

**NEIGHBORHOOD DEVELOPMENT FUND  
Not-for-Profit Transmittal and Approval Form**

**Applicant/Program:** University of Louisville Research Foundation/ Gray Street Farmers Market  
**Applicant Requested Amount:** \$2,500  
**Appropriation Request Amount:** \$2,500

**Executive Summary of Request**  
District Four is appropriating funding to support the Gray Street Farmers Market Double Dollars. The Double Dollars benefit goes directly to low income residents to make purchases at the Gray Street Farmers Market. Households can use Double Dollars to purchase fruits, vegetables, breads, meats, and other food intended to be prepared and eaten at home. The Double Dollars program matches spending by Supplemental Nutrition Assistance Program (SNAP) customers dollar for dollar up to \$20.00 and aims to make shopping at farmers +

Is this program/project a fundraiser?  Yes  No  
Is this applicant a faith based organization?  Yes  No  
Does this application include funding for sub-grantee(s)?  Yes  No

I have reviewed the attached Neighborhood Development Fund Application and have found it complete and within Metro Council guidelines and request approval of funding in the following amount(s). I have read the organization's statement of public purpose to be furthered by the funds requested and I agree that the public purpose is legitimate. I have also completed the disclosure section below, if required.

4 District #      David Dandy Primary Sponsor Signature      2500 Amount      9/12/2016 Date

**Primary Sponsor Disclosure**  
List below any personal or business relationship you, your family or your legislative assistant have with this organization, its volunteers, its employees or members of its board of directors.  
N/A

**Approved by:**  
\_\_\_\_\_  
Appropriations Committee Chairman      Date  
Final Appropriations Amount: \_\_\_\_\_

**LOUISVILLE METRO COUNCIL  
NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

**Legal Name of Applicant Organization** University of Louisville Research Foundation, Inc.

**Program Name and Request Amount** Gray Street Farmers Market/ \$2500

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	<input type="checkbox"/> Yes
Is the funding proposed by Council Member(s) less than or equal to the request amount?	<input type="checkbox"/> Yes
Is the proposed public purpose of the program viable and well-documented?	<input type="checkbox"/> Yes
Will all of the funding go to programs specific to Louisville/Jefferson County?	<input type="checkbox"/> Yes
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	<input type="checkbox"/> Yes
Has prior Metro Funds committed/granted been disclosed?	<input type="checkbox"/> N/A
Is the application properly signed and dated by authorized signatory?	<input type="checkbox"/> Yes
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	<input type="checkbox"/> Yes
If Metro funding is for a separate taxing district is the funding appropriated for a program outside the legal responsibility of that taxing district?	<input type="checkbox"/> N/A
Is the entity in good standing with: <ul style="list-style-type: none"> <li>▶ Kentucky Secretary of State?</li> <li>▶ Louisville Metro Revenue Commission?</li> <li>▶ Louisville Metro Government?</li> <li>▶ Internal Revenue Service?</li> <li>▶ Louisville Metro Human Relations Commission?</li> </ul>	<input type="checkbox"/> Yes
Is the current Fiscal Year Budget included?	<input type="checkbox"/> Yes
Is the entity's board member list (with term length/term limits) included?	<input type="checkbox"/> Yes
Is recommended funding less than 33% of total agency operating budget?	<input type="checkbox"/> Yes
Does the application budget reflect only the revenue and expenses of the project/program?	<input type="checkbox"/> Yes
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	<input type="checkbox"/> N/A
Is the most recent annual audit (if required by organization) included?	<input type="checkbox"/> Yes
Is a copy of Signed Lease (if rent costs are requested) included?	<input type="checkbox"/> N/A
Is the Supplemental Questionnaire for churches/religious organizations (if requesting organization is faith-based) included?	<input type="checkbox"/> N/A
Are the Articles of Incorporation of the Agency included?	<input type="checkbox"/> Yes
Is the IRS Form W-9 included?	<input type="checkbox"/> Yes
Is the IRS Form 990 included?	<input type="checkbox"/> Yes
Are the evaluation forms (if program participants are given evaluation forms) included?	<input type="checkbox"/> Yes
Affirmative Action/Equal Employment Opportunity plan and/or policy statement included (if required to do so)?	<input type="checkbox"/> N/A
Has the Agency agreed to participate in the BBB Charity review program? If so, has the applicant met the BBB Charity Review Standards?	<input type="checkbox"/> N/A

Prepared by: **Keidra King**

Date: 9/12/2016

## UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

### General Information

<b>Organization Number</b>	0180002
<b>Name</b>	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.
<b>Profit or Non-Profit</b>	N - Non-profit
<b>Company Type</b>	KCO - Kentucky Corporation
<b>Status</b>	A - Active
<b>Standing</b>	G - Good
<b>State</b>	KY
<b>File Date</b>	7/26/1983
<b>Organization Date</b>	7/26/1983
<b>Last Annual Report</b>	3/8/2016
<b>Principal Office</b>	UNIVERSITY OF LOUISVILLE OFFICE OF UNIVERSITY COUNSEL LOUISVILLE, KY 40292
<b>Registered Agent</b>	LESLIE C. STROHM UNIVERSITY OF LOUISVILLE 2301 S. THIRD STREET LOUISVILLE, KY 40292

### Current Officers

<b>Chairman</b>	<u>Ron Butt</u>
<b>President</b>	<u>James R Ramsey</u>
<b>Vice Chairman</b>	<u>Jonathan Blue</u>
<b>Secretary</b>	<u>Pamela Feldhoff</u>
<b>Treasurer</b>	<u>Emily Bingham</u>
<b>Director</b>	<u>Neville Pinto</u>
<b>Director</b>	<u>William Pierce</u>
<b>Director</b>	<u>Harlan Sands</u>

### Individuals / Entities listed at time of formation

<b>Director</b>	<u>MR DANIEL D BRISCOE</u>
<b>Director</b>	<u>MR ROBERT L COCHRAN</u>
<b>Director</b>	<u>MR GEORGE E FISCHER</u>
<b>Director</b>	<u>MR GENE P GARDNER</u>
<b>Director</b>	<u>L NORBERT L BLUME</u>
<b>Incorporator</b>	<u>DONALD C SWAIN PHD</u>

### Images available online

Documents filed with the Office of the Secretary of State on September 15, 2004 or thereafter are available as scanned images or PDF documents. Documents filed prior to September 15, 2004 will become available as the images are created.

Annual Report

3/8/2016

1 page

PDF

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

**SECTION 1 - APPLICANT INFORMATION**

Legal Name of Applicant Organization: University of Louisville Research Foundation, Inc.  
(as listed on: <http://www.sos.ky.gov/business/records>)

Main Office Street & Mailing Address: 300 E Market Street Suite 300 Louisville, KY 40202-1959

Website: <http://louisville.edu/research/spa>

Applicant Contact:	Melissa Schreck	Title:	Director, External Affairs and Strategy
Phone:	502-852-8781	Email:	maschr02@louisville.edu
Financial Contact:	Judy Bristow	Title:	Director, OSPA
Phone:	502-852-3788	Email:	gmtmgmt@louisville.edu

Organization's Representative who attended NDF Training: Melissa Schreck

**GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED**

Program Facility Location(s): UofL SPHIS 485 E. Gray St. Louisville, KY 40202-1741

Council District(s): 4th Zip Code(s): 40202

**SECTION 2 - PROGRAM REQUEST & FINANCIAL INFORMATION**

PROGRAM/PROJECT NAME: Gray Street Farmers Market

Total Request: (\$) 2,500 Total Metro Award (this program) in previous year: (\$) 0

Purpose of Request (check all that apply):

- Operating Funds (generally cannot exceed 33% of agency's total operating budget)
- Programming/services/events for direct benefit to community or qualified individuals
- Capital Project of the organization (equipment, furnishing, building, etc)

The Following are Required Attachments:

<input checked="" type="checkbox"/> IRS Exempt Status Determination Letter	Signed lease if rent costs are being requested
Current year projected budget	<input checked="" type="checkbox"/> IRS Form W9
<input checked="" type="checkbox"/> Current financial statement	Evaluation forms if used in the proposed program
<input checked="" type="checkbox"/> Most recent IRS Form 990 or 1120-H	<input checked="" type="checkbox"/> Annual audit (if required by organization)
<input checked="" type="checkbox"/> Articles of Incorporation (current & signed)	Faith Based Organization Certification Form, if applicable
Cost estimates from proposed vendor if request is for capital expense	

For the current fiscal year ending June 30, list all funds appropriated and/or received from Louisville Metro Government for this or any other program or expense, including funds received through Metro Federal Grants, from any department or Metro Council Appropriation (Neighborhood Development Funds). Attach additional sheet if necessary.

Source:	No funds received from	Amount: (\$)
Source:	beginning of current FY (7   16)	Amount: (\$)
Source:		Amount: (\$)

Has the applicant contacted the BBB Charity Review for participation?  Yes  No

Has the applicant met the BBB Charity Review Standards?  Yes  No



## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 3 – AGENCY DETAILS

#### Describe Agency's Vision, Mission and Services:

University of Louisville School of Public Health and Information Sciences

#### Vision

We will be an internationally recognized center of excellence for the creation, sharing, and application of knowledge for the public's health.

#### Mission

We advance knowledge for the public's health in the increasingly complex and interconnected world of the 21st century. We accomplish this through activities in the three cornerstone areas for advancing knowledge:

- 1) Research. We create knowledge by seeking new discoveries and understanding through scientific exploration. We communicate our findings.
- 2) Teaching. We share knowledge with students committed to and prepared for learning in a facilitated environment. Our learners are our students, our faculty, and our staff. We commit to preparing our learners for success.
- 3) Service. We apply knowledge through quality services to the communities of which we are a part – the University, Louisville Metro, Kentucky, the United States, and their respective environs.

**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

**SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF**

Board Member	Term End Date
William Armstrong	07/11/2017
Robert P. Benson, Jr.	06/30/2019
Larry Benz	06/30/2021
Emily Bingham	06/30/2019
Jonathan Blue	06/30/2020
Ron Butt	06/30/2018
Steve Campbell	06/30/2019
Craig Greenberg	06/30/2020
Larry Hayes	06/30/2021
Bruce Henderson	06/30/2017
Robert Curtis Hughes	06/30/2017
Brucie Moore	06/30/2020
Jody Prather	06/30/2018
William Summers	06/30/2018
Aaron Vance	07/01/2017

**Describe the Board term limit policy:**

The government of the University shall be vested in a Board of Trustees, which shall consist of such number of persons having such voting rights, serving such terms and appointed by such means as provided in the Kentucky Revised Statutes. In exercising its powers as derived from the Kentucky Revised Statutes, and implemented in its By-Laws and the governmental procedures for the University, the Board of Trustees as the governing body of a state agency shall exercise its powers and authorities in a manner consistent with applicable policies set by the Commonwealth of Kentucky. [Section 2.1]

University of Louisville Board of Trustees Bylaws are publicly available online at <http://louisville.edu/president/board-of-trustees/bylaws/view>

Three Highest Paid Staff Names	Annual Salary
Dr. Richard Clover (Professor, SPHIS)	312,843
Dr. Craig Blakely (Dean, SPHIS)	296,269
Dr. W. Paul McKinney (Assoc. Dean, SPHIS)	272,084

Applicant's Initials MS

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 5 – PROGRAM/PROJECT NARRATIVE

**A: Describe the program/project start and end dates, a description of the program/project and applicable data with regards to specific client population the program will address (attach related flyers, planning minutes, designs, event permits, proposals for services/goods, etc.):**

Organization and promotion of the Gray Street Farmers Market (GSFM) starts in March of each year. The actual market runs from May through October of each year.

The GSFM, which started in 2009, is managed by the UofL School of Public Health and Information Sciences in collaboration with the Louisville Metro Department of Health and Wellness. Fresh fruits and vegetables, pasture-raised meat and eggs, honey, jams, baked items, and herbs are just a few of the items sold at our farmers market. The GSFM serves residents who live in the surrounding neighborhoods of Phoenix Hill, Smoketown, Shelby Park, and Liberty Green as well as individuals who work at the Health Sciences Center campus, hospitals, and other area businesses.

We organize this weekly event because public health is about creating conditions under which people can be healthy. Farmers markets bring fresh, healthy foods into our neighborhood. The Gray Street Farmers Market has accepted SNAP and SFMNP benefits since 2010, and the Double Dollars funding makes healthy choices more affordable and accessible to members of our community.

The GSFM is open each Thursday through October 27, from 10:30 a.m. – 2:00 p.m. and includes 11 vendors from throughout Kentucky and Indiana and a rotating group of lunch vendors and food trucks. We are located on the 400 block of E. Gray Street, between South Preston and South Jackson streets.

**B: Describe specifically how the funding will be spent including identification of funding to sub grantee(s):**

We are requesting \$2,500 of Neighborhood Development Funds to continue the Double Dollars cost-sharing that was initiated by the Community Farm Alliance's program to make shopping at farmers markets more affordable.

In July 2016, the Gray Street Farmers Market (GSFM) was selected to participate in Community Farm Alliance's Double Dollars Cost-Share program. As a 2016 Double Dollars participant, we were awarded \$1500 to match Supplemental Nutrition Assistance Program (SNAP) and Senior Farmers Market Nutrition Program (SFMNP) benefits at our market, allowing the recipients of these federal nutrition assistance programs to double their spending power on fresh fruits and veggies from local farmers. Across the country, farmers markets have launched similar incentive programs to make local food more accessible to low-income customers.

The Double Dollars benefit goes directly to low income residents to make purchases at the Gray Street Farmers Market. Households can use Double Dollars to purchase fruits, vegetables, breads, meats, and other food intended to be prepared and eaten at home.

Using the program is simple. Patrons visit the market information booth, decide how much they want to spend, and swipe their SNAP cards. The market then matches the dollar amount dollar for dollar and gives the individual wooden tokens to make their purchases. We match spending by Supplemental Nutrition Assistance Program (SNAP) customers dollar for dollar up to \$20.00. Customers with the Senior Farmers Market Nutrition Vouchers visit the information booth to receive an additional \$12 in tokens to spend at the GSFM.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

C: If this request is a fundraiser, please detail how the proceeds will be spent:

D: For Expenditure Reimbursement Only – The grant award period begins with the Metro Council approval date and ends on June 30 of Metro fiscal year in which the grant is approved. If any part of this funding request is for funds to be spent before the grant award period, identify the applicable circumstances:

- The funding request is a reimbursement of the following expenditures that will probably be incurred after the application date, but prior to the execution of the grant agreement:
- ✓ If selecting this option, the invoice, receipt and payment documentation should not be available as of the date of this application.

The Grantee will be required to submit financial reporting in accordance with the reporting schedule provided in the grant agreement.

Double Dollars cost-sharing

- Reimbursements should not be made before application date unless an emergency can be demonstrated by the primary council sponsor. The funding request is a reimbursement of the following expenditures (attach invoices or proof of payment):
- ✓ Attach a copy of invoices and/or receipts to provide proof of purchase of activities associated with the work plan identified in this application.
  - ✓ Attach a copy of cancelled checks to provide proof of payment of the invoices or receipts associated with the work plan identified in this application.

## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

**E: Describe the program's benefits to those being served (measurable outcomes). Include the program's process for collecting data and the indicators that will be tracked to measure the benefits to those being served:**

A \$2,500 investment from District 4 will be used to serve local residents who shop at the Gray Street Farmers Market. We've operated the program on three Thursdays (Aug. 11, Aug. 18, and Aug. 25), and we have distributed \$1177 in Double Dollars to 97 individuals who then shopped for fresh produce and other local items. Any funding not expended by the end of October 2016 will be used to promote and launch the Double Dollars program when the Gray Street Farmers Market opens for its 2017 season on May 18, 2017.

We know the need is much greater than the funds we have available. According to the USDA's SNAP data system, there are approximately 130,715 SNAP recipients living in Jefferson County. Through the Double Dollars program, we can work together to make fresh, local food more affordable to low income residents in Louisville. The efforts of the Gray Street Farmers market has been recognized by the Mayor Fischer's Office, which coordinated a special event this past week to showcase the importance of Double Dollars and the city's farmers markets.

**F: Briefly describe any existing collaborative relationships the organization has with other community organizations. Describe what those partners are bringing to the relationship in general and to this program/project specifically.**

GSFM partners include the Louisville Metro Department of Public Health and Wellness, UofL Health Care, Community Farm Alliance, Norton Healthcare - N Good Health Program, the University of Louisville (other schools and departments), and the Louisville Area Chapter of the Red Cross. They assist with the market governing committee, outreach, resources, and promotion.

Regarding the Double Dollars program, the Community Farm Alliance (CFA) and the three local markets listed below are in collaboration. The CFA provided the funds through their Double Dollars Cost-Share program. GSFM and the three markets below work together to determine the most effective methods for using funds for matching the Supplemental Nutrition Assistance Program (SNAP) and Senior Farmers Market Nutrition Program (SFMNP) benefits at our markets.

