



Research Foundation  
Financial Statements

For the six months ended December 31, 2022

**UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION  
A COMPONENT UNIT OF THE UNIVERSITY OF KENTUCKY  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 127,742,587	\$ 120,450,771
Notes and accounts receivable, net	48,668,297	37,326,519
Unrecognized charges - patents	2,676,638	2,654,208
Inventories and other assets	135,552	785,881
Total current assets	<u>179,223,074</u>	<u>161,217,379</u>
<b>Noncurrent Assets</b>		
Endowment investments	18,532,824	19,430,920
Other long term investments	8,566,596	8,474,539
Notes and accounts receivable, net	4,325	7,137
Capital assets, net	2,704,042	2,787,402
Lease assets, net	2,110,570	-
Total noncurrent assets	<u>31,918,357</u>	<u>30,699,998</u>
Total assets	<u>211,141,431</u>	<u>191,917,377</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	4,027,794	3,037,463
Unearned grants and contracts revenue	43,739,586	37,598,914
Lease liabilities - current	747,057	-
Due to the University of Kentucky	522,280	283,582
Total current liabilities	<u>49,036,717</u>	<u>40,919,959</u>
<b>Noncurrent Liabilities</b>		
Lease liabilities	1,397,407	-
Total noncurrent liabilities	<u>1,397,407</u>	<u>-</u>
Total liabilities	<u>50,434,124</u>	<u>40,919,959</u>
<b>NET POSITION</b>		
<b>Net investment in capital assets</b>	<u>2,704,042</u>	<u>2,787,402</u>
<b>Restricted</b>		
Nonexpendable	855,513	855,513
Expendable	5,105,748	5,388,940
Total restricted	<u>5,961,261</u>	<u>6,244,453</u>
<b>Unrestricted</b>		
Total net position	<u>\$ 160,707,307</u>	<u>\$ 150,997,418</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 SIX MONTHS ENDED DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>OPERATING REVENUES</b>		
Federal grants and contracts	\$ 131,056,707	\$ 133,967,449
State and local grants and contracts	12,655,646	9,879,255
Nongovernmental grants and contracts	12,722,289	12,479,802
Recoveries of facilities and administrative costs	44,120,658	42,250,277
Other operating revenues	6,266,480	3,101,005
Total operating revenues	<u>206,821,780</u>	<u>201,677,788</u>
<b>OPERATING EXPENSES</b>		
Educational and general:		
Instruction	6,508,470	6,099,338
Research	117,735,381	109,558,426
Public service	57,380,670	58,543,648
Libraries	10	59
Academic support	1,339,923	1,044,898
Institutional support	512,062	399,524
Operations and maintenance of plant	180,604	60,458
Student financial aid	4,413,904	1,151,205
Total operating expenses	<u>188,071,024</u>	<u>176,857,556</u>
Net income from operations	<u>18,750,756</u>	<u>24,820,232</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	41,310	81,770
Investment income	1,117,555	174,010
License income	489,634	999,083
Grants to the University of Kentucky for noncapital purposes	(7,428,128)	(10,701,995)
Other nonoperating revenues	917	598
Net nonoperating expenses	<u>(5,778,712)</u>	<u>(9,446,534)</u>
Net income before other revenues, expenses, gains, or losses	<u>12,972,044</u>	<u>15,373,698</u>
Capital grants and gifts	2,577,349	2,457,962
Grants to the University of Kentucky for capital purposes	(12,619,730)	(5,343,862)
Total other revenues (expenses)	<u>(10,042,381)</u>	<u>(2,885,900)</u>
Increase in net position	2,929,663	12,487,798
<b>NET POSITION, July 1</b>	<u>157,777,644</u>	<u>138,509,620</u>
<b>NET POSITION, December 31</b>	<u>\$ 160,707,307</u>	<u>\$ 150,997,418</u>

**UNIVERSITY OF KENTUCKY  
RESEARCH FOUNDATION  
SCHEDULE OF UNRESTRICTED FUNDS REVENUES, APPROPRIATED FUND BALANCES AND EXPENSES  
FOR THE SIX MONTHS ENDED DECEMBER 31, 2022  
WITH COMPARATIVE FIGURES FROM DECEMBER 31, 2021**

	2022			2021	
	Budget	Realized	%	Realized	%
<b>REVENUES</b>					
Recoveries of facilities and administration	\$ 68,000,000	\$ 44,120,658	65	\$ 42,250,277	68
Fixed price contracts	1,935,000	457,247	24	278,000	14
Investment income	-	511,207	-	77,337	-
Miscellaneous income	50,000	530,797	1,062	67,466	135
License income	1,000,000	489,634	49	999,083	56
Transfers from University of Kentucky for cost share	-	6,587,984	-	6,605,749	-
<b>Total revenues</b>	<b>70,985,000</b>	<b>52,697,527</b>	<b>74</b>	<b>50,277,912</b>	<b>76</b>
<b>EXPENSES</b>					
Operating	2,957,600	1,657,504	56	1,445,567	47
Patent costs	1,000,000	-	-	1,330	-
Royalty income sharing program	9,011,000	714,435	8	100,855	1
Research program	121,419,900	26,825,344	22	13,674,184	14
Cost share	-	7,520,149	-	6,874,765	-
Other	6,800,000	6,400	-	1,409,363	23
Grants to the University of Kentucky	27,775,700	13,377,597	48	14,116,971	48
<b>Total expenses</b>	<b>168,964,200</b>	<b>50,101,429</b>	<b>30</b>	<b>37,623,035</b>	<b>25</b>
<b>Net income (loss)</b>	<b>(97,979,200)</b>	<b>2,596,098</b>	<b>-</b>	<b>12,654,877</b>	<b>-</b>
<b>NON-GASB ACTIVITY</b>					
Appropriated fund balance	97,979,200	-	-	-	-
Total non-GASB current funds activity	97,979,200	-	-	-	-
<b>NET INCREASE for the period</b>	<b>\$ -</b>	<b>2,596,098</b>		<b>12,654,877</b>	
<b>FUND BALANCE, July 1</b>		<b>136,433,411</b>		<b>115,588,868</b>	
<b>FUND BALANCE, December 31</b>		<b>\$ 139,029,509</b>		<b>\$ 128,243,745</b>	