

**University of Kansas Medical Center Research
Institute, Inc.**

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2019 and 2018



**University of Kansas Medical Center Research
Institute, Inc.
June 30, 2019 and 2018**

Contents

Independent Auditor's Report.....	1
--	----------

Consolidated Financial Statements

Statements of Financial Position	4
Statements of Activities.....	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10

Supplementary Information

Consolidating Statement of Financial Position as of June 30, 2019.....	31
Consolidating Statement of Activities for the Year Ended June 30, 2019	32
Schedule of Expenditures of Federal Awards	33
Notes to Schedule of Expenditures of Federal Awards	48

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> – Independent Auditor's Report	49
---	-----------

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance – Independent Auditor's Report.....	51
--	-----------

Schedule of Findings and Questioned Costs	53
--	-----------

Summary Schedule of Prior Audit Findings	58
---	-----------

Independent Auditor's Report

Board of Directors
University of Kansas
Medical Center Research Institute, Inc.
Kansas City, Kansas

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the University of Kansas Medical Center Research Institute, Inc., which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the University of Kansas Medical Center Research Institute, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in *Note 2* to the consolidated financial statements, in 2019, University of Kansas Medical Center Research Institute, Inc. adopted ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Non-for-Profit Entities*, ASU 2014-09, *Revenues from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information, including the consolidating financial statements and the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Board of Directors
University of Kansas
Medical Center Research Institute, Inc.
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 24, 2019 on our consideration of the University of Kansas Medical Center Research Institute, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University of Kansas Medical Center Research Institute, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University of Kansas Medical Center Research Institute, Inc.'s internal control over financial reporting and compliance.

BKD, LLP

Kansas City, Missouri
October 24, 2019

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statements of Financial Position
June 30, 2019 and 2018

Assets

	2019	2018
Cash and cash equivalents	\$ 3,245,494	\$ 4,333,761
Accounts receivable, net	4,829,058	19,098,935
Grants receivable	17,408,899	-
Contributions receivable	3,679,731	2,183,852
Investments	73,306,936	65,388,614
Precede Fund, L.C. investments	379,077	448,824
Kansas Life Sciences Development Company, Inc. (KLSD) investment	703,991	556,108
Interest receivable	243,876	203,470
Prepaid expenses	195,210	143,849
Property and equipment, net	<u>266,305</u>	<u>266,305</u>
Total assets	<u><u>\$ 104,258,577</u></u>	<u><u>\$ 92,623,718</u></u>

Liabilities and Net Assets

Liabilities

Accounts payable	\$ 7,671,969	\$ 4,714,514
Accrued expenses	2,976,531	5,568,027
Deferred revenue	1,146,127	985,657
Bonds payable	<u>13,297,843</u>	<u>14,319,527</u>
Total liabilities	<u>25,092,470</u>	<u>25,587,725</u>

Net Assets

Without donor restrictions	73,169,506	62,813,661
With donor restrictions	<u>5,996,601</u>	<u>4,222,332</u>
Total net assets	<u>79,166,107</u>	<u>67,035,993</u>
Total liabilities and net assets	<u><u>\$ 104,258,577</u></u>	<u><u>\$ 92,623,718</u></u>

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statement of Activities
Year Ended June 30, 2019

	Without Donor Restrictions	2019 With Donor Restrictions	Total
Revenues, Gains and Other Support			
Direct research income - grants	\$ 59,855,800	\$ 156,930	\$ 60,012,730
Direct research income - contracts	2,685,358	-	2,685,358
Total direct research income	<u>62,541,158</u>	<u>156,930</u>	<u>62,698,088</u>
Clinical trials	16,512,254	-	16,512,254
Clinical trial IRB and administrative fees	3,529,161	-	3,529,161
Facilities and administrative revenue - direct research income - grants	21,124,214	-	21,124,214
Facilities and administrative revenue - direct research income - contracts	393,666	-	393,666
Facilities and administrative revenue - clinical trials	4,768,668	-	4,768,668
Total facilities and administrative revenue	<u>26,286,548</u>	<u>-</u>	<u>26,286,548</u>
Contributions	4,532,024	8,020,554	12,552,578
Research Properties, Inc. rental income	174,018	-	174,018
Royalties and technology income	3,519,261	-	3,519,261
Net investment return	2,941,102	-	2,941,102
Other income	92,528	-	92,528
Net assets released from restrictions	<u>6,403,215</u>	<u>(6,403,215)</u>	<u>-</u>
Total revenues, gains and other support	<u>126,531,269</u>	<u>1,774,269</u>	<u>128,305,538</u>
Expenses			
Direct research	101,365,813	-	101,365,813
Facilities	520,619	-	520,619
University support	5,333,330	-	5,333,330
Research Properties, Inc.	328,146	-	328,146
KU Center for Technology Commercialization, Inc. Royalties and technology	3,589,638	-	3,589,638
Kansas Life Sciences Development Company, Inc.	174	-	174
Management and general	<u>5,574,250</u>	<u>-</u>	<u>5,574,250</u>
Total expenses	<u>116,711,970</u>	<u>-</u>	<u>116,711,970</u>
Change in Net Assets	<u>9,819,299</u>	<u>1,774,269</u>	<u>11,593,568</u>
Net Assets, Beginning of Year, As Previously Reported	62,813,661	4,222,332	67,035,993
Adoption of Topic 606	<u>536,546</u>	<u>-</u>	<u>536,546</u>
Net Assets, Beginning of Year, As Adjusted	<u>63,350,207</u>	<u>4,222,332</u>	<u>67,572,539</u>
Net Assets, End of Year	<u>\$ 73,169,506</u>	<u>\$ 5,996,601</u>	<u>\$ 79,166,107</u>

See Notes to Consolidated Financial Statements

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statement of Activities
Year Ended June 30, 2018

	Without Donor Restrictions	2018 With Donor Restrictions	Total
Revenues, Gains and Other Support			
Direct research income	\$ 62,557,585	\$ -	\$ 62,557,585
Clinical trials	15,907,545	-	15,907,545
Clinical trial IRB and administrative fees	2,852,611	-	2,852,611
Facilities and administrative revenue - direct research income	20,307,000	-	20,307,000
Facilities and administrative revenue - clinical trials	4,581,477	-	4,581,477
Total facilities and administrative revenue	24,888,477	-	24,888,477
Research facilities renovation grants	-	2,640,000	2,640,000
Contributions	5,516,144	6,720,322	12,236,466
Research Properties, Inc. rental income	215,514	-	215,514
Support for KU Center for Technology Commercialization, Inc.	740,132	-	740,132
Royalties and technology income	2,214,705	-	2,214,705
Net investment return	879,405	-	879,405
Other income	549,879	-	549,879
Net assets released from restrictions	8,118,756	(8,118,756)	-
Total revenues, gains and other support	124,440,753	1,241,566	125,682,319
Expenses			
Direct research	95,897,656	-	95,897,656
Facilities	525,488	-	525,488
University support	5,020,328	-	5,020,328
Royalties and technology	1,065,040	-	1,065,040
Research Properties, Inc.	281,257	-	281,257
KU Center for Technology Commercialization, Inc.	1,671,754	-	1,671,754
Kansas Life Sciences Development Company, Inc.	2,715	-	2,715
Management and general	5,227,152	-	5,227,152
Total expenses	109,691,390	-	109,691,390
Change in Net Assets	14,749,363	1,241,566	15,990,929
Net Assets, Beginning of Year	48,064,298	2,980,766	51,045,064
Net Assets, End of Year	\$ 62,813,661	\$ 4,222,332	\$ 67,035,993

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services							Support Services	
	Direct		University	Research	Royalties and		Total		
	Research	Facilities	Support	Properties, Inc.	Technology	KLSD	Program	Management	Total
					KUCTC		Services	and General	Expenses
Personnel	\$ 43,705,236	\$ -	\$ -	\$ -	\$ 665,986	\$ -	\$ 44,371,222	\$ 3,739,933	\$ 48,111,155
Fringe benefits	11,048,322	-	-	-	171,734	-	11,220,056	975,825	12,195,881
Contract services	401,370	-	-	-	-	-	401,370	20,137	421,507
Travel, food and meetings	2,141,006	-	-	-	12,918	-	2,153,924	64,211	2,218,135
Professional fees	2,756,314	-	-	126,001	787,223	-	3,669,538	240,196	3,909,734
Subaward payments	11,282,929	-	-	-	-	-	11,282,929	185,398	11,468,327
Supplies	6,880,330	-	-	54	472	-	6,880,856	47,739	6,928,595
Payments to students and subjects	2,372,936	-	-	-	-	-	2,372,936	-	2,372,936
Fees, dues and charges	16,038,050	-	-	65	17,993	174	16,056,282	166,933	16,223,215
Capital asset donation to KUMC	1,357,557	87,306	-	-	-	-	1,444,863	-	1,444,863
Equipment and other non-capital items	982,997	-	-	-	18,835	-	1,001,832	1,277	1,003,109
Services	1,834,370	-	-	202,026	178,280	-	2,214,676	63,917	2,278,593
F&A transfer for University operations	-	-	5,333,330	-	-	-	5,333,330	-	5,333,330
Royalty distributions	-	-	-	-	1,736,197	-	1,736,197	-	1,736,197
Interest expense	-	433,313	-	-	-	-	433,313	-	433,313
Bad debt expense	564,096	-	-	-	-	-	564,096	-	564,096
Insurance	300	-	-	-	-	-	300	68,684	68,984
Totals	\$ 101,365,813	\$ 520,619	\$ 5,333,330	\$ 328,146	\$ 3,589,638	\$ 174	\$ 111,137,720	\$ 5,574,250	\$ 116,711,970

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statement of Functional Expenses
Year Ended June 30, 2018

	Program Services							Support Services		
	Direct Research	Facilities	University Support	Royalties and Technology	Research Properties, Inc.	Royalties and Technology KUCTC	KLSD	Total Program Services	Management and General	Total Expenses
Personnel	\$ 41,941,976	\$ -	\$ -	\$ -	\$ -	\$ 707,474	\$ -	\$ 42,649,450	\$ 3,437,480	\$ 46,086,930
Fringe benefits	10,478,481	-	-	-	-	202,938	-	10,681,419	1,013,394	11,694,813
Contract services	352,944	-	-	-	-	-	-	352,944	20,137	373,081
Travel, food and meetings	2,092,468	-	-	-	-	12,665	-	2,105,133	80,223	2,185,356
Professional fees	2,723,874	-	-	154,425	127,872	580,365	2,600	3,589,136	207,543	3,796,679
Subaward payments	10,701,267	-	-	-	-	-	-	10,701,267	165,527	10,866,794
Supplies	6,826,208	-	-	-	-	66	-	6,826,274	41,898	6,868,172
Payments to students and subjects	2,012,017	-	-	-	-	-	-	2,012,017	-	2,012,017
Fees, dues and charges	14,602,868	-	-	-	990	13,673	115	14,617,646	121,657	14,739,303
Capital asset donation to KUMC	1,704,431	-	-	-	-	-	-	1,704,431	-	1,704,431
Equipment and other non-capital items	689,202	-	-	-	-	-	-	689,202	21,162	710,364
Services	1,643,724	-	-	-	152,395	153,103	-	1,949,222	53,851	2,003,073
F&A transfer for University operations	-	-	5,020,328	-	-	-	-	5,020,328	-	5,020,328
Royalty distributions	-	-	-	910,615	-	1,470	-	912,085	-	912,085
Interest expense	-	525,488	-	-	-	-	-	525,488	-	525,488
Bad debt expense	127,130	-	-	-	-	-	-	127,130	-	127,130
Insurance	1,066	-	-	-	-	-	-	1,066	64,280	65,346
								-		
Totals	\$ 95,897,656	\$ 525,488	\$ 5,020,328	\$ 1,065,040	\$ 281,257	\$ 1,671,754	\$ 2,715	\$ 104,464,238	\$ 5,227,152	\$ 109,691,390