- 1) Phoenix Hill NuLu Farmers Market (TUESDAY 3pm-6pm)  
1007 E. Jefferson St. (Parking lot of Fresh Start Growers' Supply)
- 2) Bardstown Road Farmers Market (SATURDAY 8am-12pm)  
1722 Bardstown Road (Parking lot of Bardstown Rd Presbyterian Church)
- 3) South Points Farmers Market (SUNDAY 11am-3pm)  
4148 Taylor Blvd (Near the Save-A-Lot at Hazelwood Shopping Center)

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 6 - PROGRAM/PROJECT BUDGET SUMMARY

THE PROGRAM/PROJECT BUDGET SHOULD REALISTICALLY ESTIMATE WHAT AMOUNT IS NEEDED FROM METRO GOVERNMENT AND WHAT IS EXPECTED FROM OTHER SOURCES.

Program/Project Expenses	Column 1	Column 2	Column (1+2)=3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
A: Personnel Costs Including Benefits			
B: Rent/Utilities		40047	40047
C: Office Supplies			
D: Telephone			
E: In-town Travel			
F: Client Assistance (See Detailed List on Page 8)	2,100	1,500	4,000
G: Professional Service Contracts			
H: Program Materials	400	350	750
I: Community Events & Festivals (See Detailed List on Page 8)			
J: Machinery & Equipment			
K: Capital Project			
L: Other Expenses (See Detailed List on Page 8)		15,983	15,983
<b>*TOTAL PROGRAM/PROJECT FUNDS</b>	2,500	57,880	60,380
% of Program Budget	4 %	96 %	100%

List funding sources for total program/project costs in Column 2, Non-Metro Funds:

Other State, Federal or Local Government	\$56,380
United Way	
Private Contributions (do not include individual donor names)	
Fees Collected from Program Participants	
Other (please specify)	\$1,500 (award from the Community)
Total Revenue for Columns 2 Expenses	\$57,880

\*Total of Column 1 MUST match "Total Request on Page 1, Section 2"

\*\*Must equal or exceed total in column 2.



**LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION**

Detail of In-Kind Contributions for this PROGRAM only: Includes Volunteers, Space, Utilities, etc. (Include anything not bought with cash revenues of the agency).

Donor*/Type of Contribution	Value of Contribution	Method of Valuation
<p align="center"><i>Total Value of In-Kind (to match Program Budget Line Item. Volunteer Contribution &amp; Other In Kind)</i></p>		

\* DONOR INFORMATION REFERS TO WHO MADE THE IN KIND CONTRIBUTION. VOLUNTEERS NEED NOT BE LISTED INDIVIDUALLY, BUT GROUPED TOGETHER ON ONE LINE AS A TOTAL NOTING HOW MANY HOURS PER PERSON PER WEEK

Agency Fiscal Year Start Date: 07/01/2016

Does your Agency anticipate a significant increase or decrease in your budget from the current fiscal year to the budget projected for next fiscal year? NO  YES

If YES, please explain:

Applicant's Initials MS



## LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

### SECTION 7 - CERTIFICATIONS & ASSURANCES

By signing Section 7 of the Grant Application, the authorized official signing for the applicant organization certifies and assures to the best of his or her knowledge and/or belief the following Assurances and Certifications. If there is any reason why one or more of the assurances or certifications listed cannot be certified or assured, please explain in writing and attach to this application.

#### Standard Assurances

1. Applicant understands this application and its attachments as well as any resulting grant agreement, reports and proof of expenditure is subject to Kentucky's open records law.
2. Applicant will establish safeguards to prohibit employees or any person that receives compensation from awarded funds from using their position for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
3. Applicant and any sub grantee will give Louisville Metro Government access to and the right to examine all paper or electronic records related to the awarded grant for up to five years of the grant agreement date.
4. Applicant assures compliance with the grant requirements and will monitor the performance of any third party (sub-grantee).
5. The Agency is in good standing with the Kentucky Secretary of State, Louisville Metro Government, the Jefferson County Revenue Commission, the Internal Revenue Service, and the Louisville Metro Human Relations Commission
6. Applicant understands failure to provide the services, programs, or projects included in the agreement will result in funds being withheld or requested to be returned if previously disbursed.
7. Applicant understands they must return to Louisville Metro any unexpended funds by July 31 following the Metro Louisville's fiscal year end
8. Applicant understands they must provide proof of all expenditures (canceled checks, receipts, paid invoices). The Applicant understands the failure to provide proof of expenditures as required in the grant agreement could result in funding being withheld or request to be returned if previously disbursed.
9. Applicant understands if this application is approved, the grant agreement will identify an award period that begins with the Metro Council approval date, and will end with June 30 of the fiscal year in which the grant is approved. Expenditures associated with this award expected to occur prior to the award period (approval date) must be disclosed in this application in order to be considered compliant with the grant agreement.
10. Applicant understands if we choose to incur expenditures prior to the approval of the application by the Metro Council, there is no guarantee that funding will be reimbursed, as the Council may choose not to award the application.
11. Applicant understands if the grant agreement is not returned to Louisville Metro within 90 days of its mailing to the applicant, the approval is automatically revoked and the funds will not be disbursed to our organization.

#### Standard Certifications

1. The Agency certifies it will not use Louisville Metro Government funds for any religious, political or fraternal activities.
2. The Agency has a written Affirmative Action/Equal Opportunity Policy.
3. The Agency does not discriminate in employment or in provision of any service/program/activity/event based on age, color, disabled status, national origin, race, religion, sex, gender identity or sexual orientation, or Vietnam era veteran status.
4. The Agency certifies it will not require clients, recipients, or beneficiaries to participate in religious, political, fraternal or like activities in order to receive services/benefits provided with Louisville Metro Government funds.
5. The Agency understands the Americans with Disabilities Act (ADA) and makes reasonable accommodations.

Relationship Disclosure: List below any relationship you or any member of your Board of Directors or employees has with any Councilperson, Councilperson's family, Councilperson's staff or any Louisville Metro Government employee.

### SECTION 8 - CERTIFICATIONS & ASSURANCES

I certify under the penalty of law the information in this application (including, without limitation, "Certifications and Assurances") is accurate to the best of my knowledge. I am aware my organization will not be eligible for funding if investigation at any time shows falsification. If falsification is shown after funding has been approved, any allocations already received and expended are subject to be repaid. I further certify that I am legally authorized to sign this application for the applying organization and have initialed each page of the application.

Signature of Legal Signatory:	<i>Barbara Sells</i>	Date:	8/31/16
Legal Signatory: (please print):	Barbara Sells	Title:	Associate Director, OSPA
Phone: 502-852-8362	Extension:	Email:	bsell101@louisville.edu

**Internal Revenue Service**

**Date:** November 16, 2005

UNIVERSITY OF LOUISVILLE RESEARCH  
FOUNDATION INC

CONTROLLERS OFF UNIV OF LOUISVILLE  
LOUISVILLE, KY 40292

**Department of the Treasury**

**P. O. Box 2508  
Cincinnati, OH 45201**

**Person to Contact:**

Sally Froehle

ID# 31-08058

**Toll Free Telephone Number:**

8:30 a.m. to 5:30 p.m. ET

1-877-829-5500

**Federal Identification Number**

Dear Sir or Madam:

This is in response to your request of October 13, 2005 regarding your tax-exempt status.

In May 1984 we issued a determination letter that recognized you as exempt from federal income tax. Our records indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

Our records indicate that you are also classified as a public charity under section 509(a)(3) of the Internal Revenue Code.

Our records indicate that contributions to you are deductible under section 170 of the Code, and that you are qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Internal Revenue Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,

*Cindy M. Westcott*

Cindy Westcott  
Manager, EO Determinations



# The NDF Grant Agreement

Budget Category	Metro Funds	Non-Metro Funds	Total
A. Personnel Costs including benefits	\$ -	\$ 40,047	\$ 40,047
B. Rent/Utilities	\$ -	\$ -	\$ -
C. Office Supplies	\$ -	\$ -	\$ -
D. Telephone	\$ -	\$ -	\$ -
E. In-Town Travel	\$ -	\$ -	\$ -
F. Client Assistance-- Requires Detail	\$ 2,100	\$ 1,500	\$ 3,600
G. Professional Service Contracts	\$ -	\$ -	\$ -
H. Program Materials	\$ 400	\$ 350	\$ 750
I. Community Events and Festivals -- Requires Detail	\$ -	\$ -	\$ -
J. Small Equipment	\$ -	\$ -	\$ -
K. Capital Equipment	\$ -	\$ -	\$ -
L. Other Expenses -- Requires Detail		\$ 15,983	\$ 15,983
<b>Total</b>	\$ 2,500	\$ 57,880	\$ 60,380

\*\$2500 request (\$2,100+\$400) is to continue the Double Dollars program. \$1,500 Award from the Community Farm Alliance to the Gray Street Farmers Market for a Double Dollars Program to incentivize the use of SNAP/WIC/SFMNP benefits at the market.

\*\$15,983 in Facilities & Administrative (F&A) costs refer to costs that cannot be uniquely associated with a particular project but which are nonetheless incurred by the university due to the project. They include costs such as departmental accounting and clerical support, network support, equipment depreciation, building and facilities operation and maintenance, library, general and sponsored projects administration. These costs are budgeted and charged as a percentage of some of the direct cost elements. (The 36% refers to the federally-negotiated rate for on-campus, Other Sponsored Activities:  
<http://louisville.edu/research/common/fa-rate-agreement>

# Gray Street Farmers Market NSF/CIF Request

## A. Personnel Costs including benefits

	Base	Appt	Effort	Salary	Fringe	Total
Schreck M	\$74,734	6	20%	\$7,473	\$2,130	\$9,603
White, P	\$35,500	12	40%	\$14,200	\$4,047	\$18,247
				<b>\$21,673</b>	<b>\$6,177</b>	<b>\$27,850</b>

	Hourly	Hours	Salary	Fringe	Total
TBN 1	\$15	176	\$2,640	\$752	\$3,392
TBN 2	\$26	88	\$2,288	\$652	\$2,940
TBN 3	\$38	88	\$3,344	\$953	\$4,297
TBN 4	\$61	20	\$1,220	\$348	\$1,568
			<b>\$9,492</b>	<b>\$2,705</b>	<b>\$12,197</b>

There are two admin folks working each week  
 Each week the mgmt team will give at least four hours  
 Each week there will be faculty who give a total of four hours  
 A total of 20 hours given by asst dean or faculty

## B. Rent/Utilities

See F&A in "L. Other Expenses--Requires Detail"

## C. Office Supplies

See F&A in "L. Other Expenses--Requires Detail"

## D. Telephone

See F&A in "L. Other Expenses--Requires Detail"

## E. In-Town Travel

N/A

## F. Client Assistance--Requires Detail

Request from district**	\$ 2,100	**Amount requested in this NSF/IF Request
CFA Grant*	\$ 1,500	*Award from the Community Farm Alliance to the Gray Street Farmers Market for a Double Dollars Program to incentivize the use of SNAP/WIC/SFMNP benefits at the market.

## G. Professional Service Contracts

N/A

## H. Program Materials

Promotion materials (requested from district)	\$ 400	**Amount requested in this NSF/IF Request
Wooden tokens	\$150	
Promotional materials	\$200	
Total		\$750

## I. Community Events and Festivals -- Requires Detail

N/A

## J. Small Equipment

N/A

## K. Capital Equipment

N/A

## L. Other Expenses -- Requires Detail

F&A (Facilities & Administrative) (36% rate)\*\*\*

\$ 15,983

Direct Cost Total    \$44,397  
**TOTAL**                    **\$60,380**

\*\*\*Facilities & Administrative (F&A) costs refer to costs that cannot be uniquely associated with a particular project but which are nonetheless incurred by the university due to the project. They include costs such as departmental accounting and clerical support, network support, equipment depreciation, building and facilities operation and maintenance, library, general and sponsored projects administration. These costs are budgeted and charged as a percentage of some of the direct cost elements. (The 36% refers to the federally-negotiated rate for on-campus, Other Sponsored Activities:  
<http://louisville.edu/research/common/fa-rate-agreement>



UNIVERSITY *of* LOUISVILLE  
**FOUNDATION**

**2015-2016 Operating Budget**





UNIVERSITY of LOUISVILLE  
**FOUNDATION**

**2015-2016 Operating Budget  
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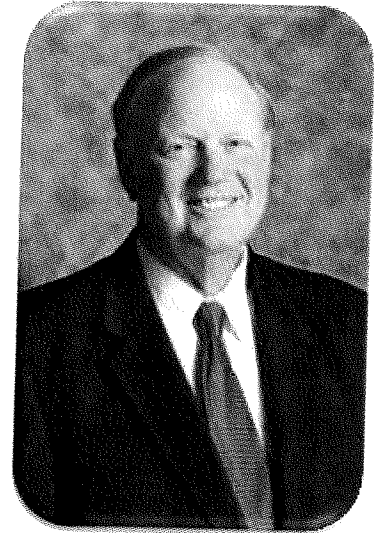
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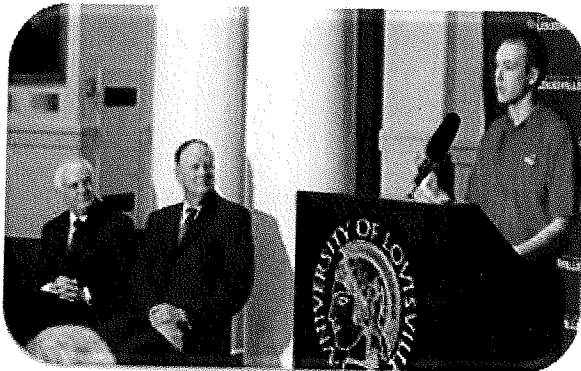
## FROM THE PRESIDENT

*On behalf of the Board of Directors of the University of Louisville Foundation, I am pleased to present the 2015-16 University of Louisville Foundation Operating Budget. The Foundation continues to be a catalyst for employing new and innovative ways to generate additional sources of revenue in support of the University of Louisville and its mission to become a preeminent metropolitan research institution. In addition to this support, the Foundation also manages funds contributed by donors and other sources to support its operations, provide scholarships, and contribute to the economic growth and revitalization of our city, state and region. Donors trust the Foundation to leverage these funds through sound and thoughtful investing to bring about the greatest impact in achieving the University's mission.*



*In addition to prudent endowment investment, the Foundation has become the center of economic revitalization through financial investment in property, infrastructure, and cutting-edge, faculty-led research companies. This return on investment supports the University in its upward trajectory in both academics and research along with providing innovation and economic strength to the Louisville Metro area.*

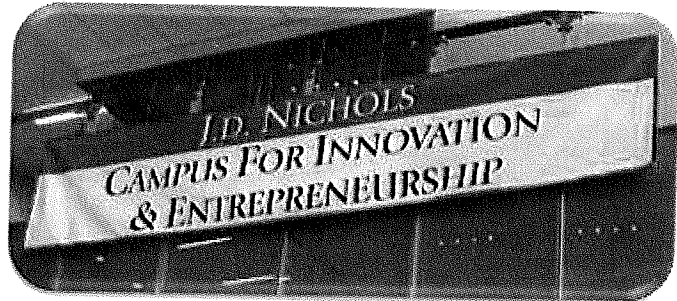
*The Foundation provided increasing support to the University to fund academic and research operations student scholarships, faculty salaries, and fellowships. All or part of the salaries for 1,211 faculty, staff and students are paid from funds allocated to the University from the Foundation. Over \$25 million are provided each year toward academic support and student scholarships,*



*Presentation of Cardinal Covenant gift*

including \$1.5 million in 2014-2015 to the Cardinal Covenant program to fund the education of low-income students in Kentucky. This has impacted the University's impressive student accomplishments for the 2014-2015 academic year; 9 Fulbright Scholars, 1 Truman scholar (of only 58 nationwide), a 53.6% graduation rate, and a total of 2,821 Baccalaureate, 1,242 Master, and 162 Doctoral degrees awarded. The most recent Forbes "30 under 30" list also included three UofL alumni.

Two of the Foundation's properties, the J.D. Nichols Campus for Innovation and Entrepreneurship and the ShelbyHurst Research and Office Park, attract new businesses to the area and provide a steady stream of revenue for the Foundation. Under current construction, the Belknap Engineering and Science Park is poised to impact a \$320 million digital manufacturing initiative. Projects at the Health Science Campus, Belknap Research & Engineering Park and the ShelbyHurst Office Campus are expected to result in increased state and local tax revenue totaling more than \$14 million from 2014-2016. These initiatives also contribute to the economic growth of private industry and jobs in our community; more than 1,800 construction and permanent jobs in 2016 alone.



We appreciate the community's continued confidence in the Foundation and its efforts on behalf of the University of Louisville. Together we are making a difference in our community, our city, our state, and the region by setting a course that will ensure a continued impact in making that difference for decades to come.

James R. Ramsey  
President, University of Louisville  
President, University of Louisville  
Foundation, Inc.

## **OVERVIEW**

Founded in 1970, the University of Louisville Foundation, Inc. (Foundation) is directed and supervised by a 15-member board of directors; each serving in three-year terms. The President of the University serves as President of the Foundation and as a member of the Board. However, the majority of the board members are not a part of the Board of Trustees, officers, or employees of the University of Louisville (University).

The Foundation is a not-for-profit 501(c)(3) corporation. It serves as a fundraising organization and provides economic impact to the Louisville Metro area through development of new businesses and the creation of new jobs. Funds are invested and managed by the Foundation in support of the University's mission to become a preeminent metropolitan research university recognized for advancing the intellectual, social and economic development of our community and its citizens while placing the University among the top tier of similar universities in the nation.

