1,234	13,922	70
Patent income	4,200,000	1,361,007	32	8,121,149	193
Transfers from University of Kentucky for cost share	-	8,629,502	-	7,642,786	-
Total revenues	<u>51,155,000</u>	<u>49,583,587</u>	<u>97</u>	<u>52,573,525</u>	<u>105</u>
<b>EXPENSES</b>					
Operating	2,164,100	1,076,546	50	1,158,489	67
Patent costs	1,738,000	708,124	41	292,795	16
Royalty income sharing program	14,762,000	404,080	3	413,182	5
Research program	36,277,200	13,322,798	37	16,218,863	46
Cost share	-	10,139,013	-	8,983,615	-
Other	4,500,000	859,826	19	1,952,241	44
Grants to the University of Kentucky	24,410,575	17,689,554	72	16,506,930	71
Total expenses	<u>83,851,875</u>	<u>44,199,941</u>	<u>53</u>	<u>45,526,115</u>	<u>62</u>
Net income (loss)	<u>(32,696,875)</u>	<u>5,383,646</u>	<u>-</u>	<u>7,047,410</u>	<u>-</u>
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	32,696,875	-	-	-	-
Total non-GASB current funds activity	<u>32,696,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE for the period</b>	<u>\$ -</u>	<u>5,383,646</u>		<u>7,047,410</u>	
<b>FUND BALANCE, July 1</b>		<u>51,570,178</u>		<u>49,904,818</u>	
<b>FUND BALANCE, March 31</b>		<u>\$ 56,953,824</u>		<u>\$ 56,952,228</u>	