University of Kansas Medical Center Research Institute, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Operating Activities		
Cash received from direct research, clinical trials, facility and administrative fees and contributions	\$ 117,640,744	\$ 110,863,560
Cash received from royalties, technology, rents and other	3,785,807	3,720,230
Investment income received	2,055,368	1,493,571
Cash paid to employees and suppliers	(115,950,398)	(108,178,453)
Interest paid	(558,658)	(680,455)
	<u>6,972,863</u>	<u>7,218,453</u>
Net cash provided by operating activities		
Investing Activities		
Purchase of investments	(20,572,710)	(28,451,661)
Proceeds from disposition of investments	13,421,580	18,045,710
	<u>(7,151,130)</u>	<u>(10,405,951)</u>
Net cash used in investing activities		
Financing Activities		
Principal payments on bonds payable	(910,000)	(2,550,000)
Proceeds from research facilities renovation grants	-	2,640,000
	<u>(910,000)</u>	<u>90,000</u>
Net cash provided by (used in) financing activities		
Change in Cash and Cash Equivalents	(1,088,267)	(3,097,498)
Cash and Cash Equivalents, Beginning of Year	4,333,761	7,431,259
Cash and Cash Equivalents, End of Year	<u>\$ 3,245,494</u>	<u>\$ 4,333,761</u>
Reconciliation of Change in Net Assets to Net Cash Provided by Operating Activities		
Change in net assets	\$ 11,593,568	\$ 15,990,929
Items not requiring (providing) operating activities cash flows		
Amortization of bond premium and issuance costs	(111,684)	(123,106)
Net realized and unrealized (gains) losses on investments	(767,192)	902,414
Change in value of Precede Fund, L.C. investments	69,747	(112,524)
Change in investment in KLSD	(147,883)	(136,785)
Grants restricted for research facilities renovations	-	(2,640,000)
Changes in		
Accounts, grants and contributions receivables	(4,041,085)	(6,102,295)
Prepaid expenses	(51,361)	1,305
Accounts payable and accrued expenses	365,959	666,360
Deferred revenue	62,794	(1,227,845)
	<u>\$ 6,972,863</u>	<u>\$ 7,218,453</u>
Net cash provided by operating activities		

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The University of Kansas Medical Center Research Institute, Inc. (RI), a not-for-profit organization, manages grants and contracts and earns facilities and administration (F&A) reimbursement and contract administration fees in connection with projects conducted by principal investigators who serve as faculty at the University of Kansas Medical Center (KUMC). The mission of RI is to support the research enterprise and promote scientific discovery in support of KUMC's faculty, staff and students. RI was established by KUMC in 1992; it is governed by a Board of Directors whose membership includes the KU Chancellor, KUMC faculty, KUMC administrators and community members.

Funding for research activities of RI is derived from federal and state grants, privately funded grants provided by corporations and from other not-for-profit organizations and royalties and licensing fees.

RI has four subsidiary corporations: Research Properties, Inc. (RP), KU Center for Technology Commercialization, Inc. (KUCTC), Precede Fund, L.C. (PF) and Kansas Life Sciences Development Company, Inc. (KLSD). All entities are collectively referred to as the "Organization" in the accompanying consolidated financial statements.

RP is tax exempt under IRC Section 501(c)(2) as a title holding corporation.

KUCTC is tax exempt under IRC Section 501(c)(3). KUCTC was organized effective July 1, 2008 to facilitate and support the research and technology transfer operations of the University of Kansas and its affiliated tax exempt research institutions.

Precede Fund, L.C. is a limited liability company established to invest in start-up companies associated with medical research and technology. Precede Fund, L.C. is a majority owned subsidiary as RI holds a 67 percent interest in the capital (73 percent income interest) of the corporation. The minority interest of Precede Fund, L.C., included in net assets as of June 30, 2019 and 2018, was \$125,810 and \$144,411, respectively.

KLSD is a for-profit corporation established to invest in start-up companies associated with medical research and technology. KLSD is a wholly-owned subsidiary of RI.

Although RI is a not-for-profit organization, which is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC), the consolidated accounts of RI are reported in the consolidated financial statements of KUMC due to the commonality of management, control and mission shared by the two organizations. The consolidated financial statements of KUMC are in turn reported in the consolidated financial statements of the University of Kansas (University).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of RI, its wholly owned subsidiaries, RP, KUCTC and KLSD and its majority-owned subsidiary, Precede Fund, L.C. All intercompany transactions and balances have been eliminated in consolidation.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

RI considers all liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2019 and 2018, cash equivalents consisted primarily of money market funds.

At times during the year, RI may hold deposits in excess of federal depository insurance limits, resulting in a concentration of credit risk. At June 30, 2019, RI's cash accounts exceeded federally insured limits by approximately \$4.5 million.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from customer, of which RI has an unconditional right to receive plus any accrued and unpaid interest. An allowance for uncollectible receivables is provided for based on management's evaluation of potential uncollectible amounts at year end. Collectability is considered potentially impaired for invoices exceeding six months past due. Factors management considers in establishing the allowance for uncollectible receivables include an aging of accounts receivable and the likelihood of collection of individual accounts based on historical experience and established action plans for collections. The allowance as of June 30, 2019 and 2018, was \$472,078 and \$670,008, respectively.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Other investments, including interests in start-up companies that do not have a readily determinable fair value, are recorded at cost, which is evaluated for impairment.

Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded as with donor restrictions and then released from restriction. Other investment return is reflected in the consolidated statements of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Precede Fund, L.C. and Kansas Life Sciences Development Company, Inc. Investments

Investments held by Precede Fund, L.C. and KLSD typically have no readily determinable fair value, and thus are recorded using the cost method of accounting and evaluated and adjusted for impairment on an annual basis. Certain investments may convert to having a readily determinable fair value, such as after an initial public offering. When that occurs, a value is established for the investment based on a quoted market price, and the investment is recorded at fair value. The aggregate cost of investments held by Precede Fund, L.C. and KLSD at June 30 totaled:

	<u>2019</u>	<u>2018</u>
Precede Fund, L.C.	\$ 379,077	\$ 448,824
KLSD	<u>703,991</u>	<u>556,108</u>
	<u>\$ 1,083,068</u>	<u>\$ 1,004,932</u>

The evaluation of impairment requires the use of estimates. It is reasonably possible that changes in events could occur that would change this estimate materially in the near term.

RI did not estimate the fair value of these investments as management does not consider it practicable to do so since quoted market prices are not available. RI did not identify any events or changes in circumstances that would have a significant adverse effect on the fair value of the investments.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and consist of land held for development by RP, as well as leasehold improvements, furniture and fixtures associated with the administrative offices occupied by RI in the KUMC facility and the life sciences incubator managed by RP, and computers and software. Depreciation is charged to expense using the straight-line method over the estimated useful lives of each asset. Assets under leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives.

The estimated useful lives for each major depreciable classification of property and equipment are as follows:

Leasehold improvements	15 years
Furniture and equipment	7 years
Computers and software	3 years

Deferred Revenue

Revenue from fees for clinical trials and direct research contracts is deferred and recognized over the periods to which the fees relate.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Clinical Trial and Direct Research Income – Contract Revenues

Clinical trial and direct research income – contract revenues are recognized as RI satisfies performance obligations under its contracts. Revenue is reported at the estimated transaction price, which includes a facilities and administrative charge, or amount that reflects the consideration to which RI expects to be entitled in exchange for providing services. RI determines the transaction price based on standard charges for services provided, reduced by implicit and explicit price concessions, if any. RI determines its estimates of implicit and explicit price concessions based upon contractual agreements, its discount policies and historical experience. The estimated amounts also include variable consideration for payments that are contractually withheld until the end of the research or trial period and paid only once all required work is completed. For the purposes of revenue recognition, variable consideration is assessed on a contract-by-contract basis and the amount included in the transaction price is estimated based on the assessment of RI's anticipated performance and consideration of all information that is reasonably available. Variable consideration is recognized as revenue if and when it is deemed probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved in the future.

For the year ended June 30, 2018, research revenues from federal, state and certain private grants considered to be sponsored research are received in connection with exchange transactions wherein RI is obligated to provide certain goods and/or services. Receipts for research projects received in advance of costs incurred are recorded as deferred revenue. Reimbursable costs incurred in excess of research revenues received are recorded as a receivable.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Direct Research Grants, Contributions and Grants and Contributions Receivable

Direct research grants and contributions are provided to RI either with or without restrictions placed on the gift by the donor or grantor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each grant and contribution is recognized as follows:

Nature of the Gift	Value Recognized
<i>Conditional gifts, with or without restriction</i>	
Gifts that depend on RI overcoming a donor imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, <i>i.e.</i> the donor imposed barrier is met
<i>Unconditional gifts, with or without restriction</i>	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

Support funded by grants is recognized as RI meets the conditions prescribed by the grant agreement. Facilities and administrative revenue for direct research grants represents indirect costs recovered on research grants and are based on costs reimbursement rates. Rates are negotiated with the U.S. Department of Health and Human services or the respective private grant donor, as included in each grant agreement. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

When a donor or grantor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Absent explicit donor or grantor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor or grantor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Conditional contributions and grants having donor or grantor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Income Taxes

RI is exempt from income taxes under Section 501 of the Internal Revenue Code and similar provision of state law. However, RI is subject to federal income tax on any unrelated business taxable income. RI files tax returns in the U.S. federal jurisdiction.

RI follows accounting requirements related to uncertain tax positions. Tax positions taken may include positions that RI is exempt from income taxes or how RI determines its unrelated business income. Uncertain tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon an examination by the relevant tax authority. No amounts have been recorded at June 30, 2019 and 2018, with respect to uncertain tax positions.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program and management and general categories based on estimates of time incurred, usage and other relevant factors.

Reclassifications

Certain reclassifications have been made to the 2018 consolidated financial statements to conform to the 2019 consolidated financial statement presentation. These reclassifications had no effect on the change in net assets.

Revisions

Certain immaterial revisions have been made to the 2018 consolidated financial statements for the classification of certain revenues between the direct research income, clinical trials, clinical trial IRB and administrative fee, without donor restriction contributions and certain expense line items. These revisions did not have a significant impact on total revenues or expenses and had no impact on the total change in net assets.

Subsequent Events

Subsequent events have been evaluated through October 24, 2019, which is the date the consolidated financial statements were issued.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Note 2: Change in Accounting Principles

Presentation of Financial Statements of Not-for-Profit Entities

In 2019, RI adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. A summary of the changes are as follows.

Consolidated Statement of Financial Position

- The consolidated statement of financial position distinguishes between two new classes of net assets—those with donor-imposed restrictions and those without. This is a change from the previously required three classes of net assets—unrestricted, temporarily restricted and permanently restricted.

Consolidated Statement of Activities and Functional Expenses

- Expenses are reported by both nature and function in one location.
- Investment income is shown net of external and direct internal investment expenses. Disclosure of the expenses netted against investment income is no longer required.

Notes to the Consolidated Financial Statements

- Enhanced quantitative and qualitative disclosures provide additional information useful in assessing liquidity and cash flows available to meet operating expenses for one year from the date of the consolidated statement of financial position.

This change had no impact on previously reported total change in net assets.

Revenue from Contracts with Customers

On July 1, 2018, RI adopted ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), using a modified-retrospective method of adoption to all uncompleted contracts with customers at July 1, 2018. The reported results for the year ended June 30, 2019 reflect the application of Topic 606, while the reported results for the year ended June 30, 2018 were prepared under Topic 605, *Revenue Recognition* and other authoritative guidance in effect for those periods.

The core guidance in Topic 606 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which RI expects to be entitled to in exchange for those goods or services.

The amount to which RI expects to be entitled is calculated as the transaction price and recorded as revenue in exchange for providing goods or services.