The students, faculty, staff, schools, colleges and libraries of the University rely heavily on support generated from the endowments of the Foundation. These funds are invested and managed by the Foundation in support of the University's education, research, and service goals and used for scholarships, research chairs, grants and other academic initiatives. Gifts to the University are managed according to the wishes of the donor and the appropriate University departments. Gifts without restrictions are managed at the discretion of the Foundation Board upon recommendation of the President. The Foundation's efforts have driven the University's endowment into the ranks of the top colleges and universities in the United States.

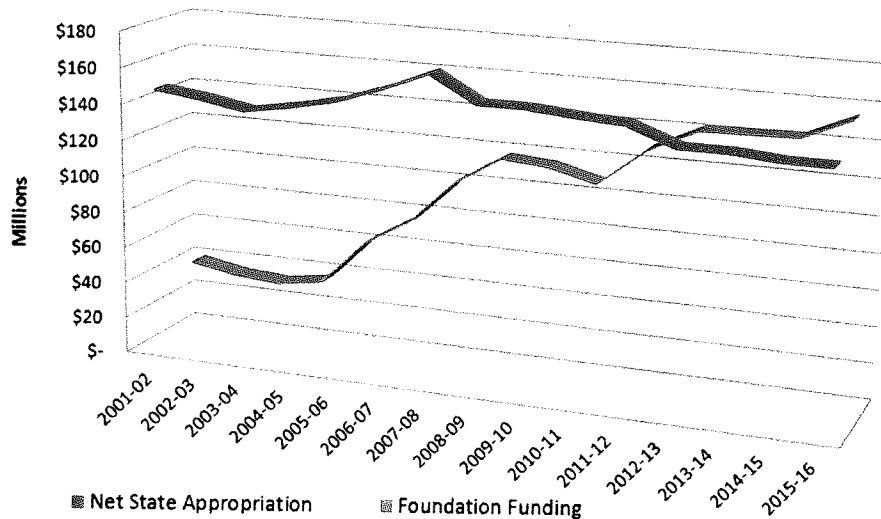


**Foundation Budget Available Surpasses Net State Appropriation**

Since FY 2012-13, the amount of Foundation funding available to the University has surpassed the amount of annual net state appropriation the University receives from the Commonwealth of Kentucky. This illustrates the growing role of private monies bolstering and supplanting traditional state-based appropriation as a means to meet strategic goals and objectives. This table and related chart indicate the amount of funding provided by net state appropriation as compared to Foundation funding available for spending.

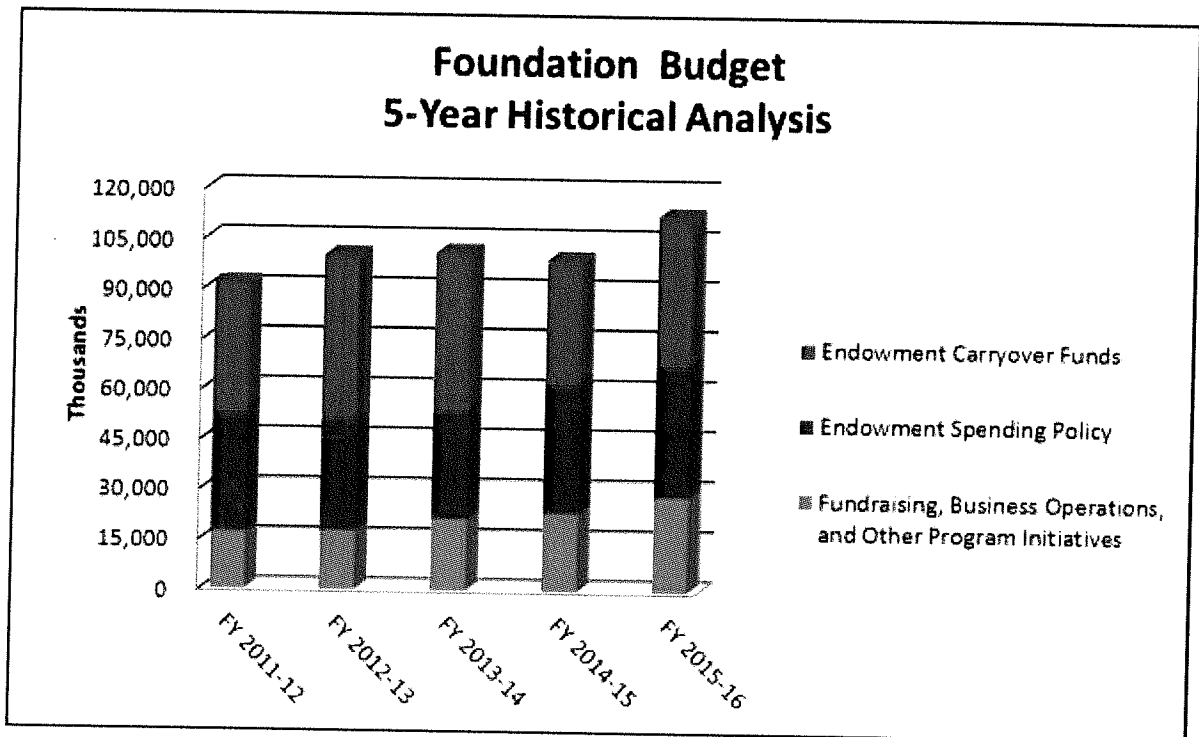
Net State Appropriation versus Available Foundation Funding		
	Net State Appropriation	Foundation Funding
2001-02	147,159,400	39,704,800
2002-03	143,969,600	35,014,400
2003-04	139,518,700	32,964,800
2004-05	143,955,100	36,763,800
2005-06	149,275,100	62,362,800
2006-07	158,125,500	77,345,900
2007-08	168,572,300	101,682,200
2008-09	154,522,400	117,226,700
2009-10	154,522,400	115,303,800
2010-11	152,338,100	108,765,800
2011-12	150,849,100	129,422,500
2012-13	141,194,758	141,835,700
2013-14	141,194,800	142,627,970
2014-15	139,076,900	143,191,681
2015-16	139,076,900	154,685,981

**Net State Appropriation versus Available Foundation Budget**



A five-year trend of the Foundation's budget, excluding gifts, is shown in the following table and graph.

<b>Foundation Budget Historical Analysis</b>					
	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>
Fundraising, Business Operations, and Other Program Initiatives	17,045,048	17,538,740	21,369,469	23,376,736	28,322,047
Endowment Spending Policy	35,707,873	33,499,315	32,056,157	38,466,005	39,107,113
Endowment Carryover Funds	38,897,401	49,296,089	47,849,967	37,455,418	45,161,008
<b>TOTAL BUDGET</b>	<u>91,650,322</u>	<u>100,334,144</u>	<u>101,275,593</u>	<u>99,298,159</u>	<u>112,590,168</u>



## **ECONOMIC DEVELOPMENT**

Universities look to be both innovators and engines for economic growth for the community in which they reside. Through a multitude of strategic initiatives, the Foundation, in support of the University, has become an economic driver for the city, state, and region by bringing outstanding development to the Louisville Metro area.

One such initiative utilized by the Foundation is tax increment financing (TIF), a form of economic incentive which uses the incremental increase in local and state tax revenues generated within a defined development district (the increment) to finance certain costs of a

qualified project. Prior to drawing funds (activating a TIF) there must be a certain amount of capital improvements invested within the TIF district. The term of a TIF is typically 20 to 30 years. The University of Louisville Foundation is using this innovative form of financing to support several projects that produce a financial return while working as a partner with business and government to catalyze economic development for our community, state, and region.

### **Belknap Engineering and Applied Sciences Park TIF**

The \$1.2 billion Signature TIF, covering 980 acres stretching from just north of Belknap Campus to south at the Watterson Expressway, was approved in 2012.



Overall Site Plan for Belknap Campus and Engineering & Research Park

This TIF, requiring \$200 million in capital improvements, was activated in 2014. The Foundation will receive 80% of the incremental state and local tax revenues generated over the 30-year term of the agreement.

**Louisville Health and Life Sciences TIF**

A Signature TIF for the former Haymarket property in downtown Louisville was

approved in 2007. The TIF district is 210 acres encompassing the University’s Health Sciences Campus, the J.D. Nichols Campus for Innovation & Entrepreneurship, and surrounding blocks in downtown Louisville. The \$2.5 billion, 30-year TIF required \$150 million of capital investment. The Foundation has received over \$14 million since activating this TIF in 2012.



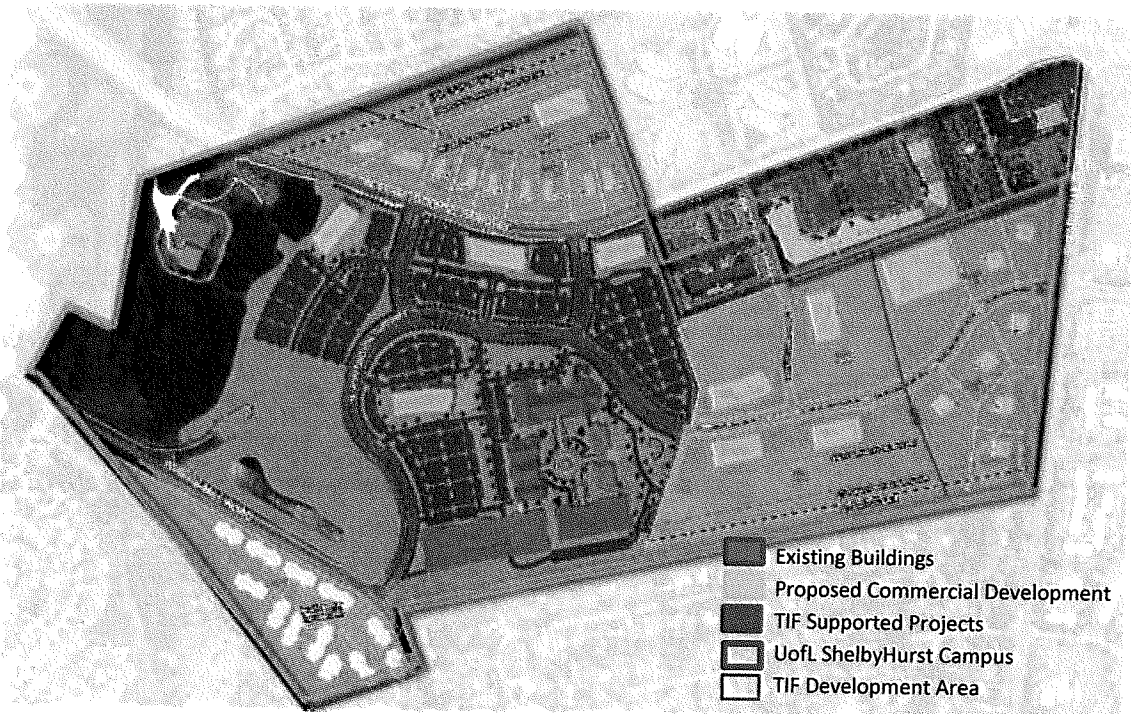


**ShelbyHurst Research and Office Park TIF**

Final approval was granted in 2014 for a \$450 million Signature TIF covering 253 acres including the ShelbyHurst Campus and several immediately adjacent parcels. The term of the TIF is 30 years and requires \$200 million in capital improvements. The Foundation will

receive 80% of the incremental city and state tax revenues generated in the TIF district.

These developments produce a staggering impact for the University, the city and the state, while attracting new businesses, creating new jobs, and potentially generating billions in revenue.





## FUNDRAISING

University Advancement's mission is to build enduring relationships through engagement, philanthropy, and stewardship to advance the teaching, research, and service mission of the University of Louisville. University Advancement works directly with the University of Louisville Foundation to actively promote and encourage private philanthropy for the advancement of the University of Louisville.

The Foundation directs the vast majority of gifts and endowment earnings into the University. By keeping administrative overhead costs under 10% of the overall annual budget, more than 90% is available for redirection into University research projects, enrichment programs, scholarships and community investments.

The individual departments within University Advancement are responsible for an extraordinary range of activities that provide the framework for building strong support and lasting relationships with a variety of constituencies; including alumni, community members, donors, parents, and friends.

- **Development** leads campus efforts to encourage and secure private financial support from alumni and friends, corporations, and foundations.
- **Advancement Services** maintains all alumni and donor information in support of University programming, communication, cultivation, and solicitation efforts. This office also provides all information technology support and processes all donations received by the Foundation.
- **Alumni Relations and Annual Giving** leads efforts to engage the University of Louisville's 130,000+ alumni through reunions, regional events, scholarship fundraising, and advocacy activities.



Celebrating a successful  
*Charting Our Course* campaign

### **Moving Forward**

The University successfully concluded its ambitious campaign (*Charting Our Course: The Campaign for Kentucky's Premier Metropolitan Research University*) in June 2014 raising \$1.058 billion and will continue to focus on unmet needs that were not funded during the campaign. Student scholarship, faculty excellence, research, and world class facilities remain a priority to ensure the University fulfills its mandate to become a preeminent metropolitan research university. Specifically, University Advancement will focus on increasing the funding of the endowment. This will include raising funds associated with creating new scholarships, both undergraduate and professional, and increasing funds that support graduate fellowships and stipends. Additionally, UofL must attract and retain the best faculty by increasing the number of endowed chairs and professorships supported through philanthropy.

To ensure we are successful, University Advancement continues to focus on staff development and improving internal processes. From this perspective, four new

programs evolved that have made a major contribution to the betterment of the advancement operation. In addition, a talent management team has been established to oversee recruitment and hiring for all professional staff.

- **Grow Our Own** – This is a recruitment and retention program for advancement professionals who are interested in a career of educational philanthropy. It provides an intense three-month training program with mentorship covering every aspect of development and provides newcomers with complete knowledge of the University Advancement operation. Development officers who go through this program will focus on prospect discovery and referral and learn to manage a portfolio and obtain annual level gifts.
- **Advancement Academy** – This academy's primary focus is on additional unit-wide training to enhance skill sets needed to be successful in the fundraising arena. Training is led internally by senior staff.

- **On Boarding** – This is a new employee program for all new hires. In addition to the University employee orientation, this comprehensive training program takes a new hire through every advancement department and provides one-on-one focused training. An internal “mentor” is also assigned for each new hire.
- **Cardinal Kudos** – University Advancement was the first unit to adopt the University’s peer-to-peer recognition program. This is designed to increase team member recognition and collegial interaction.

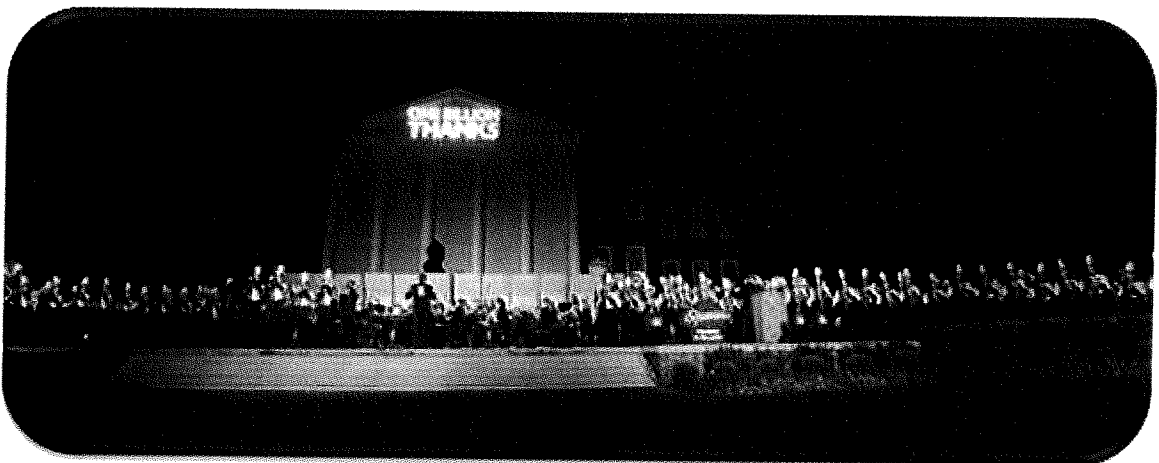
### Gifts

Donations to the University are classified

as “gifts” when the contribution is under \$10,000 or the donor’s intent is to spend as opposed to endowing the corpus. Donors typically designate the college, school, or division where the funds are to be received and how the funds are to be expended. Unspent balances at the end of each fiscal year are carried forward to the next fiscal year.

Gifts balances are invested in the Foundation to allow maximization of returns. Projections are not reflected in the budgeting process as funds must be received prior to units receiving a budget.

An historical analysis of gift funds available at fiscal year-end is shown in the chart on the next page.



The UofL Orchestra, Black Diamond Choir and the Cardinal Singers perform at “The Spectacular,” one billion thanks in surpassing our \$1 Billion goal.

<b>Gift Cash Balances Historical Analysis</b>				
	FY 2001-02	Projected FY 2015-16	14 year Change	
			Amount	Percentage
College of Arts & Sciences	103,977	1,247,068	1,143,091	1099.4%
Athletic Association	0	63,365	63,365	N/A
College of Business	727,414	2,809,369	2,081,955	286.2%
School of Dentistry	221,876	784,941	563,065	253.8%
College of Education & Human Development	335,797	112,797	(223,000)	-66.4%
Vice President for External Affairs	0	38,132	38,132	N/A
Executive Vice President for Health Affairs	63,780	180,567	116,787	183.1%
Vice President for Human Resources	0	2,875	2,875	N/A
School of Interdisciplinary & Graduate Studies	0	20,757	20,757	N/A
Kent School of Social Work	2,604	109,533	106,929	4106.3%
Brandeis School of Law	208,000	690,660	482,660	232.0%
University Libraries	11,036	231,904	220,868	2001.3%
School of Medicine	4,919,996	13,928,790	9,008,794	183.1%
School of Music	0	412,315	412,315	N/A
School of Nursing	0	213,560	213,560	N/A
School of Public Health	0	62,280	62,280	N/A
J. B. Speed School of Engineering	210,237	1,788,853	1,578,616	750.9%
Student Financial Aid	0	290,939	290,939	N/A
University President	8,981	18,200,191	18,191,210	202552.2%
University Provost	0	462,985	462,985	N/A
Executive Vice President for Research & Innovation	0	1,300	1,300	N/A
Sr Vice President for Finance and Administration	0	2,371	2,371	N/A
Vice President for Student Affairs	735	156,501	155,766	21192.7%
Vice President for University Advancement	30,408	283,760	253,352	833.2%
<b>Total Gift Cash Balances</b>	<b>6,844,841</b>	<b>42,095,813</b>	<b>35,250,972</b>	<b>515.0%</b>

**REAL ESTATE INVESTMENTS**

The Foundation propels the University toward attaining national prominence through the development and creation of resources and companies that contribute to the Foundation's overall revenue performance, all of which benefit the University.

**ULH, Inc. (ULH)** began operations on April 23, 2001 and is affiliated with the Foundation through a common board of directors and certain common management. Its purpose is to lease land and issue revenue bonds for student housing purposes. ULH owns, manages, and operates several student housing properties.

ULH partners with EdR to manage Community Park built in 2006, Herman and Heddy Kurz Hall built in 2003, Billy Minardi Hall built in 2003, and Bettie Johnson Hall built in 2000. EdR has been a leader in the collegiate housing industry since 1964 and is one of the largest developers, owners, and managers of high-quality collegiate housing communities.

Bettie Johnson Hall offers apartment style living for students, including student

athletes and some participating in the UPS Metropolitan College program.

Billy Minardi Hall was built with private funding and houses 38 students, including athletes from the Basketball Program.

The student demographic of both Kurz Hall and Community Park has changed since their inception. In 2010, the University implemented a first-year live-on-campus requirement resulting in a significant increase in the number of first-year students living on campus. Starting in the fall semester 2015, Kurz Hall will house only first-year students. In addition to housing two Living-Learning Communities (LLC) – Pre-Dental Hygiene and Public Health – wherein students will take classes as a cohort and go through outside the classroom learning opportunities within the halls. Similarly, Community Park houses mostly first-year students and, as of the fall 2015 semester, will also house a large LLC for Engineering and a smaller LLC for second-year Honors.

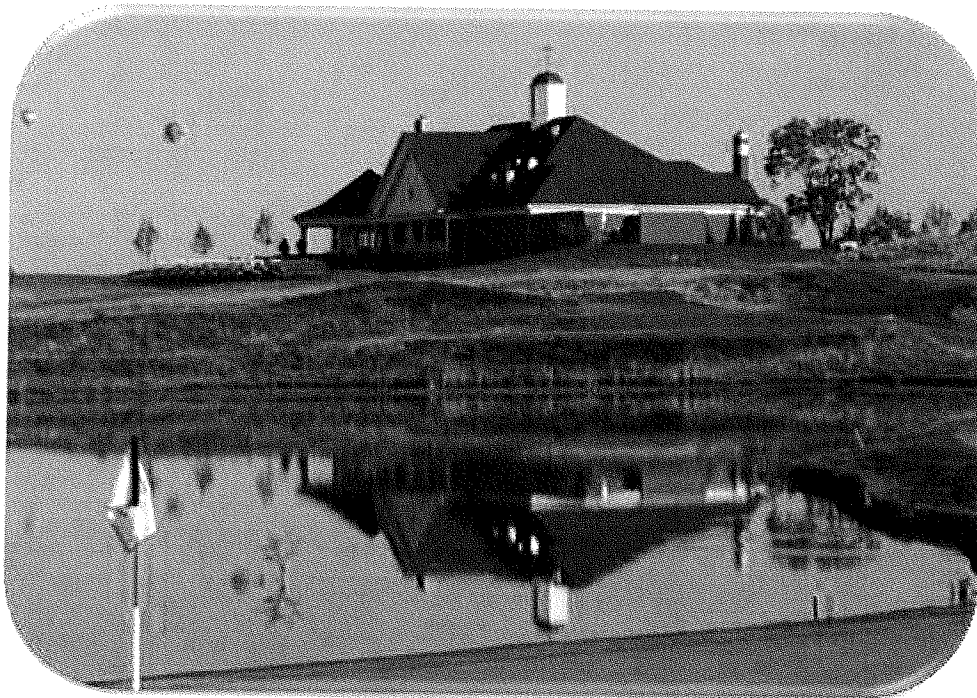
**Stansbury Park**, a restoration project, will begin in 2015 and include upgrades such as a full-perimeter walking circuit, bicycle

pavilion, tennis courts, and a sculpture garden. In addition to restoring the park, the University plans to develop a four-bedroom, four-bath apartment style student housing complex for upperclassmen. This new facility will be built and managed by a private developer and provide 532 beds with an expected opening date of Fall 2016.

**The University of Louisville Golf Club (ULGC)**, located in Simpsonville, KY, was purchased by the Foundation through CCG, a limited liability company, in December 2013. The facility, formerly known as the Cardinal Club, has been

associated with the University through a licensing agreement with previous owners since its inception in 1998.

The Club is a first-class, top collegiate, practice and competition facility for the University of Louisville golf teams and aids in the fulfillment of Title IX gender equity requirements. In addition, a major golf course renovation project was recently completed to bring the golf course up to world-class standards with the goal of attracting NCAA Division I Regional Championships.



**J.D. Nichols Campus for Innovation and Entrepreneurship** is located on the former Haymarket property and is home to the Atria Support Center (Atria), an eight-story, 200,000 square foot office building operated by The Nucleus Real Properties (TNRP), a non-stock, non-profit corporation formed in July 2013. This connects the Central Business District to the thriving NuLu district and is adjacent to the burgeoning medical corridor and Waterfront Park. Atria is the first building of a planned, newly constructed three-building complex consisting of shared green spaces, parking garages, and easy access to downtown. It will be a catalyst for economic development and innovation throughout the region.

Atria opened in October 2013 at approximately 83% leased. Atria Senior Living, the anchor tenant, signed a 4-floor lease for 17 years comprising 85,000 square feet, including a full-service restaurant, test kitchen, and a print and production shop. Other tenants include:

- UofL Research and Innovation
- UofL Office of Technology Transfer
- Advanced Cancer Therapeutics
- XLerateHealth

- UofL Institute for Sustainable Health and Optimal Aging
- UofL Physicians, Inc.

Planning for the second building is currently underway with the recent selection of an architect. This building, like Atria, is being developed for entrepreneurs, innovators, accelerators, researchers, and corporate office users.

Construction has begun at 220 South Preston to provide a six-story parking garage to accommodate the J.D. Nichols Campus. The garage will contain 825 parking spaces with an expected completion date of October 2015.

In addition, this campus currently consists of the TechCenter, the iHub, Atria, 252 E. Market, and 204 E. Market. UofL associated start-ups and early stage companies are located in each of these locations.

The TechCenter offers both wet and dry laboratory space and office space; a shared laboratory facility equipped with common laboratory equipment is also available for early stage companies requiring laboratory space. The TechCenter is currently at capacity; tenant companies have provided

significant sponsored research dollars to UofL.

The iHub provides space for very early stage companies and continues to be well utilized. This co-working space benefits both start-up companies and entrepreneurs by providing a diverse support mechanism and standard office amenities in a shared work environment.



E+I welcomed Kent Taylor, Founder, CEO and Chairman Texas Roadhouse

Property at 252 E. Market, a 6,400 square foot building, is being developed for entrepreneurs, researchers, and corporate office users. KentuckianaWorks Foundation which oversees the region's



system of career centers assisting job-seekers to find employment, training opportunities, and apply for unemployment insurance, currently occupies 635 square feet of this property.

The Foundation recently purchased property at 204 E. Market. The 26,200 square foot building, including a 9,500 square foot basement, was built in 1968 and renovated in 2005. In addition to the structure this location also offers 30 on-site parking spaces.

**Louisville Medical Center Development Corporation (LMCDC)** is a non-stock, non-profit corporation purchased in October 2008. Its purpose is to hold the Foundation's three TIFs – Belknap Engineering and Applied Sciences Park TIF encompassing UofL's main campus, Louisville Health and Life Sciences TIF located in downtown Louisville, and the newly approved ShelbyHurst Research and Office Park TIF surrounding UofL's Shelby Campus in eastern Jefferson County.

**University Holdings, Inc. (UHI)** is a non-stock, non-profit corporation created in September 2007 for the benefit of



developing property owned and acquired as revenue producing assets. UHI is affiliated with the Foundation through certain common management and directors. The following are UHI's managed LLCs:

**Cardinal Station**, located at Third Street and Central Avenue, is a limited liability corporation formed in February 2008 whose sole member is the Foundation. It houses several of the University's primary care and medical specialty programs serving the south-central Louisville neighborhoods.

**Jewish Hospital's Frazier Rehab Center** offers a sports medicine program for conditioning and indoor strength activities associated with the baseball program. In addition the Athletic Association has recently leased space on the first floor for the Baseball staff through December 2024.

The Student Counseling Center will occupy their newly leased space beginning in August 2015 and will provide services and programs that support the psychological well-being, holistic development, and retention of University of Louisville students.

**KYT** is a limited liability corporation formed in November 2008 whose sole member is the Foundation. Its purpose is to manage the real estate purchased and to develop property adjacent to the University. Also in 2008, KYT acquired 33 acres at the former site of Kentucky Trailer to house the Belknap Engineering and Applied Science Research Park.

**Phoenix Place** is a limited liability corporation formed in April 2009 to develop and manage property acquired near UofL's Health Science Campus; its sole member is the Foundation. Phoenix Place Apartments is one of Louisville's finest downtown apartment communities located within walking distance of UofL Medical and Dental Schools, just blocks from many of Louisville's cultural attractions.

**University of Louisville Development Corporation (ULDC)** is a limited liability corporation formed in September 2007 whose sole member is the Foundation. It was established to serve as the Foundation's master developer for the ShelbyHurst Research and Office Park in eastern Jefferson County. In addition, the Foundation provided matching funds to

assist the University in successfully securing \$5.7 million from the Kentucky Transportation Cabinet to provide infrastructure and roadways for this development.

ShelbyHurst is a 230-acre area located at the intersection of Hurstbourne Parkway and Shelbyville Road. A 20-acre core of the campus is identified for academic and research purposes. The University's Regional Biosafety Laboratory is located in the northeast corner of the property on Hurstbourne Parkway; the remaining acreage is designated for office buildings and commercial development.

Phase one included three office buildings with the third building currently under construction. The master plan for the remainder of the park has been approved to include additional office space, residential space, and commercial space that will service the entire park and surrounding neighborhoods.

When complete, the impressive ShelbyHurst Research and Office Park will have over 1.5 million square feet of modern office space managed, developed, and leased by ULDC, in partnership with NTS Development Company.



Arial view of ShelbyHurst Research and Office Park

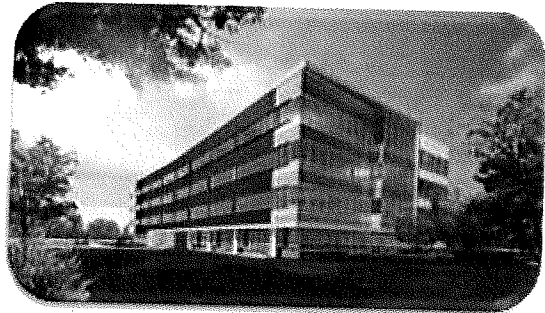
**Campus One, LLC** is the joint venture entity which owns 600 North Hurstbourne Parkway. Its members are NTS Realty Holdings Limited Partnership (49%) and ULDC (51%). 600 North is a state-of-the-art, leading-edge, 125,000 square foot office building which opened in 2012 and is presently 100% leased.



Interior of 600 North at ShelbyHurst

Tenants at the building include Churchill Downs (headquarters), Semonin Realtors, BKD Accounting Firm, Stifel Nicolaus, Continental Casualty Company, A&R Logistics, and NTS Development Company. 600 North was the first building developed in the ShelbyHurst Research and Office Park, which ULDC and NTS are developing as a modern office campus. 600 North is the first new multi-tenant office building to receive Leadership in Energy and Environmental Design (LEED) certification in Louisville

and has set a new standard for modern office space in the city.



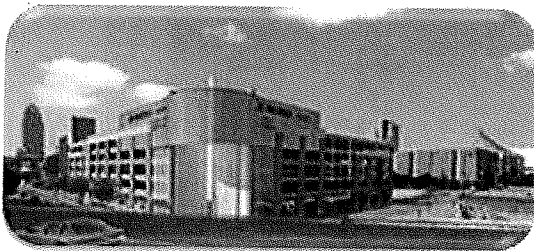
Rendering of 700 North at ShelbyHurst

**Campus Two, LLC** is the joint venture entity which owns 700 North Hurstbourne Parkway. Its members are NTS Realty Holdings Limited Partnership (49%) and ULDC (51%). 700 North is a state-of-the-art, leading-edge, 125,000 square foot office building which opened July 2014 and is close to 80% leased. Steel Technologies, a Louisville-based steel processor is the anchor tenant. Other tenants include TEKsystems, Taylor Advisors, Inc., Steptoe & Johnson PLLC, and AkzoNobel Coatings, Inc. 700 North is the second building developed on the ShelbyHurst Research and Office Park and is expected to receive LEED certification. This building, like its sister building, 600 North, will continue to set the standard for modern office space in Louisville.

**UOFL REAL ESTATE  
FOUNDATION, INC.**

ULREF is a not-for-profit 501 (c)(3) corporation formed in November 2014. It is under the supervision, management, and control of a Board of Directors. It was established to assist in carrying out the University of Louisville's mission through acquiring, maintaining, improving, leveraging, managing, leasing, and conveying real and personal property. Two projects have been authorized and are under construction – 220 South Preston, LLC and Campus Three, LLC.

**220 South Preston, LLC** is a limited liability corporation formed in October 2014. The purpose of this company is to own, lease, develop, operate, market, and manage a six (6) story parking garage containing 825 parking spaces.

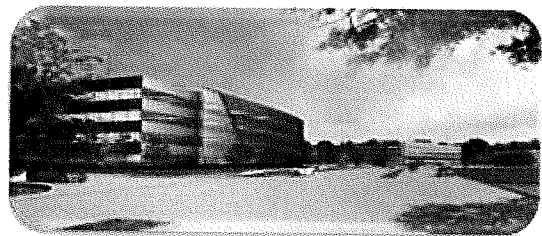


Rendering of JD Nichols Garage

Construction began in early 2015 and is expected to have a completion date of October 2015. Its members are NTS Realty

Holdings Limited Partnership (20%) and ULREF (80%). The garage is the next step in a comprehensive plan to develop the J.D. Nicholas Campus which is intended as a hub for beginning businesses and a variety of research.

**Campus Three, LLC** is a joint venture entity which owns 500 North Hurstbourne Parkway. Its members are NTS Realty Holdings Limited Partnership (49%) and ULREF (51%). When complete, 500 North will be a state-of-the-art, leading-edge, 120,000 square foot office building; it is currently under construction and scheduled to open in the summer of 2016. 500 North is the third building being developed on the ShelbyHurst Research and Office Park and is being developed to receive LEED certification. This building, like its sister buildings, 600 and 700 North, will continue to set the standard for modern office space in Louisville.



Rendering of 500 North at ShelbyHurst

## **CORPORATE VENTURE INVESTING**

Through partnerships in the business community the Foundation strengthens the University's financial position while growing institutional standards. These alliances affect positive change in both the community and people's lives, and create breakthroughs that enhance the region and spur economic growth.

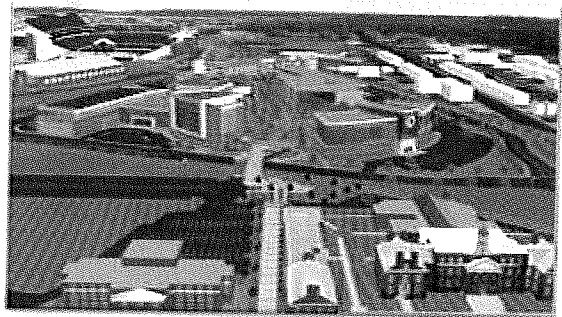
While new buildings are tangible examples of success and expansion on campus, the real catalysts of progress are the innovators and companies housed within those structures. The Foundation has invested in several start-up companies that are direct results of cutting-edge research enabling the University to become partners in several commercial ventures.