Adoption of Topic 606 resulted in changes in presentation of the consolidated financial statements and related disclosures in the notes to the consolidated financial statements. The cumulative effect of applying the new guidance to all contracts with customers that were not completed as of July 1, 2018 was recorded as an adjustment to beginning net assets without donor restrictions as of July 1, 2018, with the impact primarily related to clinical trials.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

As a result of applying the modified retrospective method to adopt the new accounting guidance, the following adjustments were made to the accompanying consolidated statement of financial position as of July 1, 2018:

	As Previously Reported June 30, 2018	Adjustments due to Adoption of Topic 606	As Adjusted July 1, 2018
Consolidated Statement of Financial Position			
Accounts receivable, net	\$ 19,098,935	\$ 634,222	\$ 19,733,157
Total assets	92,623,718	634,222	93,257,940
Deferred revenue	985,657	97,676	1,083,333
Total liabilities	25,587,725	97,676	25,685,401
Net assets without donor restrictions	62,813,661	536,546	63,350,207
Total net assets	67,035,993	536,546	67,572,539
Total liabilities and net assets	92,623,718	634,222	93,257,940

The following table compares the reported consolidated financial statements as of and for the year ended June 30, 2019 to the amounts as if the previous revenue recognition guidance remained in effect as of and for the year ended June 30, 2019:

	Year Ended June 30, 2019	
	Topic 606 As Reported	Topic 605 As Adjusted
Consolidated Statement of Financial Position		
Accounts receivable, net	\$ 4,829,058	\$ 4,593,006
Total assets	104,258,577	104,022,525
Deferred revenue	1,146,127	546,442
Total liabilities	25,092,470	24,492,785
Net assets without donor restrictions	73,169,506	73,533,139
Total net assets	79,166,107	79,529,740
Total liabilities and net assets	104,258,577	104,022,525
Consolidated Statement of Activities		
Clinical trials	\$ 16,512,254	\$ 17,412,433
Total revenues, gains and other support	128,305,538	129,205,717
Change in net assets	11,593,568	12,493,747
Net assets without donor restrictions, beginning of year	63,350,207	62,813,661
Net assets without donor restrictions, end of year	73,169,506	73,533,139
Total net assets, beginning of year	67,572,539	67,035,993
Total net assets, end of year	79,166,107	79,529,740

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

The following is a summary of the significant changes in RI's consolidated statement of financial position and activities as a result of adopting Topic 606 on July 1, 2018, compared to the amounts as if RI had continued to report its results under Topic 605:

- Topic 606 delayed the recognition of revenue principally related to clinical trials for the year ended June 30, 2019, as revenue for certain trials was previously recognized when certain milestones were met (*e.g.* number of patients enrolled). Pursuant to the adoption of Topic 606, the revenue recognized related to clinical trials is accounted for using per patient per visit fee for service as an output measure of progress.
- The reported assets and liabilities are greater than the total assets and liabilities that would have been reported had the prior revenue recognition guidance remained in effect. This is largely due to the timing of revenue recognized based on patient visits versus the timing of cash receipts based upon the achievement of milestones.

The adoption of Topic 606 had no net impact on RI's cash flow from operations.

Contributions Received and Contributions Made

On July 1, 2018, RI adopted FASB ASU 2018-08, *Not-for-Profit Entities* (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, using a modified-prospective method of adoption to agreements that were not completed as of or entered into after the effective date. The core guidance in ASU 2018-08 provided clarification on the determination of a contribution versus an exchange transaction and if determined to be a contribution, clarification on the presence of a condition which governs when the revenue is recognized.

Adoption of ASU 2018-08 resulted in presentation changes to the consolidated financial statements and related disclosures in the notes to the consolidated financial statements. These changes impacted the classification of direct research income and associated receivables from federal, state and certain private grants historically considered to be exchange transactions.

Under the clarified guidance, it was determined commensurate value was not exchanged under these agreements and for the year ended June 30, 2019, the revenue associated with these agreements for \$60,012,730 have been separately classified from other exchange transactions as "direct research income – grants" within the consolidated statement of activities and follow recognition under the contribution guidance. Had the previous guidance remained in effect for the year ended June 30, 2019, these revenues would have been classified as "direct research income" and included with the revenue considered to be exchange transactions.

Additionally, the associated receivables with these revenues for \$17,408,899 have been classified as "grant receivables" in the consolidated statement of financial position. Had the previous guidance remained in effect as of June 30, 2019, these receivables would have been classified as "accounts receivable."

Under the clarified guidance, these grants are considered conditional contributions and revenue is recognized once the condition is met, which is generally as the qualifying expenses subject to the Uniform Guidance regulations are incurred. As revenue continues to be recognized based on expenses incurred, there was not a material change in the recognition of revenue.

University of Kansas Medical Center Research Institute, Inc.
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 3: Investments and Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

The following tables present the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2019 and 2018:

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
<u>June 30, 2019</u>				
U.S. government and agency obligations	\$ 878,585	\$ -	\$ 878,585	\$ -
Municipal bonds	2,612,214	-	2,612,214	-
Certificates of deposit	11,318,458	-	11,318,458	-
Collateralized mortgage obligations	58,334,097	-	58,334,097	-
Common stock	163,582	163,582	-	-
Total investments	\$ 73,306,936	\$ 163,582	\$ 73,143,354	\$ -

University of Kansas Medical Center Research Institute, Inc.
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
<u>June 30, 2018</u>				
U.S. government and agency obligations	\$ 1,727,731	\$ -	\$ 1,727,731	\$ -
Municipal bonds	2,168,574	-	2,168,574	-
Certificates of deposit	12,285,718	-	12,285,718	-
Collateralized mortgage obligations	48,465,262	-	48,465,262	-
Common stock	741,329	741,329	-	-
Total investments	\$ 65,388,614	\$ 741,329	\$ 64,647,285	\$ -

Following is a description of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques during the year ended June 30, 2019.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. No Level 3 securities were held for the years ended June 30, 2019 and 2018.

Note 4: Contributions Receivable

Contributions receivable consisted of the following:

	<u>2019</u>	<u>2018</u>
Due within one year	\$ 2,800,266	\$ 2,153,852
Due in one to five years	879,465	30,000
	<u>\$ 3,679,731</u>	<u>\$ 2,183,852</u>

University of Kansas Medical Center Research Institute, Inc.
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 5: Conditional Grants and Contributions

RI has received the following conditional promises to give at June 30, 2019 and 2018 that are not recognized in the consolidated financial statements:

	<u>2019</u>	<u>2018</u>
Conditional promises to give upon incurring qualifying expenses subject to the Uniform Guidance (UG) regulations	\$ 248,480,809	\$ -
Conditional promises to give upon receipt of future grantor's board approval	<u>996,991</u>	<u>1,006,436</u>
	<u>\$ 249,477,800</u>	<u>\$ 1,006,436</u>

Note 6: Bonds Payable and Facility Renovation Grant

During 2014, RI completed a \$34,000,000 project to renovate the Wahl Hixon Research Complex for Basic and Translational Cancer Research. Construction was partially financed through the issuance of Series 2010N Revenue Bonds by the Kansas Development Finance Authority in the amount of \$30,160,000. The bonds have maturity dates from April 2011 through April 2030, and carry interest rates ranging from 3.50 percent to 5.0 percent. The bonds are secured by a pledge of RI's operating and nonoperating without donor restriction revenues and RI's rights, title and interest in its operating agreement with the University (see *Note 10*).

Bonds payable as reflected on the consolidated statements of financial position at June 30 consisted of the following balances:

	<u>2019</u>	<u>2018</u>
Principal payments due on bonds payable	\$ 12,680,000	\$ 13,590,000
Add unamortized bond premium	724,978	856,024
Less unamortized bond issuance costs	<u>(107,135)</u>	<u>(126,497)</u>
	<u>\$ 13,297,843</u>	<u>\$ 14,319,527</u>

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Annual maturities of bonds payable are as follows:

2020	\$ 940,000
2021	980,000
2022	1,020,000
2023	1,065,000
2024	1,105,000
Thereafter	<u>7,570,000</u>
	<u><u>\$ 12,680,000</u></u>

Additional funding for costs of construction, as well as the repayment of debt service on the bonds was provided by an agreement with the Kansas Bioscience Authority (KBA) for a grant that would cover up to \$26,400,000 of the total project cost. The grant was contingent upon RI meeting certain milestones as outlined in the agreement relating to the construction plan, recruitment and retention of research scholars, and continuing use of the facility for research. Receipt of payments was also contingent upon the KBA maintaining sufficient funding to meet commitments going forward. KBA is funded by the State of Kansas based on a formula outlined in Kansas statutes. The statutes have been amended in recent years to place further limits on the amount of funding provided to the KBA. Due to these contingencies, the funding was not reflected on the consolidated statements of financial position as a receivable.

RI has received annual installments from 2009-2018. No future payments are due under this agreement. Research facilities renovation grant revenue recognized from the KBA for the year ended June 30, 2018 was \$2,640,000.

Note 7: Revenue from Contracts with Customers

Clinical Trials and Fees

RI generally enters into contracts with customers to provide clinical research services with payments based on either achievement of milestones (*e.g.*, number of patients enrolled) or fee-for-service arrangements (*e.g.*, per patient per visit). RI is also entitled to a facilities and administrative fee to cover overhead and reimbursement for investigator fees and out-of-pocket costs associated with these services. At contract inception, RI assesses the services promised in the contracts with customers to identify the performance obligations in the arrangement. Generally, all clinical trial contracts are considered a single performance obligation because RI provides a highly-integrated service resulting in a combined output, which is clinical trial data that meets the relevant regulatory standards and can be used by the customer to progress to the next phase of a clinical trial or solicit approval of a treatment by the applicable regulatory body.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

An arrangement is accounted for as a contract within the scope of Topic 606 when RI and its customers approve the contract, are committed to perform their respective obligations, each party can identify its rights regarding the goods or services to be transferred, commercial substance is present, and it is probable that RI will collect substantially all of the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

For RI's services to meet this criteria, contracts generally need to be written, pending regulatory hurdles required to commence work must be cleared, the study protocol must be completed, the customer must have adequate funding or reasonable path to funding to execute the contracted portion of the study, and the study must be actively moving forward. Once these criteria have been met, it is deemed that RI and its customers are committed to perform their respective obligations. Depending on the timing of when these criteria are met, revenue recognition may vary significantly on a period over period basis.

Revenue is recognized for the single performance obligation over time due to RI's right to payment for work performed to date. The transaction price is the contractually defined amount that includes adjustment for variable consideration such as reimbursable costs, penalties or retainage on periodic billings, which are estimable. The contracts generally provide for the right to invoice the customer as work progresses at contractual rates, either based on units performed or the achievement of billing milestones.

Services under clinical trials are typically billed one month to one quarter in arrears, which may result in an unbilled service asset at period-end. Generally, all of RI's clinical trials are administered and tracked by a related, outside party as opposed to directly by RI. As such, there may be delays between when work is performed and information is provided to RI for billing and recognition. Given the patient data is not maintained or tracked by RI, estimates related to services performed but not yet billed are generally not made as it is not reasonably assured there would not be a significant reversal of revenue, and the related revenue is considered constrained.

The progression of contract performance obligations are measured primarily utilizing the output method per patient per visit basis measure of progress for RI's contracts because it best depicts the transfer of control to the customer as the performance obligation is fulfilled. For this method, RI estimates a value to each visit performed under the trial and compares to total visits to date.

In addition, out-of-pocket costs are reimbursed by the customer. Fees are allocated to each distinct month of service using time elapsed as a measure of progress toward the satisfaction of the performance obligation and variable consideration is allocated to the period in which it is incurred.

Most contracts are terminable by the customer, either immediately or according to advance notice terms specified within the contracts. These contracts require payment of fees for services rendered through the date of termination and may require payment for subsequent services necessary to conclude the study or close out the contract. Final settlement amounts are agreed to with the customer based on remaining work to be performed. These amounts are included in revenue when RI believes the amount can be estimated reliably and its realization is probable. In evaluating the probability of recognition, RI considers the contractual basis for the settlement amount and the objective evidence available to support the amount.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Direct Research Income – Contracts and Fees

RI generally enters into contracts with customers to provide various research services with payments based on either a fixed fee or cost reimbursement. At contract inception, RI assesses the services promised in the contracts with customers to identify the performance obligations in the arrangement. Generally, all direct research income - contracts are considered a single performance obligation because RI provides a highly-integrated service resulting in a combined output.

Revenue is recognized for the single performance obligation over time due to RI's right to payment for work performed to date. The transaction price is the contractually defined amount that includes adjustment for variable consideration such as reimbursable costs or penalties. The contracts generally provide for the right to invoice the customer as work progresses.

Revenue for performance obligations satisfied over time is recognized ratably over the period based on the cost-to-cost measure. RI believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation.

Contracts generally provide for pricing modifications upon scope of work changes. RI recognizes revenue, at an amount to which it expects to be entitled, related to work performed in connection with scope changes when the underlying services are performed and a binding contractual commitment has been established with the customer. If RI's customers do not agree to contract changes upon changes in RI's scope of work, RI could be exposed to cost overruns and reduced contract profitability.