These new companies have created well-paying jobs for Kentucky and economic opportunity for our city.

**Nucleus: Kentucky's Life Sciences and Innovation Center, LLC** was formed in February 2008 under the name Nucleus Healthcare, LLC. Its purpose is to integrate University resources, including life sciences, with those of the region. The

Foundation is the sole member of Nucleus and UHI is the manager.

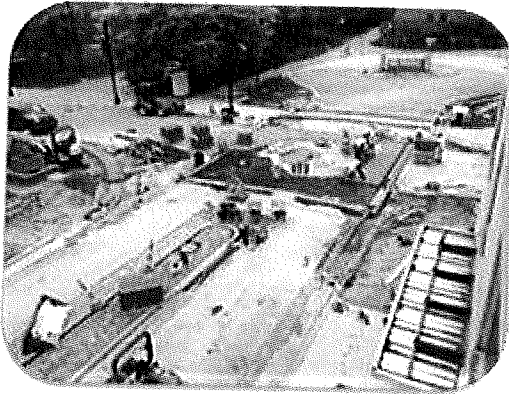
Nucleus was created primarily to help grow the science-, research-, and technology-based companies in our community by providing training and support services on the J.D. Nichols Campus.



South Ariel View of Belknap Engineering and Science Park

**Belknap Engineering and Science Park** is being constructed on a 39-acre tract bordering the J.B. Speed School of Engineering. The first building planned is a 225,000 square foot structure to house the Institute of Product Realization and Innovation. This Institute will conduct research in additive manufacturing and logistics, renewable energy, and analytics and computer science. The facility may also include Launchpad and Microfactory components consisting of staff, 3D printing, and equipment dedicated to

support industry in the development of new products and processes.



Roadway and access improvements at Floyd and Warnock Sts.

To facilitate better access into and out of the research park, the Foundation has committed \$10.7 million in matching dollars to assist the University in securing \$47.3 million in allocations and grants from the Kentucky Transportation Cabinet to improve and provide infrastructure and roadways at the Belknap Campus and Research Park.

**FirstBuild Micro-Factory** opened in July 2014 on East Brandeis Avenue on the University of Louisville Belknap Campus. In collaboration with General Electric (GE) this factory will serve as an advanced manufacturing hub where students can conduct research while receiving practical training on the latest additive

manufacturing techniques and technologies in a micro-factory setting. The micro-factory will focus on the future of cooking as its first set of projects. In partnership with Local Motors, the factory will create a new model for the manufacturing industry, providing a platform for a global community of innovators to prototype, iterate, and refine existing GE products, as well as develop new designs. Local community members will be encouraged to work alongside FirstBuild employees to bring these designs to life within the community.



**Engineering Garage (EG)**, located adjacent to the FirstBuild Micro-Factory, serves students by providing classroom space, advanced manufacturing equipment, and engineers to assist in learning, share ideas and concepts, and create working prototypes. It extends outreach to regional schools from the elementary level through

high school to stimulate learning for engineering and support science, technology, engineering, and math (STEM) education.

**UL Additive Manufacturing**

**Competency Center (AMCC)** is a partnership between the Institute for Product Realization (wholly-owned by the Foundation) and UL (Underwriter's

Laboratories) located next to the Engineering Garage. AMCC offers advanced training to engineering professionals in methods and technologies related to additive manufacturing and three-dimensional printing. Students receive hands-on experience in design, materials, and manufacturing using state-of-the art equipment.



Proposed design for the new Institute for Product Realization

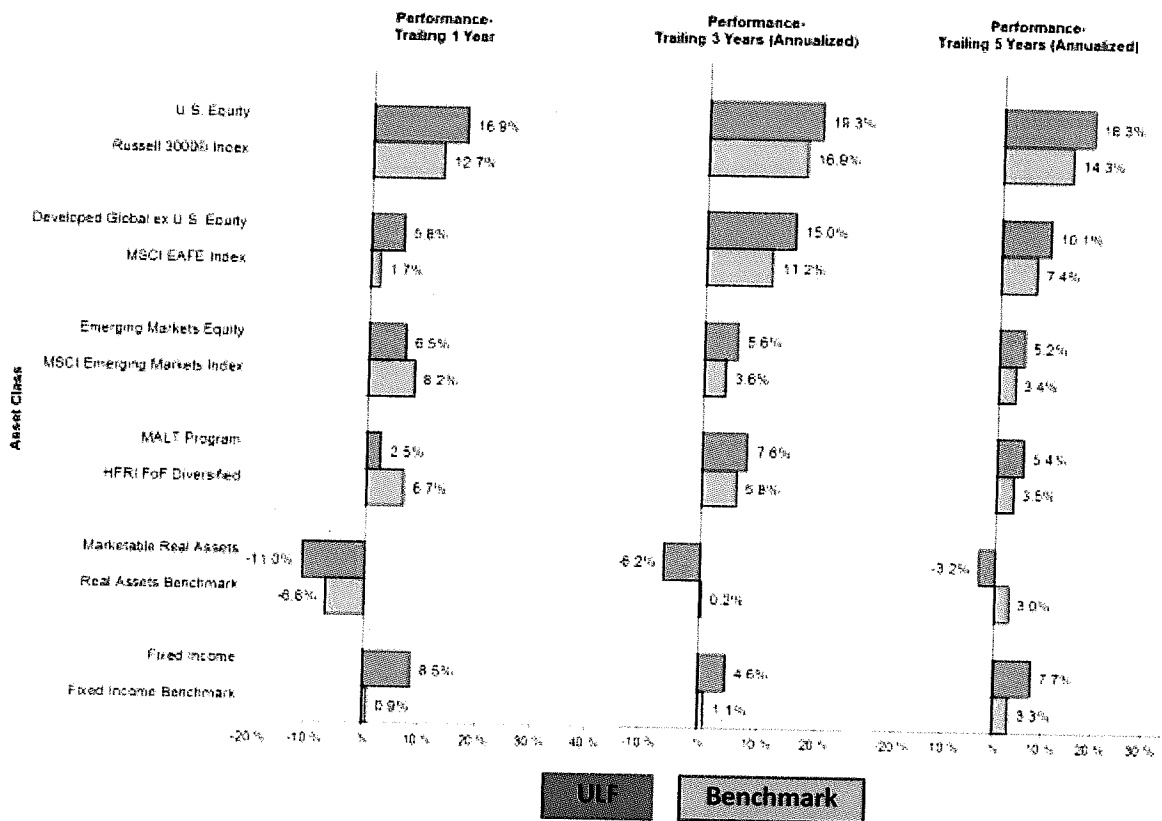
**ENDOWMENT FUNDS**

Endowment funds within the Foundation consist of donor-restricted gifts and board-designated programs established from unrestricted gifts. Both types of funds are invested in a combined pool with each endowment realizing returns as a

percentage of the total pool.

The Foundation's investments are allocated to various investment asset classes determined by goals, risk tolerance, and investment horizons. The chart below shows the Foundation's performance by asset class compared to its benchmarks on a one, three, and five year basis.

**Asset Class Performance as of April 30, 2015**



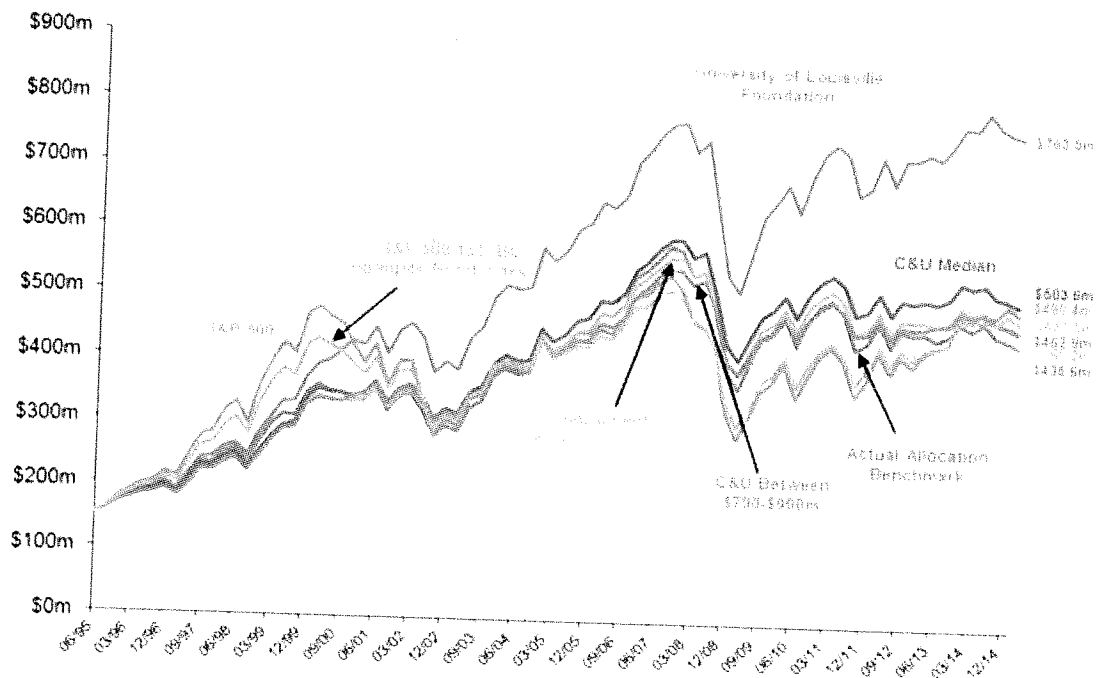
Source: Cambridge Associates



In 1995, following a Foundation Board of Directors' decision, the asset allocation for the endowment pool was changed from the 'traditional' model of a 60/40 mix of stocks and bonds, respectively, to a more diversified model including all asset classes, as illustrated on the previous page. This change in portfolio management

resulted in the endowment pool investment performance that exceeds the returns of its peers and the S&P 500. The following graph illustrates the Foundation's success in realizing approximately \$259.4 million in additional returns when compared to its benchmarks and peers.

**Total Return Analysis <sup>1</sup>**  
**July 1, 1995 – March 31, 2015**



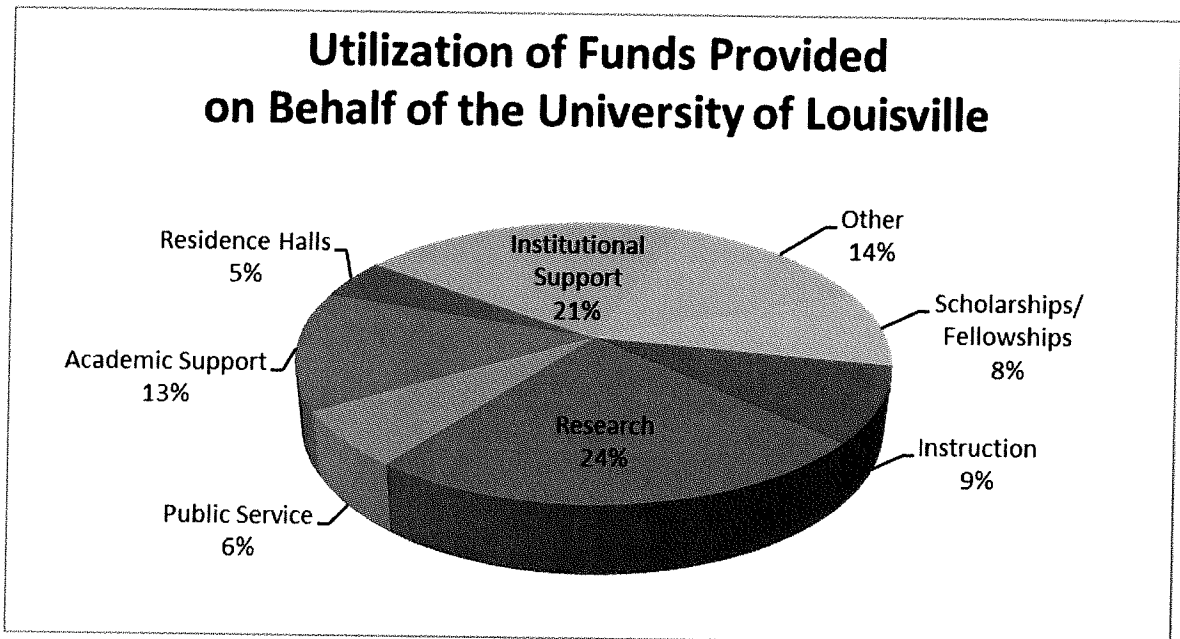
<sup>1</sup> Please note this analysis is for ULF Total Assets, which is different from ULF Total Pool. ULF Total Assets includes ULF Total Pool as well as the Unitrust Equity, the Mohr Endowment, and the UHI Line of Credit.

<sup>2</sup> The Colleges & Universities Between \$700-\$900m median is based on an average of 13 institutions over time.

Source: Cambridge Associates

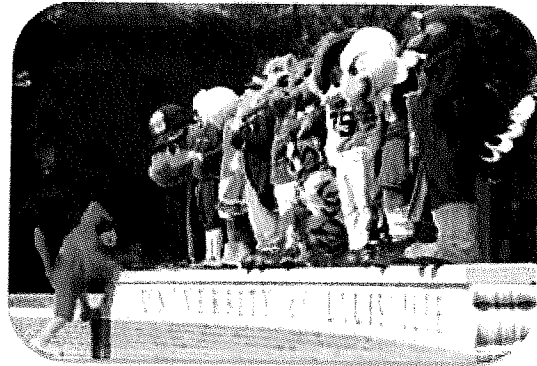
The Foundation’s vision is to support the University of Louisville in achieving the goal of becoming a preeminent metropolitan research university recognized for advancing the intellectual, social, and economic development of our community and its citizens while placing

the University among the top tier of its peer universities across the nation. During FY 2014, the University expended \$112.8 million of funds provided by the Foundation. The chart below depicts the areas where the University utilized these funds.



Entrance to Belknap Campus at Third Street and Eastern Parkway

The 2014 NACUBO-Commonfund Study of Endowment Results ranks the Foundation's total endowment pool 103rd in the nation and 6th among other public institutions in the Atlantic Coast Conference (ACC). The table below shows the endowment value of all ACC member institutions, both private and public.



The Louisville Cardinal joins other ACC mascots

FY 2014 Endowment Market Value of ACC Members				
National Rank	Public Institutions	FY2014 Endowment Value (\$000)	FY2013 Endowment Value (\$000)	Percent Change*
18	University of Virginia	5,915,952	5,166,660	15.1%
25	University of Pittsburgh	3,492,839	2,975,896	17.4%
32	UNC at Chapel Hill and Foundations	2,695,663	2,381,151	13.2%
45	Georgia Institute of Technology & Foundations	1,889,014	1,714,876	10.2%
102	NC State University and Related Foundations	885,055	769,404	15.0%
103	University of Louisville Foundation **	876,825	788,529	11.2%
115	Virginia Tech Foundation	796,437	660,340	20.6%
150	Florida State University Foundation	624,557	548,095	14.0%
151	Clemson University and Foundation	623,262	528,697	17.9%
	<b>Private Institutions</b>			
12	University of Notre Dame	8,039,756	6,856,301	17.3%
15	Duke University	7,036,776	6,040,973	16.5%
54	Trustees of Boston College	2,131,400	1,809,200	17.8%
82	Wake Forest University	1,148,026	1,061,639	8.1%
79	Syracuse University	1,183,244	1,053,214	12.3%
107	University of Miami	865,435	777,947	11.2%

\*The percentage represents the change in the market value of an endowment from FY 2013 to FY 2014, not the investment rate of return.

\*\*Total assets \$1,113,113,000 at June 30, 2014.

### Endowment Budgets by Unit

An historical analysis of total budgeted endowment spending policy and estimated carryover balances is shown in the chart below.

<b>Endowment Budget by Unit Historical Analysis</b>				
	FY 2001-02	FY 2015-16	14 Year Change	
			Amount	Percent
College of Arts & Sciences	1,839,839	7,589,732	5,749,893	312.5%
College of Business	1,909,184	8,941,748	7,032,564	368.4%
School of Dentistry	55,089	1,014,781	959,692	1742.1%
College of Education & Human Development	435,861	1,985,180	1,549,319	355.5%
School of Interdisciplinary and Graduate Studies	18,218	1,100	(17,118)	-94.0%
Kent School of Social Work	67,543	158,939	91,396	135.3%
Brandeis School of Law	1,048,419	2,117,332	1,068,913	102.0%
University Libraries	606,000	1,468,641	862,641	142.4%
School of Medicine	16,950,684	39,777,554	22,826,870	134.7%
School of Music	589,490	1,711,146	1,121,656	190.3%
School of Nursing	60,894	307,489	246,595	405.0%
School of Public Health & Information Sciences	0	7,128	7,128	N/A
J. B. Speed School of Engineering	1,346,369	9,638,569	8,292,200	615.9%
University President	26,554	3,338,105	3,311,551	12471.0%
University Provost	108,372	2,865,837	2,757,465	2544.4%
Executive Vice President for Research and Innovation	0	27,673	27,673	N/A
Student Financial Aid	0	2,123,969	2,123,969	N/A
UofL Foundation	0	135,542	135,542	N/A
Sr Vice President for Finance and Administration	0	215,350	215,350	N/A
Vice President for Student Affairs	1,404,616	89,142	(1,315,474)	-93.7%
Vice President for University Advancement	129,890	753,164	623,274	479.8%
Vice President Information Technology	35,657	0	(35,657)	N/A
Athletics	1,703	0	(1,703)	N/A
<b>Total</b>	<b>26,634,382</b>	<b>84,268,121</b>	<b>57,633,739</b>	<b>216.4%</b>

**Annual Spending Policy**

The annual spending rate is determined by the Board of Directors of the University of Louisville Foundation, Inc. Currently, the annual spending policy rate is 5.5% of the three-year moving average of the market values of the endowment using the three previous calendar year-ends as recorded each December 31<sup>st</sup>. This spending rate policy is re-evaluated on an annual basis. The principal of an endowment fund must be invested for a full calendar-year prior to any funds being allocated based on this annual spending policy.

Effective July 1, 2008, an additional annual spending rate of 1.5% is calculated on the same three-year moving average of the market values of the combined endowment as of the three previous calendar year-ends as recorded each December 31<sup>st</sup>. The additional allocation of funds is used for overall fund-raising efforts of the Foundation and is administered by the University's Vice President for University Advancement. These funds are budgeted annually as approved by the University of Louisville Foundation, Inc. Board of Directors.

The Foundation Board of Directors also approved an allocation of funds from the combined endowment in the amount of an additional .48% (48 basis points) of the three-year moving average of the combined endowment market value. These funds are allocated to the President of the Foundation to support high-strategic initiatives and program enrichment, including fund-raising activities.

**Annual Spending Reinvestment Policy**

The Foundation expects academic and support units who receive endowment funds to expend or encumber these funds in the fiscal year they are allocated. Unexpended annual spending policy allocation carryover balances greater than \$1,000 will be re-invested into the principal of the individual endowment. A rolling schedule will be used to re-invest 20% over a five-year period beginning FY 2015 with all remaining balances reinvested in year six. A 2% fee is assessed from the reinvestment for administrative expenses. An exception may be requested allowing for a portion of these unexpended carryover funds to be retained by the unit, provided there is justification to retain unspent funds.

**Underwater Endowments**

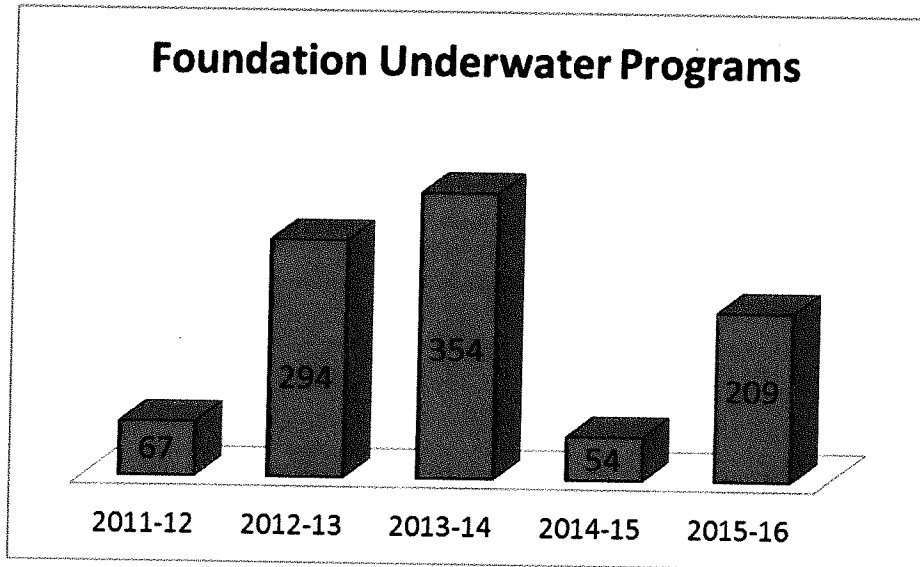
Endowments are considered “Underwater” when the most recent December 31<sup>st</sup> market value (MV) is less than the historic dollar value, or “book value” of the endowment. The Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Commonwealth of Kentucky, allows withdrawing money from underwater endowments under certain conditions and with restrictions. Therefore, the following special spending rate calculations apply to any endowment whose market value of the annual spending rate calculation year falls below its book value, as defined by the

Board of Directors resolution and in the absence of any donor restrictions or directives to the contrary.

1. The Underwater percentage will be determined by dividing the individual endowment program’s December 31<sup>st</sup> market value by its established book value.
2. No spending shall be authorized for any endowment with an underwater percentage equal to or less than 80%.
3. For endowments with an underwater percentage between 80% and 99%, the authorized spending amount will be pro-rated based on the following rate table.

Underwater Percentage	Pro-rated Percentage	Underwater Percentage	Pro-rated Percentage
99	95	89	45
98	90	88	40
97	85	87	35
96	80	86	30
95	75	85	25
94	70	84	20
93	65	83	15
92	60	82	10
91	55	81	5
90	50	80	0

An historical analysis of underwater Foundation endowment programs is illustrated in the chart below.



**Endowment Funds Held Outside and Not Managed by the University of Louisville Foundation Inc.**

The University of Louisville Trust is a separate combined investment pool held at PNC Bank consisting of nine (9) individually-identified endowments, designated for separate and distinct investment strategies as stipulated by the donors. The annual spending policy for these endowments is based on their combined pool.

The Trust has an annual spending policy similar to the Foundation, 5.5% of the

three-year moving average of the total University of Louisville Trust investment pool. The Foundation calculates the spending policy allocation each year, applies any income distributed during the previous fiscal year, and transfers those amounts from PNC to fund the annual spending policy allocation.

There may be other separately-held endowments managed by outside financial institutions. In these cases, the Foundation receives only the income earned each year, typically distributed on a quarterly basis. This income allocation, or budget, is added

to each program at the time it is received. Due to the special nature of these endowments, there is no annual calculated spending policy allocation.

Office of Foundation Financial Affairs, is responsible for developing the proposed budgets for these activities in concert with the respective colleges, schools, and divisions.

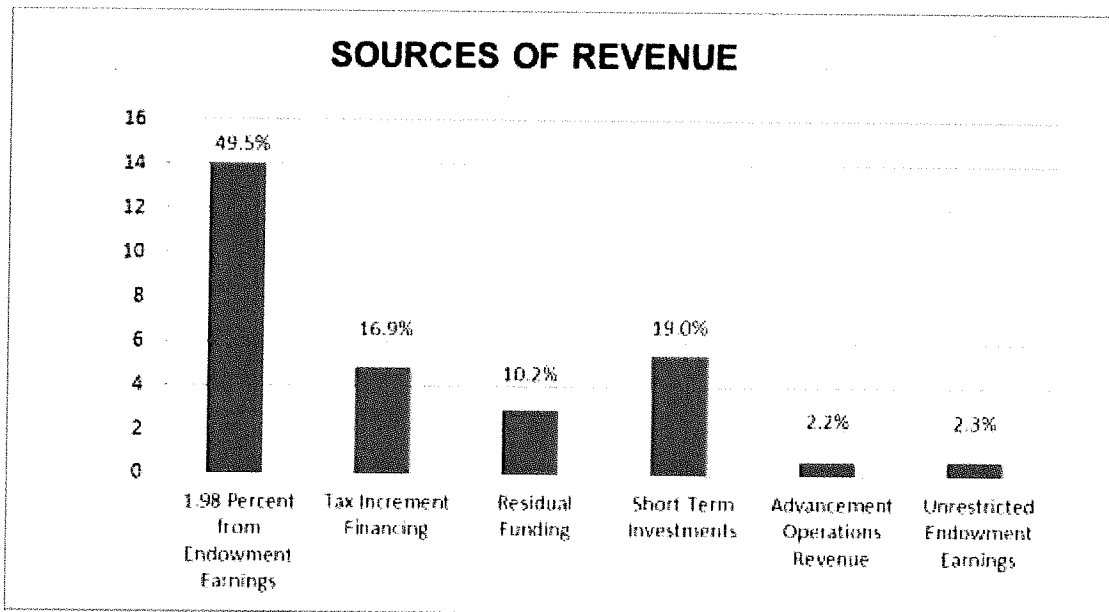
**OTHER FUNDING**

**Background**

This portion of the Foundation Budget is used by the President to support four specific initiatives: University fundraising, University support, business operations of the Foundation, and other activities, such as academic program enhancement and various strategic initiatives. The Office of the President, in conjunction with the

**Revenue**

The sources of funds for this portion of the Foundation budget consist of six items: 1.98% of the distribution of endowment earnings, tax increment financing, residual funding, interest earnings on short-term investments, unrestricted endowment earnings, and University Advancement operations revenue. The following graph depicts these sources of revenue.





The largest source of funds in this category is a 1.98% calculation of the three-year moving average of the market values of the endowment using the three previous calendar year-ends as recorded each December 31<sup>st</sup>. These funds represent \$14.0 million and are primarily earmarked for the University's fundraising operations, Presidential Advancement Initiatives, the Office of Communications and Marketing, and Government Relations. The Foundation's short-term investments, comprised of the seven investment programs listed below, are projected to

provide \$5,372,898 during this fiscal year. Earnings on unrestricted endowments are estimated to be \$639,404, as shown in the table below.

Other University Advancement operations revenue consists of two items: Alumni Operations Revenue and University Advancement Annual Fund Fee. Alumni Operations Revenue is generated by sponsorships and through providing event planning services. The University Advancement Annual Fund Fee is a 10% administrative fee that is charged to all annual fund gifts.

<b>Short-term Investments</b>	
<b>Program Name</b>	<b>Estimated Earnings Income</b>
Vanguard Funds	\$ 4,500,000
Louisville Community Dev Bank CD	1,378
NAM Fixed Income	650,000
FDN Cash Consolidation	45,000
LMCDC Thomas Property Mortgage	110,020
ULAA Bond Guarantee Fee	35,000
Blakley Loan	31,500
<b>Total</b>	<b>\$ 5,372,898</b>

<b>Unrestricted Endowment Budgets</b>	
<b>Endowment Name</b>	<b>Calculated Earnings 2015-16</b>
Belle Thomas Pirtle Memorial Fund	7,659
Marion S. D. Belknap Estate	18,345
Fred C. Koster Estate Fund	17,039
C.R. Gardiner Fund	99,176
Mary M. Stevenson Fund	38,035
Ford Foundation Basic Salary Grant	153,375
President's Reserve Fund	207,598
KY Seed Fund	2,869
Samuel Swope President's Fund	52,309
Sue F. McGowan Endowment Fund *	34,000
O.H. Irvine Fund *	9,000
<b>TOTAL</b>	<b>\$ 639,404</b>

\* Endowments held outside the University estimated July 1 balance

This fee is based on gift revenue received in the prior fiscal year and covers a portion of the fundraising and administrative costs associated with Advancement activities. Funding from these sources are \$330 thousand and \$280 thousand, respectively.

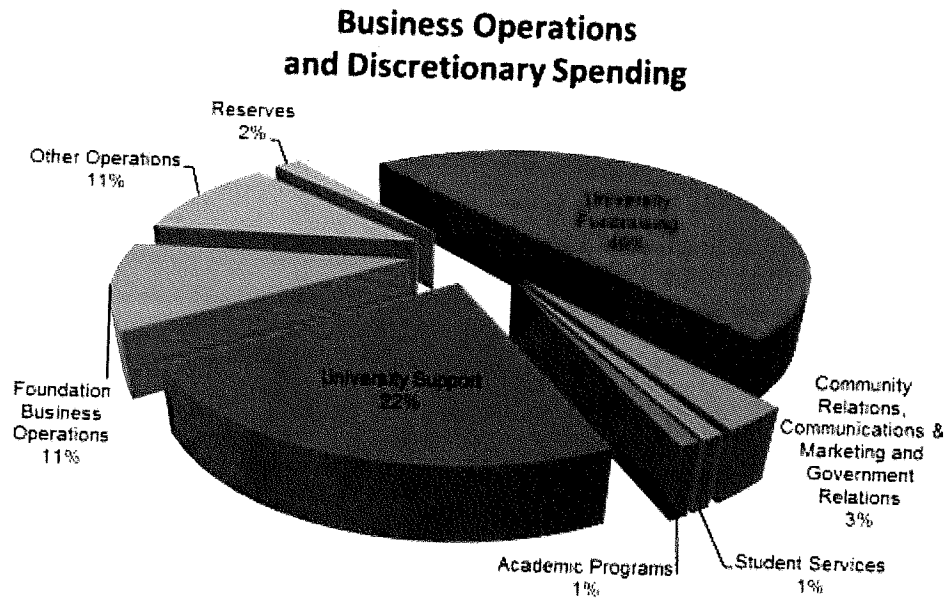
### Expenditures

Based on the projected revenues detailed on the preceding pages, the recommended expenditure budget was developed by the University President, in conjunction with

the Office of Foundation Financial Affairs, for the Foundation Board of Directors' consideration. The FY 2015-16 recommended expenditure budget consists of ongoing programs funded on a year-to-year basis. Expenditures in the unrestricted budget cover a wide spectrum of programs that positively impact the University community as well as the entire Louisville Metro area. This table depicts the FY 2015-16 proposed expenditure budget and historical summary.

<b>FUNDRAISING, BUSINESS OPERATIONS, AND OTHER PROGRAM INITIATIVES BUDGET SUMMARY</b>					
	<b>FY 2011-12</b>	<b>FY 2012-13</b>	<b>FY 2013-14</b>	<b>FY 2014-15</b>	<b>FY 2015-16</b>
<b>FUNDRAISING AND PROGRAM INITIATIVES</b>					
University Fundraising	9,782,713	10,201,736	9,104,448	10,025,106	10,440,402
Presidential Initiatives & Scholarships	3,213,600	3,307,695	2,289,218	2,492,376	3,568,879
Community Relations, Communications & Marketing and Government Relations	425,100	170,100	851,129	845,195	845,195
Student Services	245,617	270,032	269,141	274,673	281,075
Academic Programs	250,000	250,000	249,419	249,419	249,419
Subtotal	<u>13,917,030</u>	<u>14,199,563</u>	<u>12,763,355</u>	<u>13,886,769</u>	<u>15,384,970</u>
<b>FOUNDATION BUSINESS OPERATIONS</b>	1,366,666	1,476,737	1,943,008	2,480,609	3,035,327
<b>OTHER OPERATIONS</b>	72,100	72,100	3,074,100	1,424,100	3,060,100
<b>UNIVERSITY SUPPORT</b>			2,000,000	4,100,000	6,300,000
<b>RESERVES</b>	1,689,252	1,790,340	1,589,006	1,485,258	541,650
<b>TOTAL BUDGET</b>	<u>17,045,048</u>	<u>17,538,740</u>	<u>21,369,469</u>	<u>23,376,736</u>	<u>28,322,047</u>

The following chart depicts these expenditures.



The following chart shows the summary of both revenue and expenditures for FY 2016 and denotes the changes from FY 2015.

Fundraising, Business Operations, and Other Program Initiatives Summary of Revenue and Expenditures				
	FY 2014-15	FY 2015-16	Change	
	Budget	Budget	Amount	Percent
<b>REVENUE</b>				
1.98 Percent from Endowment Earnings	13,461,538	14,009,728	548,190	4.1%
Residual Funding	2,442,766	2,890,017	447,251	18.3%
Short-Term Investments	1,386,520	5,372,898	3,986,378	287.5%
Tax Increment Financing	4,902,000	4,800,000	(102,000)	-2.1%
Advancement Operations Revenue	610,000	610,000	-	-
Unrestricted Endowment Earnings	573,912	639,404	65,492	11.4%
<b>Total Revenue</b>	<b>23,376,736</b>	<b>28,322,047</b>	<b>4,945,311</b>	<b>21.2%</b>
<b>EXPENDITURES</b>				
University Fundraising	12,517,482	14,009,281	1,491,799	11.9%
Community Relations, Communications & Marketing and Government Relations	845,195	845,195	-	-
Student Services	274,673	281,075	6,402	2.3%
Academic Programs	249,419	249,419	-	-
Foundation Business Operations	2,480,609	3,035,327	554,718	22.4%
University Support	4,100,000	6,300,000	2,200,000	53.7%
Other Operations	1,424,100	3,060,100	1,636,000	114.9%
Reserves	1,485,258	541,650	(943,608)	-63.5%
<b>Total Expenditures</b>	<b>23,376,736</b>	<b>28,322,047</b>	<b>4,945,311</b>	<b>21.2%</b>

**UNIVERSITY OF LOUISVILLE  
RESEARCH FOUNDATION, INC.**

**A Component Unit of the University of Louisville**

**Auditor's Report and Financial Statements  
June 30, 2015 and 2014**

**UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.**

**A Component Unit of the University of Louisville**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
University of Louisville Research Foundation, Inc.  
Louisville, Kentucky

**Report on the Financial Statements**

We have audited the accompanying financial statements of University of Louisville Research Foundation, Inc. (Research Foundation), a component unit of the University of Louisville, as of and for the years ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Research Foundation's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Research Foundation, as of June 30, 2015, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

The financial statements of the Research Foundation as of June 30, 2014, were audited by other auditors whose report dated September 29, 2014, expressed an unmodified opinion on those statements.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 12, and the Schedule of Funding Progress on page 28, to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Louisville, Kentucky  
October 26, 2015

# UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

## A Component Unit of the University of Louisville

### Management's Discussion and Analysis (Unaudited)

#### Introduction

The following discussion and analysis provides an overview of the financial position and activities of the University of Louisville Research Foundation, Inc. (Research Foundation) for the years ended June 30, 2015, 2014, and 2013. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

The Research Foundation is a non-profit corporation affiliated with the University of Louisville (University), a state-supported metropolitan research university located in Kentucky's largest city. The Research Foundation was established in 1989 for the purpose of promoting and supporting research projects, investigations, and other activities relating to the educational, scientific, literary, artistic, health care and public service missions of the University.