Performance Obligations

During the year ended June 30, 2019, RI recognized revenue of \$592,553 that was recognized as a contract liability at the beginning of the year.

RI determines the transaction price based on RI's internal pricing guidelines, discount agreements, if any, and negotiations with the client. RI determines its estimates of explicit price concessions based on contractual agreements and its discount policies. RI determines its estimate of implicit price concessions based on its historical collection experience with each class of customers.

Disaggregation of Revenue

The composition of revenue by line of business and method of reimbursement for the year ended June 30, 2019, is as follows:

	<u>2019</u>
Clinical trials (inclusive of fees) - fee for service	\$ 23,337,145
Clinical trials (inclusive of fees) - milestones	1,472,938
Direct research income - contracts (inclusive of fees)	<u>3,079,024</u>
Total revenue recognized over time	<u><u>\$ 27,889,107</u></u>

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

Contract Costs

RI has elected to apply the practical expedient provided by FASB ASC 340-40-25-4 and expense as incurred the incremental customer contract acquisition costs for contracts in which the amortization period of the asset that RI otherwise would have recognized is one year or less.

However, incremental costs incurred to obtain customer contracts for which the amortization period of the asset that RI otherwise would have recognized is longer than one year are capitalized and amortized over the life of the contract based on the pattern of revenue recognition from these contracts.

Note 8: Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2019	2018
Subject to expenditure for specified purpose		
Research projects	\$ 2,316,870	\$ 2,038,480
Promises to give, the proceeds from which have		
been restricted by donors for		
Research projects	<u>3,679,731</u>	<u>2,183,852</u>
	<u><u>\$ 5,996,601</u></u>	<u><u>\$ 4,222,332</u></u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or occurrence of other events specified by donors.

	2019	2018
Debt service payments	\$ -	\$ 2,640,000
Research projects	<u>6,403,215</u>	<u>5,478,756</u>
	<u><u>\$ 6,403,215</u></u>	<u><u>\$ 8,118,756</u></u>

Note 9: Liquidity and Availability

RI regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. RI has various sources of liquidity at its disposal, including cash and cash equivalents and marketable fixed income securities.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

For purposes of analyzing resources available to meet general expenditures over a 12-month period, RI considers all expenditures related to its ongoing activities of research as well as the conduct of services undertaken to support those activities as general expenditures. Planned extraordinary expenses are also evaluated to anticipate liquidity needs not included in the regular cadence of general operations.

In addition to financial assets available to meet general expenditures over the next 12 months, RI operates a budget designed to produce an increase in without donor restricted net assets and anticipates collecting sufficient revenue in excess of what is required to cover general expenditures. Refer to the consolidated statements of cash flows which identifies the sources and uses of RI's cash and cash equivalents and shows positive cash and cash equivalents generated by operations for the years ended June 30, 2019 and 2018.

As of June 30, 2019 and 2018, the following financial assets could readily be made available within one year of the consolidated statements of financial position date to meet general expenditures:

	2019	2018
Cash and cash equivalents	\$ 3,245,494	\$ 4,333,761
Accounts receivable, net	4,829,058	19,098,935
Grants receivable	17,408,899	-
Contributions receivable due within one year	2,800,266	2,153,852
Investments	73,306,936	65,388,614
Interest receivable	243,876	203,470
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 101,834,529</u>	<u>\$ 91,178,632</u>

RI receives significant contributions restricted by donors or grantors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended June 30, 2019 and 2018, restricted contributions of \$5,117,136 and \$4,192,332, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

Note 10: Related Party Transactions

University of Kansas and KUMC Operating Agreement

RI has an operating agreement with the University and KUMC. Significant provisions of the agreement are as follows: RI will manage and administer all KUMC extramural grants and contracts (including clinical trials); certain facilities and administrative (indirect) costs collected will be utilized by RI as directed by KUMC; and RI will occupy and use facilities of KUMC based on its agreement that the recovery of facilities and administrative costs and contract administration fees be shared with or used as designated by KUMC.

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

For the years ended June 30, 2019 and 2018, the following amounts were paid to KUMC and are reflected as “University Support” in the accompanying consolidated statements of activities:

	<u>2019</u>	<u>2018</u>
Facilities and administrative revenue distributions	\$ 5,333,330	\$ 5,020,328

RI acquires a significant amount of equipment for use through its research projects program. Under the operating agreement noted above, after purchase, ownership of the equipment is transferred to KUMC for further use by its faculty. No depreciation expense is recognized by RI with respect to equipment acquired for use in research projects; instead, the entire amount of such equipment acquisitions are charged to expense and reflected as capital asset donations to KUMC in the accompanying consolidated statements of functional expenses. Additionally, a significant portion of RI’s grant expenditures are paid through KUMC’s payroll and procurement system, and RI reimburses all such expenditures to KUMC. As of and for the years ended June 30, 2019 and 2018, the following amounts were payable to and expenses incurred on behalf of RI by KUMC:

	<u>2019</u>		<u>2018</u>	
	<u>Expense for the Year Ended June 30</u>	<u>Amounts Payable as of June 30</u>	<u>Expense for the Year Ended June 30</u>	<u>Amounts Payable as of June 30</u>
Capital asset donations	\$ 1,444,863	\$ -	\$ 1,704,431	\$ -
Personnel and fringe benefit expense	57,848,951	4,882,536	52,420,457	4,062,315
Other general grant expenditures	15,142,196	-	9,857,237	898,434
	<u>\$ 74,436,010</u>	<u>\$ 4,882,536</u>	<u>\$ 63,982,125</u>	<u>\$ 4,960,749</u>

KUCTC Affiliation Agreement

KUCTC has an agreement to provide technology transfer services to all campuses of the University of Kansas. The University of Kansas Center for Research, Inc. (KUCR) and RI share the cost of operations of KUCTC, based on services provided at each campus. The support RI provides to KUCTC is eliminated in consolidation. KUCR reimburses RI for their support provided to KUCTC, which is included in other income in the consolidated statements of activities for the years ended June 30, 2019 and 2018. During the years ended June 30, 2019 and 2018, KUCR provided the following support:

	<u>2019</u>	<u>2018</u>
KUCR revenue support to KUCTC	\$ -	\$ 740,132
KUCR revenue support to RI	-	447,375
	<u>\$ -</u>	<u>\$ 1,187,507</u>

University of Kansas Medical Center Research Institute, Inc.

Notes to Consolidated Financial Statements

June 30, 2019 and 2018

KUCTC has a revenue sharing agreement with the University and RI. Annually, a calculation is done of net assets in excess of KUCTC's operating expenses for the following fiscal year as defined by the agreement. Such excess is to be distributed to the University and RI, as agreed-upon between the parties. For the years ended June 30, 2019 and 2018, it was agreed-upon by the parties that no amounts would be distributed.

KUCR Sub-Agreements

KUCR enters into various subaward agreements with RI in order for RI to perform certain objectives under the research agreements. As of and for the years ended June 30, 2019 and 2018, the following amounts were owed from and revenues earned from research projects awarded by KUCR:

	2019		2018	
	Direct Research Income	Amounts Receivable as of June 30	Direct Research Income	Amounts Receivable as of June 30
KUCR direct research subaward activity to RI	\$ 2,570,058	\$ 922,158	\$ 2,378,194	\$ 1,025,339

Kansas University Endowment Association Research Support

The Kansas University Endowment Association (KUEA) receives funding from other departments under KUMC to provide funding to the Research Institute. Total amounts received from KUEA on behalf of other affiliated departments to support general research activities during the years ended June 30, 2019 and 2018 were \$4,509,686 and \$5,389,699, respectively.

Other

RI is affiliated with several other entities through its relationship with the University and KUMC. Significant transactions with these entities for the years ended June 30, 2019 and 2018, include purchasing supplies and services (*e.g.* supplies and service fees under research projects, hospital services and lab fees associated with clinical trials, etc.) and entering into subaward agreements under certain research projects. As of and for the years ended June 30, 2019 and 2018, the following amounts were payable to and purchases from other affiliates:

	2019		2018	
	Expense for the Year Ended June 30	Amounts Payable as of June 30	Expense for the Year Ended June 30	Amounts Payable as of June 30
General supply purchases and subaward expenses	\$ 3,538,778	\$ 203,416	\$ 2,485,360	\$ 214,519

University of Kansas Medical Center Research Institute, Inc.
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Note 11: Defined Contribution Retirement Plan

RI provides a mandatory, contributory funded 403(b) retirement plan for employees. All employees are eligible except students, seasonal, temporary and part-time employees who work less than 1,000 hours in a 12-month period. When an employee becomes eligible to participate in the plan, participation is a condition of employment or continuing employment. Eligible employees are required to contribute 5.5 percent of gross earnings by payroll deduction (pre-tax). In addition, RI contributes 8.5 percent of the employee's gross earnings. For the years ended June 30, 2019 and 2018, the retirement plan expense was \$126,639 and \$300,275, respectively. In December 2018, all RI employees became employees of the State of Kansas and subject to the State of Kansas benefit plans; therefore, contributions to the RI's 403(b) retirement plan were discontinued.

RI provides a voluntary tax-sheltered annuity program which is separate from the Defined Contribution Retirement Plan. Employees who have not yet completed the one-year waiting period for participation in the Defined Contribution Retirement Plan and/or employees who want to defer additional salary may do so in a Principal Voluntary Retirement Annuity.

Note 12: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Accounts Receivable

As of June 30, 2018, approximately 17 percent of accounts receivable was due from one customer. Estimates associated with the allowance for uncollectible receivables are discussed in *Note 1*.

Contributions Receivable

As of June 30, 2019 and 2018, approximately 72 percent and 62 percent of contributions receivable was due from three and two donors, respectively.

Direct Research Income and Facilities and Administrative Revenue

During the years ended June 30, 2019 and 2018, approximately 21 percent and 23 percent of total direct research income and the related facilities and administrative revenue were from two grantors or customers, respectively.

Clinical Trials and IRB and Administrative Fee Revenues

During the year ended June 30, 2018, approximately 12 percent of clinical trial and the related IRB and administrative fee revenue was from one sponsor, respectively.

University of Kansas Medical Center Research Institute, Inc.
Notes to Consolidated Financial Statements
June 30, 2019 and 2018

Contributions

During the years ended June 30, 2019 and 2018, approximately 47 percent and 42 percent of contribution revenue was from two and one donors.

Investments

RI invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying consolidated statements of financial position.

Precede Fund, L.C. and Kansas Life Sciences Development Company, Inc.
Investments

Estimates associated with the value of Precede Fund, L.C. and KLSD investments are discussed in *Note 1*.

Functional Allocation of Expenses

Estimates used to allocate certain costs on a functional basis are discussed in *Note 1*.

Supplementary Information

University of Kansas Medical Center Research Institute, Inc.

Consolidating Statement of Financial Position

June 30, 2019

	Research Institute	Research Properties	KUCTC	KLSD	Consolidated
Assets					
Cash and cash equivalents	\$ 2,085,214	\$ 9,468	\$ 1,135,267	\$ 15,545	\$ 3,245,494
Accounts receivable, net	4,428,503	7,422	143,133	250,000	4,829,058
Grants receivable	17,408,899	-	-	-	17,408,899
Contributions receivable	3,679,731	-	-	-	3,679,731
Investments	73,143,354	-	163,582	-	73,306,936
Precede Fund, L.C. investments	379,077	-	-	-	379,077
Kansas Life Sciences Development Company, Inc. investment	1,000	-	-	702,991	703,991
Interest receivable	243,876	-	-	-	243,876
Prepaid expenses	195,210	-	-	-	195,210
Property and equipment, net	-	266,305	-	-	266,305
Total assets	<u>\$ 101,564,864</u>	<u>\$ 283,195</u>	<u>\$ 1,441,982</u>	<u>\$ 968,536</u>	<u>\$ 104,258,577</u>
Liabilities and Net Assets					
Liabilities					
Accounts payable	\$ 6,607,192	\$ 16,890	\$ 1,047,887	\$ -	\$ 7,671,969
Accrued expenses	2,896,456	-	80,075	-	2,976,531
Deferred revenue	1,146,127	-	-	-	1,146,127
Bonds payable	13,297,843	-	-	-	13,297,843
Total liabilities	<u>23,947,618</u>	<u>16,890</u>	<u>1,127,962</u>	<u>-</u>	<u>25,092,470</u>
Net Assets					
Without donor restrictions	71,620,645	266,305	314,020	968,536	73,169,506
With donor restrictions	5,996,601	-	-	-	5,996,601
Total net assets	<u>77,617,246</u>	<u>266,305</u>	<u>314,020</u>	<u>968,536</u>	<u>79,166,107</u>
Total liabilities and net assets	<u>\$ 101,564,864</u>	<u>\$ 283,195</u>	<u>\$ 1,441,982</u>	<u>\$ 968,536</u>	<u>\$ 104,258,577</u>

University of Kansas Medical Center Research Institute, Inc.
Consolidating Statement of Activities
Year Ended June 30, 2019

	Research Institute Without Donor Restrictions	Research Institute With Donor Restrictions	Research Properties Without Donor Restrictions	KUCTC Without Donor Restrictions	KLSD Without Donor Restrictions	Eliminations	Consolidated
Revenues, Gains and Other Support							
Direct research income - grants	\$ 59,855,800	\$ 156,930	\$ -	\$ -	\$ -	\$ -	\$ 60,012,730
Direct research income - contracts	2,685,358	-	-	-	-	-	2,685,358
Total direct research income	62,541,158	156,930	-	-	-	-	62,698,088
Clinical trials	16,512,254	-	-	-	-	-	16,512,254
Clinical trial IRB and administrative fees	3,529,161	-	-	-	-	-	3,529,161
Facilities and administrative revenue - direct research income - grants	21,124,214	-	-	-	-	-	21,124,214
Facilities and administrative revenue - direct research income - contracts	393,666	-	-	-	-	-	393,666
Facilities and administrative revenue - clinical trials	4,768,668	-	-	-	-	-	4,768,668
Total facilities and administrative revenue	26,286,548	-	-	-	-	-	26,286,548
Contributions	4,532,024	8,020,554	-	-	297,754	(297,754)	12,552,578
Research Properties, Inc., rental income	-	-	302,702	-	-	(128,684)	174,018
Royalties and technology income	739,276	-	-	3,519,261	-	(739,276)	3,519,261
Net investment return	3,418,720	-	-	(577,748)	100,130	-	2,941,102
Other income (loss)	(2,098)	-	25,444	57,022	12,160	-	92,528
Net assets released from restrictions	6,403,215	(6,403,215)	-	-	-	-	-
Total revenues, gains and other support	123,960,258	1,774,269	328,146	2,998,535	410,044	(1,165,714)	128,305,538
Expenses							
Direct research	101,365,813	-	-	-	-	-	101,365,813
Facilities	520,619	-	-	-	-	-	520,619
University support	5,333,330	-	-	-	-	-	5,333,330
Research Properties, Inc.	128,684	-	328,146	-	-	(128,684)	328,146
KU Center for Technology Commercialization, Inc.- royalties and technology	-	-	-	4,328,914	-	(739,276)	3,589,638
Kansas Life Sciences Development Company, Inc.	297,754	-	-	-	174	(297,754)	174
Management and general	5,574,250	-	-	-	-	-	5,574,250
Total expenses	113,220,450	-	328,146	4,328,914	174	(1,165,714)	116,711,970
Changes in Net Assets	10,739,808	1,774,269	-	(1,330,379)	409,870	-	11,593,568
Net Assets, Beginning of Year, As Previously Reported	60,344,291	4,222,332	266,305	1,644,399	558,666	-	67,035,993
Adoption of Topic 606	536,546	-	-	-	-	-	536,546
Net Assets, Beginning of Year, As Adjusted	60,880,837	4,222,332	266,305	1,644,399	558,666	-	67,572,539
Net Assets, End of Year	\$ 71,620,645	\$ 5,996,601	\$ 266,305	\$ 314,020	\$ 968,536	\$ -	\$ 79,166,107

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Agriculture	Arkansas Children's Hospital Research Institute	Research and Development Cluster	Agricultural Research Basic and Applied Research	10.001	034515	\$ -	\$ 1,111
Department of Agriculture	Arkansas Children's Hospital Research Institute	Research and Development Cluster	Agricultural Research Basic and Applied Research	10.001	034516	-	47,021
						-	48,132
Department of Agriculture	Mid-America Regional Council	Research and Development Cluster	Food Insecurity Nutrition Incentive Grants Program	10.331	NA	17,341	96,112
Department of Agriculture	Arkansas Children's Hospital Research Institute	Research and Development Cluster	Food Insecurity Nutrition Incentive Grants Program	10.331	4102-78591	-	(167)
						17,341	95,945
Department of Defense	University of Alabama at Birmingham	Research and Development Cluster	Military Medical Research and Development	12.420	HU0001-16-1-TS12	-	(2,152)
Department of Defense	New York University	Research and Development Cluster	Military Medical Research and Development	12.420	16-A0-00-006015-01	-	39,191
Department of Defense	Case Western Reserve University	Research and Development Cluster	Military Medical Research and Development	12.420	RES511264	-	242,054
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1810031	-	295,973
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1810450	-	130,315
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1610320	-	169,358
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1810497	-	240,399
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1810032	-	15,303
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1710301	-	83,891
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1910047	-	42,854
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1610077	-	(1,534)
Department of Defense		Research and Development Cluster	Military Medical Research and Development	12.420	W81XWH1610730	-	286,550
						-	1,542,202
Department of Transportation	University of Kansas Center for Research	Research and Development Cluster	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FY2017-115	-	120,476
National Aeronautics & Space Administration		Research and Development Cluster	Space Operations	43.007	80NSSC18K0522	-	57,213
National Aeronautics & Space Administration		Research and Development Cluster	Space Operations	43.007	NNX15AB48G	-	80,172
						-	137,385
National Science Foundation		Research and Development Cluster	Education and Human Resources	47.076	DGE-1518767	-	87,531
Department of Education	University of Kansas Center for Research	Research and Development Cluster	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	FY2018-074	-	1,985
Department of Education	University of Kansas Center for Research	Research and Development Cluster	Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	FY2018-073	-	2,964
						-	4,949
Department of Health and Human Services		Research and Development Cluster	Research and Development	93.RD	ASPR	-	190,012
Department of Health and Human Services	University of Miami	Research and Development Cluster	Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077	U54NS092091	-	13,544
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Advancing System Improvements to Support Targets for Healthy People 2010	93.088	NIH0076727	-	33,639
Department of Health and Human Services	Virginia Commonwealth University	Research and Development Cluster	Food and Drug Administration Research	93.103	END-DM1	-	1,919
Department of Health and Human Services		Research and Development Cluster	Food and Drug Administration Research	93.103	R01FD004809	35,070	235,756
Department of Health and Human Services		Research and Development Cluster	Food and Drug Administration Research	93.103	R01FD003937	4,345	97,771
						39,415	335,446

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Arkansas for Medical Sciences	Research and Development Cluster	Maternal and Child Health Federal Consolidated Programs	93.110	51952 KUMC	\$ -	\$ 60,861
Department of Health and Human Services	University of Massachusetts	Research and Development Cluster	Maternal and Child Health Federal Consolidated Programs	93.110	OSP2018094	-	23,304
Department of Health and Human Services		Research and Development Cluster	Maternal and Child Health Federal Consolidated Programs	93.110	T73MC06623	6,086	651,180
						6,086	735,345
Department of Health and Human Services	Michigan State University	Research and Development Cluster	Environmental Health	93.113	RC105811A	-	6,101
Department of Health and Human Services	Johns Hopkins University	Research and Development Cluster	Environmental Health	93.113	48640	-	86,576
Department of Health and Human Services	Emory University	Research and Development Cluster	Environmental Health	93.113	T712339	-	64,902
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R01ES029280	78,025	375,813
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R01ES029203	22,913	288,418
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R01ES009649	-	(6)
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R00ES024431	-	42,428
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R21ES028957	-	154,671
Department of Health and Human Services		Research and Development Cluster	Environmental Health	93.113	R21ES026752	-	28,990
						100,938	1,047,893
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R03DE025906	33,001	143,014
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R01DE021664	-	(321)
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R01DE022660	-	-
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R56DE025786	-	98,292
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R01DE026955	-	439,581
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R21DE026937	-	72,728
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	R01DE026172	-	211,675
Department of Health and Human Services		Research and Development Cluster	Oral Diseases and Disorders Research	93.121	F31DE027284	-	32,774
						33,001	997,743
Department of Health and Human Services	University of Illinois at Chicago	Research and Development Cluster	AIDS Education and Training Centers	93.145	068475	-	157,190
Department of Health and Human Services		Research and Development Cluster	Human Genome Research	93.172	R21DK104086	-	(2,124)
Department of Health and Human Services	University of Missouri	Research and Development Cluster	Research Related to Deafness and Communication Disorders	93.173	C000579019-1	-	11,841
Department of Health and Human Services	Orbis Biosciences Inc	Research and Development Cluster	Research Related to Deafness and Communication Disorders	93.173	NA	-	60,030
Department of Health and Human Services		Research and Development Cluster	Research Related to Deafness and Communication Disorders	93.173	R21DC015038	-	25,382
						-	97,253
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Disabilities Prevention	93.184	NIH76698	-	3,923
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Disabilities Prevention	93.184	NA	-	37,375
						-	41,298

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Kansas Hospital	Research and Development Cluster	Telehealth Programs	93.211	KUMC-C1	\$ -	\$ 36,409
Department of Health and Human Services		Research and Development Cluster	Telehealth Programs	93.211	G25RH32482	33,194	117,432
Department of Health and Human Services		Research and Development Cluster	Telehealth Programs	93.211	D3FRH29257	-	159,195
Department of Health and Human Services		Research and Development Cluster	Telehealth Programs	93.211	AR30306	-	104,472
Department of Health and Human Services		Research and Development Cluster	Telehealth Programs	93.211	H2ARH30306	-	117,632
Department of Health and Human Services		Research and Development Cluster	Telehealth Programs	93.211	G22RH30363	64,831	229,706
						98,025	764,846
Department of Health and Human Services	Virginia Commonwealth University	Research and Development Cluster	Research on Healthcare Costs, Quality and Outcomes	93.226	PT110938-SC106150	-	3,938
Department of Health and Human Services	University of Pennsylvania	Research and Development Cluster	Research on Healthcare Costs, Quality and Outcomes	93.226	570280	(2,165)	13,065
						(2,165)	17,003
Department of Health and Human Services	Kansas Department of Health and Environment	Research and Development Cluster	State Rural Hospital Flexibility Program	93.241	H54RH00009	-	13,351
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Mental Health Research Grants	93.242	FY2018 -009	-	115,005
Department of Health and Human Services		Research and Development Cluster	Mental Health Research Grants	93.242	R34MH107337	8,988	106,542
						8,988	221,547
Department of Health and Human Services		Research and Development Cluster	Advanced Education Nursing Grant Program	93.247	T94HP30900	38,076	803,669
Department of Health and Human Services	Partners Healthcare System	Research and Development Cluster	Occupational Safety and Health Program	93.262	70170	-	2,932
Department of Health and Human Services	Harvard University	Research and Development Cluster	Occupational Safety and Health Program	93.262	114960-5109384	-	49,470
Department of Health and Human Services	Harvard University	Research and Development Cluster	Occupational Safety and Health Program	93.262	114960-5109439	-	8,354
Department of Health and Human Services	Harvard University	Research and Development Cluster	Occupational Safety and Health Program	93.262	114960-5109437	-	8,652
						-	69,408
Department of Health and Human Services	Rutgers University	Research and Development Cluster	Alcohol Research Programs	93.273	0590	-	15,775
Department of Health and Human Services		Research and Development Cluster	Alcohol Research Programs	93.273	R01AA020518	-	305,206
Department of Health and Human Services		Research and Development Cluster	Alcohol Research Programs	93.273	U01AA024733	-	374,400
Department of Health and Human Services		Research and Development Cluster	Alcohol Research Programs	93.273	R21AA026904	-	90,011
Department of Health and Human Services		Research and Development Cluster	Alcohol Research Programs	93.273	R01AA027586	-	2,939
Department of Health and Human Services		Research and Development Cluster	Alcohol Research Programs	93.273	R21AA026025	-	205,759
						-	994,090
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA046576	74,394	385,621
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA035796	25,226	502,222
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA034542	-	17,370
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA042715	-	561,656
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA047863	-	128,295
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	K01DA040745	-	155,614
Department of Health and Human Services		Research and Development Cluster	Drug Abuse and Addiction Research Programs	93.279	R01DA031815	(12,058)	18,855
						87,562	1,769,633
Department of Health and Human Services	MOCSA Metropolitan Org to Counter Sexual Assault	Research and Development Cluster	Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283	MOCSA	-	9,094
Department of Health and Human Services	University of Texas at Austin	Research and Development Cluster	Minority Health and Health Disparities Research	93.307	UTA 15-000800	-	66,520
Department of Health and Human Services		Research and Development Cluster	Minority Health and Health Disparities Research	93.307	R01MD007800	-	(990)
						-	65,530
Department of Health and Human Services		Research and Development Cluster	Trans-NIH Research Support	93.310	R21GM114647	-	1,730