The University's strategic plan guides the Research Foundation's program. The Research Foundation accepts funding for research, training and service from extramural sources and has progressed steadily towards the goals established by the Kentucky Council on Postsecondary Education. During the fiscal year ended June 30, 2015, total awards were \$136.9 million, an increase of \$27.7 million or 25%, as compared to fiscal year 2014. This increase is partially attributed to new federal grant funding. Some of the funding highlights include:

- \$7.3 million Kosair Charities Pediatric Neurosurgery gift to support rehabilitation of children who have suffered spinal cord injuries
- \$4.1 million from the Kentucky Council on Postsecondary Education – Tobacco Tax Funding-and Cancer Research Institute
- \$4.0 million from the National Institutes of Health (NIH) for Kentucky IDeA Networks of Biomedical Research Excellence
- \$3.9 million from Kentucky Council on Postsecondary Education for Kentucky Lung Cancer Research Program FY 15/16 Funding

The Research Foundation faculty continued to receive national recognition. A professor from the U of L Diabetes and Obesity Center chaired a 10-member American Heart Association panel of experts in formulating the association's first ever policy statement on e-cigarettes. The statement was published in the journal *Circulation*.

#### Financial Highlights

- The Research Foundation's financial position remains strong at June 30, 2015, with total assets of \$112.8 million and liabilities of \$40.0 million as compared to June 30, 2014 at \$121.3 million of total assets and \$43.5 million of liabilities. Net position, which represent the residual interest in the Research Foundation's assets after liabilities are deducted, was \$72.8 million and \$77.8 million for the years ended June 30, 2015 and 2014, respectively.
- The Research Foundation's total liabilities of \$40.0 million contain grant advances. Grant advances represent the unearned portion of grants and sponsored programs and comprise \$7.9 million or 20% of total liabilities.



- Operating revenues amounted to \$337.1 million and \$325.7 million and operating expenditures were \$396.6 million and \$369.1 million resulting in a net operating loss of \$59.5 million and \$43.4 million for the years ended June 30, 2015 and 2014, respectively. When adjusted for net nonoperating revenues of \$54.4 million and \$27.4 million, net position of the Research Foundation decreased by \$5.1 million and \$16.0 million for the years ended June 30, 2015, and 2014, respectively.

### **Using the Financial Statements**

The Research Foundation's financial report includes three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. These financial statements are prepared in accordance with Government Accounting Standards Board (GASB) principles. The Research Foundation is presented here as a single entity and is also included in the financial statements of the University.

GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, requires the Research Foundation to present a classified Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position. Significant presentations under GASB Statement No. 35 with respect to the Research Foundation financial statements are as follows:

- Revenues and expenses are categorized as either operating or nonoperating. Certain revenues, including state appropriations, gifts, Pell and similar nonexchange grants, and investment income (loss) are considered nonoperating, as defined by GASB Statement No. 35. The Research Foundation's nonoperating revenues consist mainly of \$43.3 million and \$41.7 million in nonexchange grants and contract revenue for the years ended June 30, 2015 and 2014, respectively. These revenues relate to nonexchange transactions in which the Research Foundation is the beneficiary.
- Unexpended cash advances received for grants and sponsored programs are recorded as grant advances rather than as income when received. Such grant advances totaled \$7.9 million and \$10.3 million as of June 30, 2015 and 2014, respectively.
- Capital assets are depreciated and reported net of accumulated depreciation. The Research Foundation's capital assets as of June 30, 2015 and 2014 consist primarily of buildings, equipment and library materials with a net position value of \$70.1 million and \$74.4 million, respectively.

### **Statements of Net Position**

The statements of net position present the financial position of the Research Foundation at the end of the fiscal year and include all assets and liabilities. Net position represents the difference between total assets and total liabilities and provides a snapshot of the current financial condition of the Research Foundation at the end of a fiscal year. The change in net position indicates whether the overall financial condition has improved or worsened during the year. Assets and liabilities are generally measured using current values. Capital assets are stated at historical cost less accumulated depreciation.

A condensed version of the Research Foundation's assets, liabilities and net position at June 30, 2015, 2014, and 2013 is summarized on the following page:

**Condensed Statements of Net Position**  
**June 30, 2015, 2014, and 2013**  
(In Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015 - 2014</u> <u>Change</u>	<u>2014 - 2013</u> <u>Change</u>
<b>ASSETS</b>					
Current assets	\$ 41,899	\$ 46,347	\$ 51,330	\$ (4,448)	\$ (4,983)
Capital assets	70,132	74,365	72,405	(4,233)	1,960
Other noncurrent assets	735	617	1,161	118	(544)
Total assets	<u>112,766</u>	<u>121,329</u>	<u>124,896</u>	<u>(8,563)</u>	<u>(3,567)</u>
<b>LIABILITIES</b>					
Current liabilities	28,926	34,657	23,098	(5,731)	11,559
Noncurrent liabilities	11,120	8,889	7,979	2,231	910
Total liabilities	<u>40,046</u>	<u>43,546</u>	<u>31,077</u>	<u>(3,500)</u>	<u>12,469</u>
<b>NET POSITION</b>					
Net investment in capital assets	70,132	74,365	72,405	(4,233)	1,960
Restricted - expendable	7,490	1,689	4,387	5,801	(2,698)
Unrestricted	(4,902)	1,729	17,027	(6,631)	(15,298)
Total net position	<u>\$ 72,720</u>	<u>\$ 77,783</u>	<u>\$ 93,819</u>	<u>\$ (5,063)</u>	<u>\$ (16,036)</u>

**Assets**

A review of the Research Foundation's statement of net position at June 30, 2015 indicates that the Research Foundation is highly liquid with only \$11.1 million in long-term liabilities. Of the \$41.9 million in current assets, \$41.1 million, or 98%, consists of accounts receivable that are to be collected within the next year.

Noncurrent assets consist mainly of \$70.1 million of capital assets, which decreased due to additional capital assets of \$4.2 million offset by \$8.5 million in depreciation and \$0.4 million disposals.

**Liabilities**

The Research Foundation's current liabilities consist mainly of \$7.9 million of unexpended cash advances for sponsored research activities, a decrease of \$2.4 million compared to June 30, 2014. The Research Foundation is required to set up a liability when awards are paid in advance, as they are responsible for paying back any unused funds to the sponsor. Decrease is due to fewer cash advances from the expiration of grants. The remaining \$21.1 million of current liabilities relates to trade accounts payable and other accrued liabilities and amounts due to the University. The Research Foundation's allocated portion of other post-employment benefits totals \$12.9 million, with the \$1.8 million current portion included in accounts payable and accrued expenses and the remainder shown as other long-term liabilities.

**Net Position**

Net position represents the residual interest in the Research Foundation's assets after liabilities are deducted. The Research Foundation's net position at June 30, 2015 and 2014 was \$72.8 million and \$77.8 million, respectively. They are summarized into the three major categories in accordance with GASB Statement No. 35 and GASB Statement No. 63 reporting requirements as follows:

**Net investment in capital assets - \$70.1 million**

The Research Foundation's net investments in capital assets represents construction in progress, buildings, equipment and depreciable library materials, net of accumulated depreciation. There is no debt attributable to the acquisition, construction or improvement of those assets. Capital assets decreased by \$4.2 million from 2014. This decrease reflects the addition of \$4.2 million in capital assets, offset by \$8.4 million of depreciation and \$0.4 million of disposals.

**Restricted expendable net position - \$7.5 million**

Restricted expendable net position represents funds primarily from fixed payment contracts that are subject to externally imposed restrictions governing their use. Net position results from the excess of contract revenues over expenses incurred through June 30, 2015. The amounts remain restricted until the contract is completed.

Restricted expendable net position increased \$5.8 million, or 77%. The overall increase is due mainly to an increase in state and nongovernmental grants.

**Unrestricted net position - \$(4.9) million**

Unrestricted net position results primarily from net operating income derived from clinical services and fixed contract revenues less actual expenses. The \$(6.6) decrease is a reflection of the operating loss in fiscal year 2015.

**Fiscal Year 2014**

The Research Foundation's financial position as of the fiscal year ended June 30, 2014 shows a decrease in assets and an increase in liabilities with an overall decrease in net position. Assets decreased during the fiscal year ended June 30, 2014 by \$3.5 million, or 3%, as compared to the fiscal year ended June 30, 2013. This decrease was due mainly to the \$22.0 million decrease in cash and cash equivalents related to decreased grant and clinical revenue. A portion of the cash decrease was offset by a \$16.9 million increase in accounts receivable. The increase in liabilities mainly resulted from the increase in accounts payable, which increased \$2.8 million and Due to University, which increased \$9.0 million from the fiscal year ended June 30, 2013.

Net position decreased \$16.0 million, or 17%, compared to net position at June 30, 2014 due mainly to the \$15.3 million decrease in unrestricted net position.

**Statements of Revenues, Expenses and Changes in Net Position**

The statements of revenues, expenses and changes in net position present the Research Foundation's results of operations. A condensed version of the Research Foundation's revenues, expenses and changes in net position for the years ended June 30, 2015, 2014, and 2013 is shown on the following page:

**Condensed Statements of Revenues, Expenses and Changes in Net Position**  
**Years ended June 30, 2015, 2014, and 2013**  
(In Thousands)

	2015	2014	2013	2015 - 2014 Change	2014 - 2013 Change
<b>OPERATING REVENUES</b>					
Clinical services	\$ 222,406	\$ 205,879	\$ 173,880	\$ 16,527	\$ 31,999
Grants and contracts	89,943	91,405	92,474	(1,462)	(1,069)
Facilities and administrative cost recoveries	22,596	21,965	24,011	631	(2,046)
Other operating revenues	2,140	6,419	2,549	(4,279)	3,870
Total operating revenues	<u>337,085</u>	<u>325,668</u>	<u>292,914</u>	<u>11,417</u>	<u>32,754</u>
<b>OPERATING EXPENSES</b>					
Depreciation	8,470	9,205	9,481	(735)	(276)
Other operating expenses	388,099	359,890	351,874	28,209	8,016
Total operating expenses	<u>396,569</u>	<u>369,095</u>	<u>361,355</u>	<u>27,474</u>	<u>7,740</u>
Operating loss	<u>(59,484)</u>	<u>(43,427)</u>	<u>(68,441)</u>	<u>(16,057)</u>	<u>25,014</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Nonexchange grants and contracts	43,314	41,706	39,770	1,608	1,936
Contributions to related entities	(8,219)	(14,349)	(10,893)	6,130	(3,456)
Other nonoperating revenues	19,326	34	16,465	19,292	(16,431)
Total nonoperating revenues	<u>54,421</u>	<u>27,391</u>	<u>45,342</u>	<u>27,030</u>	<u>(17,951)</u>
Decrease in net position	<u>(5,063)</u>	<u>(16,036)</u>	<u>(23,099)</u>	<u>10,973</u>	<u>7,063</u>
<b>NET POSITION</b>					
Net position, beginning of year	77,783	93,819	116,918	(16,036)	(23,099)
Net position, end of year	<u>\$ 72,720</u>	<u>\$ 77,783</u>	<u>\$ 93,819</u>	<u>\$ (5,063)</u>	<u>\$ (16,036)</u>

### Operating Revenues

The Research Foundation recognized \$337.1 million in operating revenues for the year ended June 30, 2015. This represents a 4% increase in revenues from the \$325.7 million reported for the year ended June 30, 2014.

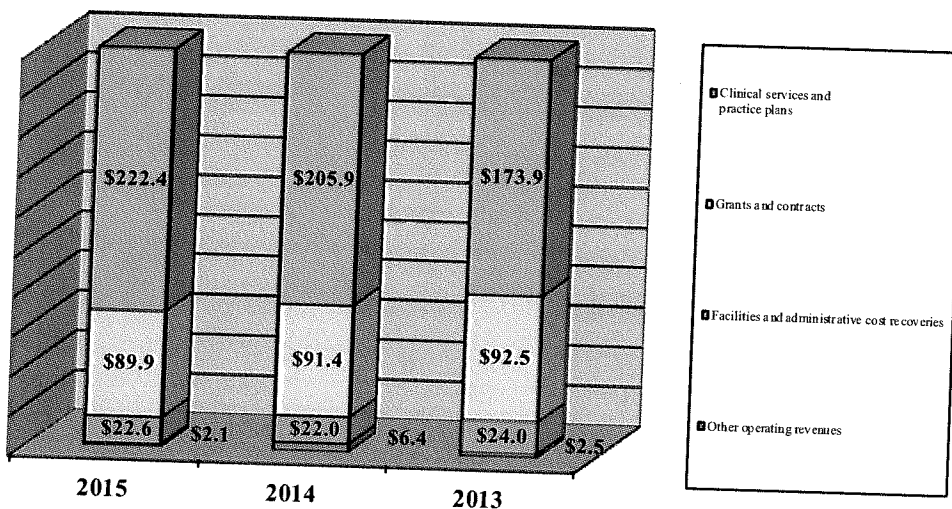
Revenues from clinical services were \$222.4 million for the year ended June 30, 2015. This is an increase of approximately \$16.5 million, or 8%, compared to \$205.9 million in similar revenues reported for the year ended June 30, 2014. Clinical service and practice plan revenue increased by \$24.5 million or 11%, including \$10.0 million increase in Medicaid related patient and intergovernmental transfers. Revenue from the academic affiliation agreement with KentuckyOne Health increased \$10.6 million for academic program support.

Revenues from grants and contracts were \$89.9 million for the year ended June 30, 2015 as compared to \$91.4 million in revenues reported in the previous year. This includes decreases of \$5.9 million in federal grants and contracts. The decrease was partially offset by a combined \$4.5 million increase in state and local grants and nongovernmental grants and contracts for the year ended June 30, 2015, as compared to the previous year.

Revenue from facilities and administrative cost recoveries were \$22.6 million and \$22.0 million for the years ended June 30, 2015 and 2014, respectively. The Research Foundation, compensates the University for a portion of the cost recoveries in support of expenditures. For the years ended June 30, 2015 and 2014, approximately \$9.0 million and \$9.5 million, respectively, were transferred to the University for this purpose.

The following is a graphic illustration of the Research Foundation's operating revenues by major source for the years ended June 30, 2015, 2014, and 2013 (in millions).

**Operating Revenues**  
**Years Ended June 30, 2015, 2014, and 2013**

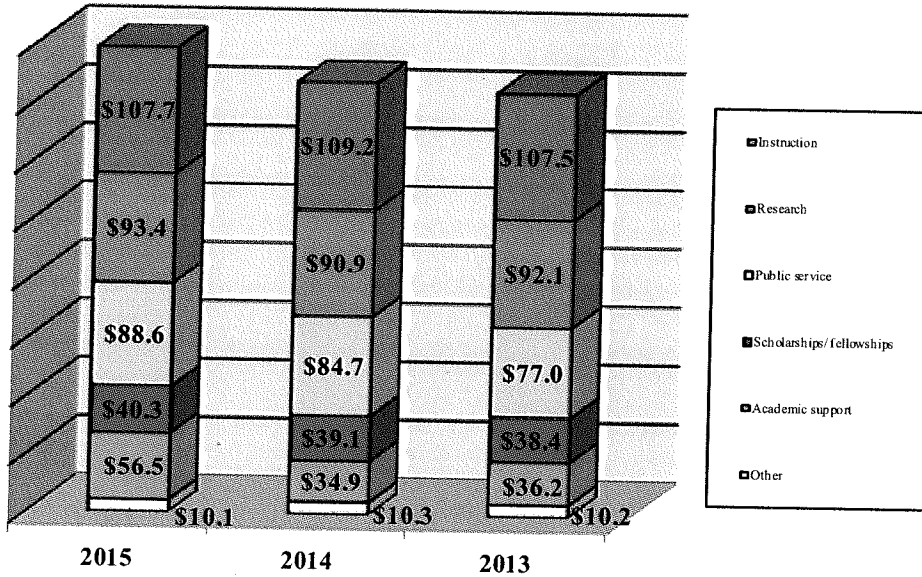


**Operating Expenses by Functional and Natural Class**

Total operating expenses were \$396.6 million and \$369.1 million for the fiscal years ended June 30, 2015 and 2014, respectively. The primary reason for the increase of \$27.5 million, or 7%, is an increase in academic support expenses related to increased contractual expense and additional operational costs associated with the increased number of Medicaid patients.