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Pittsburgh	Research and Development Cluster	National Center for Advancing Translational Sciences	93.350	0055353(130910-47)	\$ -	\$ 121,072
Department of Health and Human Services		Research and Development Cluster	National Center for Advancing Translational Sciences	93.350	UL1TR002366	604,466	4,711,431
Department of Health and Human Services		Research and Development Cluster	National Center for Advancing Translational Sciences	93.350	KL2TR002367	425,587	716,978
Department of Health and Human Services		Research and Development Cluster	National Center for Advancing Translational Sciences	93.350	TL1TR002368	159,892	378,192
						1,189,945	5,927,673
Department of Health and Human Services		Research and Development Cluster	Research Infrastructure Programs	93.351	R25OD020214	83,495	265,004
Department of Health and Human Services		Research and Development Cluster	21st Century Cures Act - Beau Biden Cancer Moonshot	93.353	P30CA168524	-	276,515
Department of Health and Human Services		Research and Development Cluster	Nursing Research	93.361	R01NR014737	113,744	322,525
Department of Health and Human Services		Research and Development Cluster	Nursing Research	93.361	R01NR16255	58,966	371,149
Department of Health and Human Services		Research and Development Cluster	Nursing Research	93.361	R34NR017793	16,422	104,015
Department of Health and Human Services		Research and Development Cluster	Nursing Research	93.361	R01NR015743	8,441	633,592
Department of Health and Human Services		Research and Development Cluster	Nursing Research	93.361	R01NR014518	-	506,346
						197,573	1,937,627
Department of Health and Human Services	Washington University	Research and Development Cluster	Sickle Cell Treatment Demonstration Program	93.365	WU-18-190	-	45,199
Department of Health and Human Services	Johns Hopkins University	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	J14146 PO 2002495987	-	2,146
Department of Health and Human Services	Baylor College of Medicine	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R21CA226567	-	57,282
Department of Health and Human Services	Hackensack Meridian Health	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	2018-CA212189-KUMC	-	160,937
Department of Health and Human Services	Biofluidica	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R43CA232848	-	33,199
Department of Health and Human Services	Health Communication Impact LLC	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	NA	-	54
Department of Health and Human Services	Tufts University	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	100627	-	43,943
Department of Health and Human Services	University of California - San Francisco	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	10239sc	-	29,114
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Cancer Cause and Prevention Research	93.393	FY2018-045	-	53,875
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA226838	86,670	176,626
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA174481	58,493	193,917
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA185322	13,420	281,016
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA190291	-	434,167
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R00CA166643	-	(8,016)
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R21CA203568	-	(1,587)
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA188898	-	808,850
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA201309	-	307,454
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R21CA204767	-	48,532
Department of Health and Human Services		Research and Development Cluster	Cancer Cause and Prevention Research	93.393	R01CA181047	128,346	495,122
						286,929	3,116,631
Department of Health and Human Services	Fred Hutchinson Cancer Research Center	Research and Development Cluster	Cancer Detection and Diagnosis Research	93.394	0000917244	-	1,043
Department of Health and Human Services	Fred Hutchinson Cancer Research Center	Research and Development Cluster	Cancer Detection and Diagnosis Research	93.394	0000937009	-	11,489
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Cancer Detection and Diagnosis Research	93.394	FY2017-064	-	(4,794)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Cancer Detection and Diagnosis Research	93.394	FY2017-100	-	200,199
						-	207,937

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	Oregon Health and Sciences University	Research and Development Cluster	Cancer Treatment Research	93.395	1005019_UKMCRI	\$ -	\$ (505)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Cancer Treatment Research	93.395	FY2012-090-M7	-	2,661
Department of Health and Human Services	American College of Radiology	Research and Development Cluster	Cancer Treatment Research	93.395	ACR-RTOG	-	2,212
Department of Health and Human Services	Foundation	Research and Development Cluster	Cancer Treatment Research	93.395	A051301	-	451
Department of Health and Human Services	Southwest Oncology Group (SWOG)	Research and Development Cluster	Cancer Treatment Research	93.395	E1910	-	313
Department of Health and Human Services	Foundation	Research and Development Cluster	Cancer Treatment Research	93.395	N1048 PROSPECT	-	1,416
Department of Health and Human Services	Oregon Health and Sciences University	Research and Development Cluster	Cancer Treatment Research	93.395	9009627 UKMCRI Godwin	-	11,379
Department of Health and Human Services	University of Notre Dame	Research and Development Cluster	Cancer Treatment Research	93.395	203368KU	-	121,680
Department of Health and Human Services	Vanderbilt University School of Medicine	Research and Development Cluster	Cancer Treatment Research	93.395	UNIV59464 5R01CA214043 03	-	17,984
Department of Health and Human Services	Oregon Health and Sciences University	Research and Development Cluster	Cancer Treatment Research	93.395	9009627_UKMCRI Sharma	-	25,944
Department of Health and Human Services		Research and Development Cluster	Cancer Treatment Research	93.395	R01CA214545	154,188	520,811
Department of Health and Human Services		Research and Development Cluster	Cancer Treatment Research	93.395	R01CA182872	10,800	301,473
Department of Health and Human Services		Research and Development Cluster	Cancer Treatment Research	93.395	R21CA198265	9,668	9,673
Department of Health and Human Services		Research and Development Cluster	Cancer Treatment Research	93.395	R01CA218118	9,370	307,119
Department of Health and Human Services		Research and Development Cluster	Cancer Treatment Research	93.395	R01CA155014	-	16,722
						184,026	1,339,333
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R21CA210210	73,759	234,516
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R01CA207445	8,116	479,694
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R01CA172764	-	120,044
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R01CA174735	-	253,857
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R03CA227359	-	22,133
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R01CA214916	-	370,178
Department of Health and Human Services		Research and Development Cluster	Cancer Biology Research	93.396	R01CA227838	-	126,837
						81,875	1,607,259
Department of Health and Human Services		Research and Development Cluster	Cancer Centers Support Grants	93.397	U54CA154253	-	(395)
Department of Health and Human Services		Research and Development Cluster	Cancer Centers Support Grants	93.397	P30CA168524	374,135	2,884,905
						374,135	2,884,510
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	K22CA184146	-	(141)
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	FCA200357A	-	4,820
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	F30A203160	-	68,604
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	F31CA200228	-	48,298
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	F31CA232668	-	25,649
Department of Health and Human Services		Research and Development Cluster	Cancer Research Manpower	93.398	F30CA216998	-	21,816
						-	169,046
Department of Health and Human Services	Southwest Oncology Group (SWOG)	Research and Development Cluster	Cancer Control	93.399	NA	-	157,440
Department of Health and Human Services	NRG Oncology Foundation, Inc.	Research and Development Cluster	Cancer Control	93.399	GOG Studies	-	19,024
Department of Health and Human Services	NRG Oncology Foundation, Inc.	Research and Development Cluster	Cancer Control	93.399	R-TOG Studies	-	5,700
Department of Health and Human Services	NRG Oncology Foundation, Inc.	Research and Development Cluster	Cancer Control	93.399	NSABP Studies	-	8,231
						-	190,395

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	Heitzman-KU.FY2014-077	\$ -	\$ 13,118
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	UN10076929 126140G003511	-	5,680
Department of Health and Human Services		Research and Development Cluster	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	90DP0097	6,173	123,913
Department of Health and Human Services		Research and Development Cluster	ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433	90DP0097	<u>14,346</u>	<u>44,482</u>
						20,519	187,193
Department of Health and Human Services		Research and Development Cluster	Pregnancy Assistance Fund Program	93.500	LYFTW	-	<u>153,365</u>
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	University Centers for Excellence in Developmental Disabilities Education, Research and Service	93.632	1000874	-	<u>27,613</u>
Department of Health and Human Services		Research and Development Cluster	Mental and Behavioral Health Education and Training Grants	93.732	M01HP31361	-	<u>92,487</u>
Department of Health and Human Services	University of Missouri St. Louis	Research and Development Cluster	Opioid STR	93.788	00059694-3	-	<u>64,622</u>
Department of Health and Human Services	Kansas Department of Health and Environment	Research and Development Cluster	Increasing the Implementation of Evidence-Based Cancer Survivorship Interventions to Increase Quality and Duration of Life Among Cancer Patients	93.808	KSCQI	-	35,336
Department of Health and Human Services	Kansas Department of Health and Environment	Research and Development Cluster	Increasing the Implementation of Evidence-Based Cancer Survivorship Interventions to Increase Quality and Duration of Life Among Cancer Patients	93.808	KDHE - KUMCRI MCA	-	49,433
Department of Health and Human Services	Kansas Department of Health and Environment	Research and Development Cluster	Increasing the Implementation of Evidence-Based Cancer Survivorship Interventions to Increase Quality and Duration of Life Among Cancer Patients	93.808	NA	-	<u>20,739</u>
						-	105,508
Department of Health and Human Services	University of Florida	Research and Development Cluster	Cardiovascular Diseases Research	93.837	UFDSP00010196 (R18HL112720)	-	7,852
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Cardiovascular Diseases Research	93.837	NIH70289	-	(620)
Department of Health and Human Services	University of Nebraska Medical Center	Research and Development Cluster	Cardiovascular Diseases Research	93.837	34-5234-2006-006	-	(1,221)
Department of Health and Human Services	University of Texas Health Science at Houston	Research and Development Cluster	Cardiovascular Diseases Research	93.837	0011624W	-	58,074
Department of Health and Human Services	University of Alabama at Birmingham	Research and Development Cluster	Cardiovascular Diseases Research	93.837	CHAP F140331006	-	3,738
Department of Health and Human Services	University of Wisconsin	Research and Development Cluster	Cardiovascular Diseases Research	93.837	INVESTED 114117	-	975
Department of Health and Human Services	Ohio State University	Research and Development Cluster	Cardiovascular Diseases Research	93.837	60041988	-	5,019
Department of Health and Human Services	Aspire Foundation	Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL116533	-	3,158
Department of Health and Human Services	PhD Biosciences	Research and Development Cluster	Cardiovascular Diseases Research	93.837	KUMCI	-	(4,020)
Department of Health and Human Services	University of Pennsylvania	Research and Development Cluster	Cardiovascular Diseases Research	93.837	569052	-	7,581
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL131512	53,799	619,031
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R56HL138244	20,649	468,392
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL129875	13,978	452,528
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	K01HL135472	4,471	125,538
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL117730	-	11,940
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL067933	-	206,066
Department of Health and Human Services		Research and Development Cluster	Cardiovascular Diseases Research	93.837	R01HL141314	-	<u>68,701</u>
						92,897	2,032,732

University of Kansas Medical Center Research Institute, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Pittsburgh	Research and Development Cluster	Lung Diseases Research	93.838	9012549 (131692-33)	\$ -	\$ 250
Department of Health and Human Services	University of Miami	Research and Development Cluster	Lung Diseases Research	93.838	SPC-001052	-	31,571
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Lung Diseases Research	93.838	FY2019-062	-	3,492
Department of Health and Human Services		Research and Development Cluster	Lung Diseases Research	93.838	R01HL133240	95,856	340,794
Department of Health and Human Services		Research and Development Cluster	Lung Diseases Research	93.838	R01HL139365	92,105	286,282
Department of Health and Human Services		Research and Development Cluster	Lung Diseases Research	93.838	F32HL140729	-	18,942
						187,961	681,331
Department of Health and Human Services	University of Nebraska Medical Center	Research and Development Cluster	Blood Diseases and Resources Research	93.839	BMT CTN 1101	-	1,441
Department of Health and Human Services	University of Nebraska Medical Center	Research and Development Cluster	Blood Diseases and Resources Research	93.839	BMT CTN 1102	-	324
Department of Health and Human Services		Research and Development Cluster	Blood Diseases and Resources Research	93.839	4R01HL11264-04	-	(5,935)
						-	(4,170)
Department of Health and Human Services	University of Pennsylvania	Research and Development Cluster	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	572644	-	5,648
Department of Health and Human Services	University of Washington	Research and Development Cluster	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	UWSC10835	-	48,321
Department of Health and Human Services		Research and Development Cluster	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	R01AR071263	196,116	573,489
Department of Health and Human Services		Research and Development Cluster	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	R01AR071648	68,228	142,725
Department of Health and Human Services		Research and Development Cluster	Arthritis, Musculoskeletal and Skin Diseases Research	93.846	R01AR059088	-	(12,648)
						264,344	757,535
Department of Health and Human Services	University of Texas Southwestern Med Ctr at Dallas	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	GMO-161120	-	67,696
Department of Health and Human Services	Tufts University	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	5008759SERVU01DK098245	-	10,167
Department of Health and Human Services	University of Texas Southwestern Med Ctr at Dallas	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	NIDDK ALF-ROTEM	-	4,590
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	NIH76980-M1	-	333,505
Department of Health and Human Services	Arkansas Children's Hospital Research Institute	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	034866	-	6,525
Department of Health and Human Services	University of Utah	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	10031363-1	-	112,166

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	New York University Langone Medical Center	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	17-A1-00-007381	\$ -	\$ 33,121
Department of Health and Human Services	Purdue University	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	4102 78591	-	11,090
Department of Health and Human Services	Children's Mercy Hospital & Clinics	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	18-0027	-	122,374
Department of Health and Human Services	NovaTarg	Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R44DK098959-KUMC	-	285,985
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK113111	583,579	746,547
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	DP3DK108211	258,362	323,353
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK100779	52,286	149,696
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK085317	42,109	541,573
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R21DK108093	26,958	10,751
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK114121	16,184	450,265
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK118220	10,833	493,206
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK098414	-	86,422
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK099611	-	320,407
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK103872	-	326,499
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK102142	-	10,307
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK091277	-	(1,429)
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	U01DK056943	-	(38)
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	T32DK071496	-	8,431
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK084097	-	37,116
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK102487	-	229,542
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK103033	-	253,496
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK081579	-	258,057
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K23DK109294	-	211,353
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R56DK112768	-	155,876
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK108088	-	331,823
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK116669	-	69,480
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K01DK113048	-	73,595
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK115850	-	358,633
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K01DK112967	-	151,112
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK118514	-	14,806
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK111693	-	291,170
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK083525	-	184,368
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK108433	-	162,661
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K01DK096032	-	109,769
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	R01DK117965	-	125,293
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	K01DK107729	-	3,480
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	F31DK120194	-	23,106
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	F30DK109605	-	50,192
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	F31DK116480	-	29,514
Department of Health and Human Services		Research and Development Cluster	Diabetes, Digestive, and Kidney Diseases Extramural Research	93.847	P30DK106912	101,252	966,404
						1,091,563	8,544,055

University of Kansas Medical Center Research Institute, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	Minneapolis Medical Research Foundation	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	SUBAWARD 15007-01	\$ 7,500	\$ 96,424
Department of Health and Human Services	University of Minnesota	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	POINT	-	283
Department of Health and Human Services	University of Rochester	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	PO#416687 PO#416131Gand 415857-G	-	1,848
Department of Health and Human Services	University of Miami	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	665164	-	3,537
Department of Health and Human Services	University of Miami	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	SPC-000979	-	184,472
Department of Health and Human Services	University of Miami	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	SPC-000995	-	7,117
Department of Health and Human Services	Johns Hopkins University	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	MISTIE III PO 2003223329	-	7,503
Department of Health and Human Services	Massachusetts General Hospital	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NN103	-	15,719
Department of Health and Human Services	Massachusetts General Hospital	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NN106	-	346
Department of Health and Human Services	Massachusetts General Hospital	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	NN108	-	20,204
Department of Health and Human Services	University of Cincinnati	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	ARCADIA NCT03192215	-	1,625
Department of Health and Human Services	Augusta University	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS090083	-	8,411
Department of Health and Human Services	Mayo Clinic Jacksonville	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	CREST 2	-	10,879
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	FY2016-096	-	9,590
Department of Health and Human Services	University of Rochester	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	417070	-	102,667
Department of Health and Human Services	University of Rochester	Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	417527	-	50,008
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	U10NS077356	-	(2,206)
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS030853	-	661,124
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R01NS078214	-	369,318
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	R21NS094945	-	3,405
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	F32NS100339	-	65,828
Department of Health and Human Services		Research and Development Cluster	Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853	F31NS105442	-	25,612
						7,500	1,643,714

University of Kansas Medical Center Research Institute, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	KAN77636	\$ -	\$ 681
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	UNI0077634	-	5,004
Department of Health and Human Services	University of Missouri	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	C0005727-1	-	54,378
Department of Health and Human Services	University of Kentucky Research Foundation	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	3200001299-18-041	-	51,756
Department of Health and Human Services	University of Kentucky Research Foundation	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	3200001882-19-008	-	14,758
Department of Health and Human Services	University of Kentucky Research Foundation	Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	3200001545-18-089	-	92,384
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1139572	57,188	172,467
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1112803	1,574	1,551
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R01A1070723	-	151,819
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R03A1142361	-	30,280
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1130613	-	142,067
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1144564	-	16,239
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1122962	-	79,306
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1144698	-	25,845
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R01A1147276	-	2,258
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R21A1144624	-	11,343
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	U01A1138323	-	551,725
Department of Health and Human Services		Research and Development Cluster	Allergy, Immunology and Transplantation Research	93.855	R01A1121073	(5,727)	294,538
						53,035	1,698,399

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	NIH78308	\$ -	\$ 11,125
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	1000225	-	2,893
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2018-076	-	104,836
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2017-021	-	200,368
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	NIH78928	-	105
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	1000426	-	16,972
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2018-004	-	(328)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	1000245	-	11,735
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2019-018	-	13,239
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2019-016	-	37,500
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	FY2018-007	-	(71)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Biomedical Research and Research Training	93.859	NIH76795	-	5
Department of Health and Human Services	Kansas State University	Research and Development Cluster	Biomedical Research and Research Training	93.859	S19046	-	418
Department of Health and Human Services	Fox Chase Cancer Center	Research and Development Cluster	Biomedical Research and Research Training	93.859	FCCC15101-01	-	(3,006)
Department of Health and Human Services	Fox Chase Cancer Center	Research and Development Cluster	Biomedical Research and Research Training	93.859	15101 03	-	8,951
Department of Health and Human Services	Rice University	Research and Development Cluster	Biomedical Research and Research Training	93.859	R22892	-	110,584
Department of Health and Human Services	City College of New York	Research and Development Cluster	Biomedical Research and Research Training	93.859	41946-A	-	33,492
Department of Health and Human Services	University of Missouri Kansas City	Research and Development Cluster	Biomedical Research and Research Training	93.859	0080285/00057123	-	69,093
Department of Health and Human Services	Kansas State University	Research and Development Cluster	Biomedical Research and Research Training	93.859	S18036	-	33,906
Department of Health and Human Services	Kansas State University	Research and Development Cluster	Biomedical Research and Research Training	93.859	S18036	-	311
Department of Health and Human Services	CSUSM Corporation	Research and Development Cluster	Biomedical Research and Research Training	93.859	92281 85085 KUMC	-	15,125
Department of Health and Human Services	BBC Entrepreneurial Training Consulting	Research and Development Cluster	Biomedical Research and Research Training	93.859	KUMC1	-	97,148
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P20GM103418	1,926,470	3,676,758
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM118589	132,444	343,759
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM128508	46,252	251,602
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM115340	44,976	304,479
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM102801	16,554	166,252
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM077336	16,397	405,943
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P20GM104936	-	15,572
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM029764	-	106
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM069783	-	(75)
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P30GM103326	-	36,544
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P30GM118247	-	1,123,238
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	PGM118247A	-	62,492
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R35GM128702	-	188,252
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM128241	-	233,212
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R35GM128562	-	272,032
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	R01GM126778	-	128,629
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	K23GM123320	-	197,446
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P30GM122731	-	1,291,204
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	P20GM130423	-	190,524
Department of Health and Human Services		Research and Development Cluster	Biomedical Research and Research Training	93.859	U13GM103387	-	59,638
						2,183,093	9,712,008

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Arkansas for Medical Sciences	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	NA	\$ 31,691	\$ 98,075
Department of Health and Human Services	University of Arkansas for Medical Sciences	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	ACT NOWS	-	6,353
Department of Health and Human Services	University of Arkansas for Medical Sciences	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	51460 8U24OD024957	-	19,554
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	KUCRNIH69181	-	(249)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	KUCRNIH69181	-	(698)
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	1000698	-	379,670
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	1000302/1000303	-	436,935
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	FY2020	-	23,867
Department of Health and Human Services	Arizona State University	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD093003	-	63,138
Department of Health and Human Services	University of Cincinnati	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	011445-002	-	116,365
Department of Health and Human Services	Children's Mercy Hospital & Clinics	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	9920170041	-	23,819
Department of Health and Human Services	Northwestern University	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	60049134 UKMC	-	99,287
Department of Health and Human Services	Pennsylvania State University	Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	UKSHD089922	-	20,194
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD083292	190,141	675,080
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD080431	140,311	360,465
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD096144	102,640	168,603
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD080423	98,713	198,416
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD094373	81,458	154,841
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD076673	69,313	330,132
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD094545	14,980	390,777
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21HD087741	14,057	116,141
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21 HD088913	11,758	185,548
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD093933	11,111	126,410
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD086001	3,782	722,666
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD076450	-	107,623
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	T32HD057850	-	195,573
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD020676	-	439,571
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD049615	-	510
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	P01HD079363	-	1,060,507
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	U01HD076428	-	(1,025)
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R03HD094608	-	92,979
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD062860	-	342,953
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21HD094003	-	142,671
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21HD090963	-	121,359
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD062546	-	528,024
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21HD098880	-	12,638
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R13HD083029	-	5,042
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R00HD075886	-	146,096
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	F32HD096809	-	29,454
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R21HD081502	(1,749)	6,477
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	UGOD024943	(4,439)	303,439
Department of Health and Human Services		Research and Development Cluster	Child Health and Human Development Extramural Research	93.865	R01HD079642	(10,146)	469,162
						753,621	8,718,442

University of Kansas Medical Center Research Institute, Inc.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of California San Diego	Research and Development Cluster	Aging Research	93.866	ADNI-2	\$ -	(99,757)
Department of Health and Human Services	Minneapolis Medical Research	Research and Development Cluster	Aging Research	93.866	ASPRE	-	321
Department of Health and Human Services	Eli Lilly & Company	Research and Development Cluster	Aging Research	93.866	A4-NIH PO 50747745	-	105,172
Department of Health and Human Services	William Beaumont Hospital	Research and Development Cluster	Aging Research	93.866	NA	-	(5,522)
Department of Health and Human Services	University of Washington	Research and Development Cluster	Aging Research	93.866	UWSC7736	-	27,893
Department of Health and Human Services	University of Southern California	Research and Development Cluster	Aging Research	93.866	ADNI3 ATRI-001 PO 50770225	-	125,772
Department of Health and Human Services	Aerobyx LLC	Research and Development Cluster	Aging Research	93.866	KUMC-AG060817	-	1,603
	University of Texas Southwestern Med						
Department of Health and Human Services	Ctr at Dallas	Research and Development Cluster	Aging Research	93.866	GMO-160206	-	684,767
Department of Health and Human Services	University of Pittsburgh	Research and Development Cluster	Aging Research	93.866	0052816 (128617-3)	-	1,209,988
Department of Health and Human Services	University of Southern California	Research and Development Cluster	Aging Research	93.866	105742996	-	108,270
Department of Health and Human Services	University of Southern California	Research and Development Cluster	Aging Research	93.866	109868491	-	145,246
Department of Health and Human Services	University of Florida	Research and Development Cluster	Aging Research	93.866	UFDSPO0011779	-	19,098
Department of Health and Human Services	University of Iowa	Research and Development Cluster	Aging Research	93.866	W000853828	-	3,726
Department of Health and Human Services	University of Iowa	Research and Development Cluster	Aging Research	93.866	W00102565	-	40,576
Department of Health and Human Services	University of Iowa	Research and Development Cluster	Aging Research	93.866	S00280-01	-	4,600
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Aging Research	93.866	1000709	-	6,558
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Aging Research	93.866	1000921	-	5,630
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	P30AG035982	344,238	2,039,092
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG051470	119,625	480,921
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG052954	57,876	528,067
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R61AG061881	12,500	83,561
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG043962	-	455,042
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	K01AG05785	-	36,609
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	K23AG055666	-	166,373
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG060050	-	45,320
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R00AG050490	-	197,674
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG054486	-	473,926
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG047297	-	4,937
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG060157	-	419,300
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG058530	-	84,400
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG061194	-	15,807
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R01AG060733	-	41,658
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	R21AG056062	-	181,780
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	K99AG056600	-	88,910
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	F30AG054083	-	23,444
Department of Health and Human Services		Research and Development Cluster	Aging Research	93.866	F30AG058397	-	25,887
						534,239	7,776,649

University of Kansas Medical Center Research Institute, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services	University of Pennsylvania	Research and Development Cluster	Vision Research	93.867	Dream (U10EY022879)	\$ -	\$ 14,354
Department of Health and Human Services	Oakland University	Research and Development Cluster	Vision Research	93.867	3309	-	310
						-	14,664
Department of Health and Human Services	University of Utah	Research and Development Cluster	Medical Library Assistance	93.879	UG4LM012344	-	99,937
Department of Health and Human Services	University of Utah	Research and Development Cluster	Medical Library Assistance	93.879	UG4LM012344	-	1,500
						-	101,437
Department of Health and Human Services	Kansas Department of Health and Environment	Research and Development Cluster	Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	NA	-	74,191
Department of Health and Human Services	University of Kansas Center for Research	Research and Development Cluster	Family and Community Violence Prevention Program	93.910	1YEPMP170096-01-00	-	10,083
Department of Health and Human Services	Northwestern University	Research and Development Cluster	Assistance Programs for Chronic Disease Prevention & Control	93.945	60041262KANMED	45,804	94,405
		Total Research and Development Cluster				8,059,821	70,867,152
Department of Agriculture	Kansas Department of Education		Child and Adult Care Food Program	10.558	P0726	-	142,125
Department of Transportation	Mid-America Regional Council	Transit Services Programs Cluster	Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Section 5310 FTA	-	4,393
Department of Education	University of Kansas Center for Research		National Institute on Disability and Rehabilitation Research	84.133	H327S140024	-	2,156
Department of Education	University of Kansas Center for Research		Special Education Personnel Preparation to Improve	84.325	FY2016 104 M2	-	4,613
Department of Health and Human Services	University of Illinois at Chicago		AIDS Education and Training Centers	93.145	068475	-	4,667
Department of Health and Human Services			Poison Control Stabilization and Enhancement Grants	93.253	H4BHS15505	-	133,336
Department of Health and Human Services		Student Financial Aid Cluster	Nurse Faculty Loan Program (NFLP)	93.264	E01HP28798	113,139	113,139
Department of Health and Human Services		Student Financial Aid Cluster	Nursing Student Loans	93.364	E4DHP2611003	1,000	1,000
						114,139	114,139

University of Kansas Medical Center Research Institute, Inc.
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2019

Federal Grantor	Pass-Through Grantor	Cluster Name	Program Name	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Passed Through to Subrecipient	Total Federal Expenditure
Department of Health and Human Services			ACA Maternal, Infant, and Early Childhood Home Visiting Program	93.505	MIECHV	\$ -	\$ 155,135
Department of Health and Human Services	Kansas Social Rehabilitation Services	TANF Cluster	Temporary Assistance for Needy Families	93.558	KEHSV 09 G	-	1,628
Department of Health and Human Services	Kansas Social Rehabilitation Services	TANF Cluster	Temporary Assistance for Needy Families	93.558	EES-2019-KEHSHV-08	-	292,019
						-	293,647
Department of Health and Human Services	Kansas Social Rehabilitation Services	CCFD Cluster	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	EES2017KEHSCCP09G	-	4,301
Department of Health and Human Services	Kansas Social Rehabilitation Services	CCFD Cluster	Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	KEHS CCP 09 G	-	307,525
						-	311,826
Department of Health and Human Services			Head Start	93.600	07CH7075	9,428	3,105,868
Department of Health and Human Services	The Family Conservancy		Head Start	93.600	TFC DHHS	-	226,848
						9,428	3,332,716
Department of Health and Human Services	University of Kansas Center for Research		University Centers for Excellence in Developmental Disabilities, Education, Research and Service	93.632	NIH78499	-	10,117
Department of Health and Human Services	University of Kansas Center for Research		University Centers for Excellence in Developmental Disabilities, Education, Research and Service	93.632	1000185	-	126,843
						-	136,960
Department of Health and Human Services	Department of Health and Human Services		Demonstration to Maintain Independence and Employment	93.769	90ALGG0009-01-01	140,081	212,943
Department of Health and Human Services			Maternal, Infant and Early Childhood Home Visiting Grant	93.870	MIECHV	-	453,678
Department of Health and Human Services	Kansas Department of Health and Environment		Maternal and Child Health Services Block Grant	93.994	6B04MC281000104	-	485
Total Federal Awards						<u>\$ 8,323,469</u>	<u>\$ 76,169,971</u>

University of Kansas Medical Center Research Institute, Inc.
Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

Notes to Schedule

1. The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of RI under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of RI, it is not intended to and does not present the financial position, changes in net assets or cash flows of RI.
2. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-21 or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. RI has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report

Board of Directors
University of Kansas
Medical Center Research Institute, Inc.
Kansas City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of University of Kansas Medical Center Research Institute, Inc. (RI), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 24, 2019, which contained an "Emphasis of Matters" paragraph regarding changes in accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered RI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of RI's internal control. Accordingly, we do not express an opinion on the effectiveness of RI's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RI's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Management's Response to Finding

Management's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RI's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Kansas City, Missouri
October 24, 2019

Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
University of Kansas
Medical Center Research Institute, Inc.
Kansas City, Kansas

Report on Compliance for the Major Federal Program

We have audited the University of Kansas Medical Center Research Institute, Inc.'s (RI) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on RI's major federal program for the year ended June 30, 2019. RI's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for RI's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about RI's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of RI's compliance.

Opinion on the Major Federal Program

In our opinion, RI complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of RI is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RI's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RI's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Kansas City, Missouri
October 24, 2019

University of Kansas Medical Center Research Institute, Inc.
Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Summary of Auditor's Results

Consolidated Financial Statements

1. The type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. The independent auditor's report on internal control over financial reporting disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☒ Yes ☐ No

3. Noncompliance considered material to the consolidated financial statements was disclosed by the audit? ☐ Yes ☒ No

Federal Awards

4. The independent auditor's report on internal control over compliance for the major federal awards program disclosed:
Significant deficiency(ies)? ☐ Yes ☒ None reported
Material weakness(es)? ☐ Yes ☒ No

5. The opinion expressed in the independent auditor's report on compliance for the major federal awards program was:
☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. The audit disclosed findings required to be reported by 2 CFR 200.516(a)? ☐ Yes ☒ No

University of Kansas Medical Center Research Institute, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

7. RI's major program was:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Research and Development Cluster	Various

8. The threshold used to distinguish between Type A and Type B programs was \$2,285,099.

9. RI qualified as a low-risk auditee? ☒ Yes ☐ No

University of Kansas Medical Center Research Institute, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

Findings Required to be Reported by *Government Auditing Standards*

Reference Number	Finding
2019-001	<p>Criteria or Specific Requirement – Management is responsible for establishing and maintaining effective internal control over financial reporting.</p> <p>Condition – There is not a tracking and review system in place over clinical trial revenue recognition and the process utilized at year-end to calculate the proper revenue is an extremely manual process with little oversight.</p> <p>Context – When adopting Accounting Standards Update (ASU) 2014-09, <i>Revenue from Contracts with Customers</i> (Topic 606), various complexities arose in analyzing revenue recognition for clinical trials.</p> <p>The portion of clinical trial revenue relating to the number of participants involved in the study is not tracked by RI. Instead, principle investigators assigned to the various trials will input participant information into the sponsor’s system which will then generate a payment to RI. For the majority of the time; however, the sponsor will not include a detail of the payment amount (<i>e.g.</i>, not include the time period or number of participants the payment is based on) nor do the principal investigators provide this information to RI making it difficult and time consuming for RI to determine if they are being paid for the proper amount due or if revenue is being recognized in the proper period.</p> <p>Additionally, certain clinical trials are paid on a milestone basis as opposed to a fee-for-service type of arrangement. Currently, there is not a tracking mechanism in place for these agreements and the calculation of revenue to be recognized based on service provided (as opposed to simply patients enrolled) is an extremely manual process.</p> <p>Finally, other key data associated with clinical trials which may impact revenue recognition currently is not being tracked, such as those trials that are billed quarterly vs monthly and those trials subject to a 10 percent withholding. The lack of data makes it difficult to properly estimate the revenue that should be recognized.</p> <p>Effect – Potentially material misstatements in the consolidated financial statements due to error or fraud could occur and not be prevented or detected in a timely manner.</p>

University of Kansas Medical Center Research Institute, Inc.

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2019

Reference Number	Finding
2019-001	<p>Cause – There is not currently a tracking and review system in place to accumulate relevant information over clinical trials to assist in the determination and calculation of revenue recognition and cut-off.</p> <p>Recommendation – Management should work with both principal investigators and sponsors to better track relevant pieces of clinical trial agreements and report on revenue by participant to ensure the revenue is recognized in the proper period. Additionally, management may consider reviewing software abilities to determine what information may be tracked that could assist in streamlining the calculation of revenue to be recognized as the services are provided.</p> <p>View of Responsible Official and Planned Corrective Actions – The condition and finding are accurate. In the past KUMC has not had a tracking and review system in place to effectively and systematically track clinical trial revenues which caused complexities when implementing reporting standards in compliance with Topic 606. This has been exacerbated by the fact that the Hospital where the work is performed is a separate entity which requires an additional level of coordination on services performed, revenue timing and the amount recognized.</p> <p>As of May 15, 2019 the University mandated the use of CRIS/Velos to provide KUMC with a more consistent, accurate and effective means to identify clinical trial participants and improve the ability of KUMC to report required clinical research metrics to federal granting agencies while improving the quality of information available to conduct strategic planning.</p> <p>The implementation of the CRIS/Velos system in compliance with the mandate is continuing throughout the 2019-2020 Fiscal Year. Paul Toler and Ashlee Fishback will continue to collaborate with our campus implementation partners in implementing the system with the priority of incorporating:</p> <ul style="list-style-type: none"> • Calendars and budgets at study initiation • Billing detail including that which is provided to sponsors <p>The RI also identified the opportunity to leverage the University’s ERP (Peoplesoft) to:</p> <ul style="list-style-type: none"> • Identify milestone agreements within the system to facilitate recognizing income appropriately • Capture study end dates with an estimate that provides a greater level of precision • Apply clinical trial revenues and expenses to the studies to capture this activity before the income is distributed • Recognize fee income differently to allocate start up fees to the appropriate accounting periods <p>Finally, staffing levels will be evaluated to ensure effective implementation of these additional activities.</p>

University of Kansas Medical Center Research Institute, Inc.
Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2019

Findings Required to be Reported by Uniform Guidance

Reference Number	Finding
	No matters are reportable.

Summary Schedule of Prior Audit Findings Year Ended June 30, 2019

Reference Number	Summary of Finding	Status
---------------------	--------------------	--------

No matters are reportable.

Mailing Address

Mail Stop 1039 | 3901 Rainbow Boulevard | Kansas City, KS 66160 | (913) 588-1261 | Fax (913) 588-3225 | www2.kumc.edu/researchinstitute/

Physical Address

4330 Shawnee Mission Parkway | Fairway KS 66205