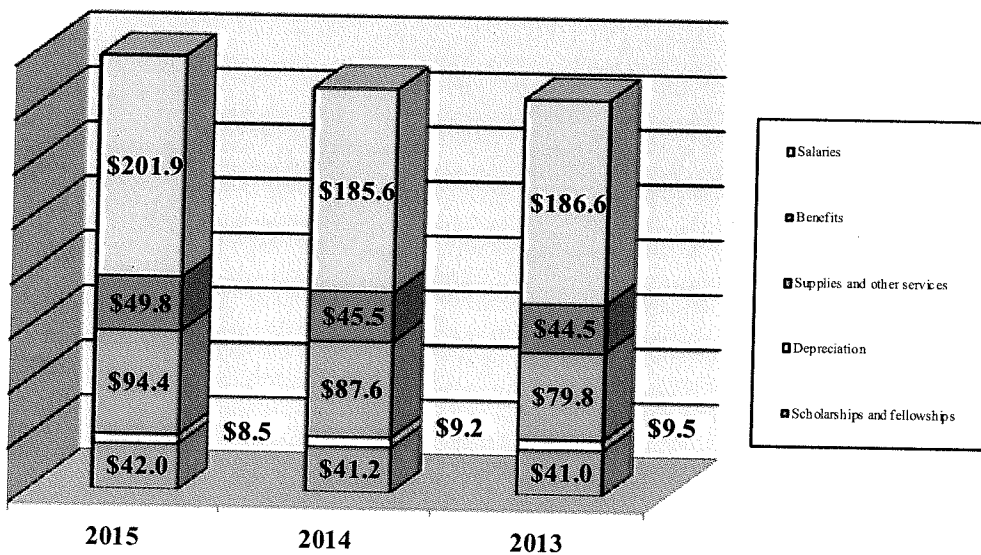
The following is a graphic illustration of total operating expenses by function for the years ended June 30, 2015, 2014 and 2013 (in millions):

**Operating Expenses by Functional Classification**  
Years ended June 30, 2015, 2014, and 2013



The following is a graphic illustration of total operating expenses by natural classification for the years ended June 30, 2015, 2014 and 2013 (in millions):

**Operating Expenses by Natural Classification**  
Years ended June 30, 2015, 2014, and 2013



### **Nonoperating Revenues (Expenses)**

The Research Foundation's total nonoperating revenues of \$54.4 million for fiscal year ended June 30, 2015, was mostly comprised of nonexchange grants and contract revenues of \$43.3 million and transfer expenses of \$8.2 million. Included in the transfers total was a \$9.0 million transfer to the University, related to the facilities and administrative revenue, for administrative expenses incurred for sponsored research. Total nonoperating revenues increased by \$20.9 million as compared to fiscal year ended June 30, 2015. The increase is due primarily to the \$8.6 million gift from the University Physicians Group and the \$8.8 million from the Pediatric Endowment Fund.

### **Fiscal Year 2014**

For the year ended June 30, 2014, Research Foundation reported \$325.7 million in operating revenues, an increase of 11% compared to the \$292.9 million reported for the year ended June 30, 2013.

Revenues from clinical services were \$205.9 million for fiscal year 2014, an increase of 18% from the fiscal year ended June 30, 2013. The increase in revenues was due mainly from increased clinical operations of \$26.0 million primarily related to the increased number of Medicaid patients served. Additionally, affiliation revenues with hospitals increased \$11.3 million.

Revenue from facilities and administrative cost recoveries were \$22.0 million and \$24.0 million for the years ended June 30, 2014 and 2013, respectively. The Research Foundation transferred to the University, approximately \$9.5 million and \$10.5 million during the years ended June 30, 2014 and 2013, respectively, in recognition of indirect support provided by the University.

Total operating expenses were \$369.1 million and \$361.4 million for the fiscal years ended June 30, 2014 and 2013, respectively. The increase of \$7.7 million, or 2%, was an increase in public service expenses related to increased bad debt expense and additional operational costs associated with the increased number of Medicaid patients.

### **Statements of Cash Flows**

The statements of cash flows provide information about the Research Foundation's cash position by reporting the sources and uses of cash during the year. Cash inflows and outflows are categorized as operating, noncapital financing, capital financing and investing activities.

Condensed statements of the Research Foundation's cash flows for the years ended June 30, 2015, 2014, and 2013, are summarized on the following page:

**Condensed Statements of Cash Flows**  
**Years ended June 30, 2015, 2014, and 2013**  
(In Thousands)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2015 - 2014</u> <u>Change</u>	<u>2014 - 2013</u> <u>Change</u>
Cash (used)/provided by:					
Operating activities	\$ (47,088)	\$ (47,977)	\$ (52,859)	\$ 889	\$ 4,882
Noncapital and related financing activities	50,527	37,374	40,194	13,153	(2,820)
Capital financing activities	(4,247)	(11,359)	(4,412)	7,112	(6,947)
Investing activities	808	-	-	808	-
Net decrease in cash	-	(21,962)	(17,077)	21,962	(4,885)
Cash and cash equivalents, beginning of year	-	21,962	39,039	(21,962)	(17,077)
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,962</u>	<u>\$ -</u>	<u>\$ (21,962)</u>

### Operating Activities

The Research Foundation's operating activities used approximately \$47.1 million of cash during the fiscal year ended June 30, 2015, representing a decrease of \$0.9 million compared to the prior year. While cash received from clinical services increased \$34.6 million it was largely offset by an increase of \$30.0 million of cash outflows from operations during the fiscal year ended June 30, 2015.

### Other Activities

The \$50.5 million cash provided by noncapital and related financing activities relates mainly to the \$43.3 million provided by nonexchange grants and contracts. It also includes the Research Foundation's transfer of \$8.2 million to the University as reimbursement for indirect charges to support the use of buildings and labs. In total, cash provided by noncapital and related financing activities increased \$13.2 million from the fiscal year ended June 30, 2014, due in part to the receipt of \$9.7 million due to the grant from UPG to the Research Foundation. UPG had an investment in KMRRRG, a captive insurance, and withdrew from the captive during the year, in which an approximately \$8.9 million return of investment

Cash used for capital financing activities decreased \$7.1 million to \$4.2 million during the fiscal year ended June 30, 2015, due to a decrease in capital assets purchased.

### Fiscal Year 2014

The Research Foundation operating activities used approximately \$48.0 million of cash during the fiscal year ended June 30, 2014, representing a decrease of \$4.9 million compared to the prior year. While cash received from clinical services increased \$15.7 million it was offset by a decrease of \$9.9 million of cash received from grants and contracts and facilities and administrative cost recoveries. Cash outflows from operations during the fiscal year ended June 30, 2014 increased due largely to expenses related to payments to suppliers, which increased \$7.3 million, as compared to the fiscal year ended June 30, 2013, due in part to additional costs associated with increased number of patients..

The \$37.4 million cash provided by noncapital and related financing activities relates mainly to the \$42.7 million provided by nonexchange grants and contracts. It also includes the Research Foundation's transfer of \$14.3 million to the University as reimbursement for indirect charges to support the use of buildings and labs. In total, cash provided by noncapital and related financing activities decreased \$2.8 million from the fiscal year ended June 30, 2013, due in part to the receipt of \$11.6 million of refunds of the employer portion of FICA tax paid for medical residents that occurred in 2013 but not in



2014, offset by the funds received from the University to maintain the deficit cash balance. Cash used for capital financing activities increased \$6.9 million to \$11.4 million during the fiscal year ended June 30, 2014, due to an increase in the amount of capital assets purchased.

### **Economic Factors that May Affect the Future**

As mandated by House Bill 1 of the 1997 General Assembly, the University is to become a nationally recognized metropolitan research university by 2020. The first important step towards achieving that mandate was the Fall 2008 introduction of the 2020 Plan. The 2020 Plan is the strategic blueprint for the University to achieve House Bill 1's mandate. This plan was drafted after the Board of Trustees empowered President James Ramsey to aggressively move ahead towards the next level in the University's pursuit of excellence.

The University has faced many fiscal challenges that have impacted campus operations both prior to, and subsequent to, The 2020 Plan's introduction. The national recession of 2007 to 2009 has exacerbated the decline in state general fund support. State appropriations in constant dollars have decreased each year from the beginning of the recession in fiscal year 2008 through the current fiscal year 2015 budget. The constant dollar decrease for this period is 26.4%, over one-quarter of fiscal year 2008 levels. The effect on constant dollar State Appropriation per Full-Time Equivalent (FTE) student has been even more dramatic during this period—a decrease of 33.3%.

The 2014-16 biennial budget passed by the 2014 General Assembly in April 2014 reflected a net 1.5% reduction, or \$2.1 million, in state support for the University in fiscal year 2015. The fiscal year 2016 budget is flat lined from fiscal year 2015. The reduced state funding continues to impact daily operations. The University has not received maintenance and operation funding for new buildings in several years.

The budgetary decisions that support and shape the fiscal year 2016 budget reflect the current and foreseeable economic realities facing public higher education institutions in general and the University in particular.

Due to the changing landscape of higher education across the United States, the University has embarked on a consultative process aimed at re-shaping and re-engineering the financial and physical landscape of the University. The "21<sup>st</sup> Century Initiative" led by the University Provost is a broad-based, campus-wide initiative to position the University to not only meet the 2020 Plan goals, but also to address ways of better serving students and the community in the future.

Again this year, the annual budget focused on the University's "Upward Trajectory". Despite fourteen budget cuts in fifteen years, the lack of maintenance and operations funding, and the dramatic shift in public policy that has, and continues to direct funding away from higher education, the University has made tremendous progress in meeting its 2020 goals. The President outlined the University's successes across a myriad of key academic, research, and public service metrics noting, "it's not just about the numbers, it's about the people." These successes—the result of hard work by the University's faculty, staff and students—has the University well positioned to meet House Bill 1's aggressive mandate to become a premier metropolitan research university.

This financial report is designed to provide a general overview of the Research Foundation's finances and to show the Research Foundation's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Controller, University of Louisville, Louisville, KY 40292.

**University of Louisville Research Foundation, Inc.**  
**A Component Unit of the University of Louisville**  
**Statements of Net Position**  
**As of June 30, 2015 and 2014**  
**(In Thousands)**

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Current Assets:		
Accounts receivable, net	\$ 41,088	45,457
Inventories	374	354
Other assets	437	536
Total current assets	<u>41,899</u>	<u>46,347</u>
Noncurrent Assets:		
Accounts receivable, net	733	615
Other long-term assets	2	2
Capital assets, net	70,132	74,365
Total noncurrent assets	<u>70,867</u>	<u>74,982</u>
Total assets	<u>112,766</u>	<u>121,329</u>
 <b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable and accrued liabilities	15,131	15,366
Due to University of Louisville	5,938	9,023
Grant advances	7,857	10,268
Total current liabilities	<u>28,926</u>	<u>34,657</u>
Noncurrent Liabilities:		
Other long-term liabilities	11,120	8,889
Total noncurrent liabilities	<u>11,120</u>	<u>8,889</u>
Total liabilities	<u>40,046</u>	<u>43,546</u>
 <b>NET POSITION</b>		
Net investment in capital assets	70,132	74,365
Restricted - expendable for:		
Research	5,320	418
Instruction	308	391
Public service	1,760	753
Scholarships and fellowships	96	121
Academic support	6	6
Unrestricted	(4,902)	1,729
Total net position	<u>\$ 72,720</u>	<u>\$ 77,783</u>

**See notes to the financial statements**

**University of Louisville Research Foundation, Inc.**  
**A Component Unit of the University of Louisville**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2015 and 2014**  
**(In Thousands)**

	<u>2015</u>	<u>2014</u>
<b>OPERATING REVENUES</b>		
Clinical services, net of contractual allowances of \$83,594 in 2015 and \$106,913 in 2014	\$ 222,406	\$ 205,879
Federal grants and contracts	64,447	70,375
State and local grants and contracts	11,334	8,740
Nongovernmental grants and contracts	14,162	12,290
Other operating revenue	2,140	6,419
Facilities and administrative cost recoveries	22,596	21,965
Total operating revenues	<u>337,085</u>	<u>325,668</u>
<b>OPERATING EXPENSES</b>		
Instruction	107,745	109,190
Research	93,353	90,886
Public service	88,629	84,668
Scholarships and fellowships	40,260	39,053
Academic support	56,493	34,866
Institutional support	1,131	871
Operation and maintenance of plant	479	290
Depreciation	8,470	9,205
Student services	9	11
Service centers	-	55
Total operating expenses	<u>396,569</u>	<u>369,095</u>
Operating loss	<u>(59,484)</u>	<u>(43,427)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gifts	9,652	51
Nonexchange grants and contracts	43,314	41,706
Net realized and unrealized gain on investments	808	-
Other nonoperating (expense)/income	8,866	(17)
Net nonoperating revenues	<u>62,640</u>	<u>41,740</u>
Contributions to related entities	(8,219)	(14,349)
Total other revenues	<u>54,421</u>	<u>27,391</u>
Decrease in net position	<u>(5,063)</u>	<u>(16,036)</u>
<b>NET POSITION</b>		
Net position - beginning of year	77,783	93,819
Net position - end of year	<u>\$ 72,720</u>	<u>\$ 77,783</u>

See notes to the financial statements

**University of Louisville Research Foundation, Inc.**  
**A Component Unit of the University of Louisville**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2015 and 2014**  
**(In Thousands)**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Clinical services		
Grants and contracts	\$ 227,077	\$ 192,500
Facilities and administrative cost recoveries	87,113	87,254
Other operating revenue	22,596	21,965
Payments to employees	2,131	6,418
Payments for benefits	(201,431)	(185,549)
Payments for scholarships and fellowships	(47,486)	(44,156)
Payments to suppliers	(42,020)	(41,160)
Net cash used by operating activities	<u>(95,068)</u>	<u>(85,249)</u>
	<u>(47,088)</u>	<u>(47,977)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Contributions to related entities	(8,219)	(14,349)
Gifts	9,652	51
Nonexchange grants and contracts	43,314	42,664
Due to (due from) University of Louisville	(3,085)	9,023
Other noncapital financing activity	8,865	(15)
Net cash provided by noncapital and related financing activities	<u>50,527</u>	<u>37,374</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(4,247)	(11,359)
Net cash used by capital and related financing activities	<u>(4,247)</u>	<u>(11,359)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales of investments	808	-
Net cash provided by investing activities	<u>808</u>	<u>-</u>
Net decrease in cash and cash equivalents	-	(21,962)
Cash and cash equivalents - beginning of year	-	21,962
Cash and cash equivalents - end of year	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating loss	\$ (59,484)	\$ (43,427)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	8,470	9,205
Loss on disposal of equipment	11	194
Changes in assets and liabilities:		
Accounts receivable, net	4,251	(17,288)
Inventories	(20)	7
Other assets	99	(114)
Accounts payable and accrued liabilities	(235)	2,778
Grant advances	(2,411)	(242)
Other long-term liabilities	2,231	910
Net cash used by operating activities	<u>\$ (47,088)</u>	<u>\$ (47,977)</u>

See notes to the financial statements

**University of Louisville Research Foundation, Inc.**

**A Component Unit of the University of Louisville**

**Notes to Financial Statements**

**June 30, 2015 and 2014**

1. Organizations and Summary of Significant Accounting Policies

The University of Louisville Research Foundation, Inc. (the Research Foundation) is affiliated with the University of Louisville (the University) through common management and substantially the same Board of Directors. The Research Foundation is included within the University's financial statements. The Research Foundation is a separate corporation organized for the purpose of conducting the research, clinical operations, and other sponsored activities of the University. The significant accounting policies followed by the Research Foundation are described below.

a. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB).

The financial statements of the University have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated nonexchange transactions (principally federal and state grants and state appropriations) are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used internally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific (such as state appropriations), investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses. The University first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

The financial statements of the Research Foundation can be found at the following:  
<http://louisville.edu/finance/controller/univacct/finst-1>

b. Cash and Cash Equivalents

The Research Foundation considers all investments (not held for long-term purposes) with an original maturity of three months or less to be cash equivalents.

c. Accounts Receivable

Accounts receivable consists of clinical and sponsored agreement charges. Clinical receivables are comprised of patient and insurance charges. In some aspects, healthcare entities are charged for staff support services. Sponsored agreement receivables relate to sponsored programs that support the Research Foundation. Accounts receivable are recorded net of estimated uncollectible amounts.

d. Inventories

Inventories are stated at the lower of cost or market on a first-in, first-out (FIFO) basis.

e. Capital Assets

Equipment and library books of the Research Foundation are stated at cost or, in the case of donated capital assets, estimated market value at date of receipt from donors.

Movable equipment costing \$5,000 and greater and having a useful life greater than one year are capitalized. Renovations to buildings, infrastructure and land improvements, if any, that significantly increase the value or extend the useful life of the structure and are in excess of \$100,000 are capitalized. Necessary and routine repairs and maintenance are charged to operating expense in the year the expense is incurred.

Depreciation of capital assets is computed on a straight-line basis over the estimated useful lives of the respective assets as follows: buildings - 40 years, library books - 10 years, and equipment - 3 to 20 years. The Research Foundation capitalizes, but does not depreciate, works of art and rare books.

Prior to July 1, 2002 it was the policy of the University to record all capital assets purchased by the Research Foundation as property of the University.

f. Classification of Revenues

The Research Foundation has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues - Operating revenues include activities that have the characteristics of exchange transactions, such as (1) clinical services, (2) grants and contracts, and (3) facilities and administrative cost recoveries.

Nonoperating revenues - Nonoperating revenues include activities that have the characteristics of nonexchange transactions, such as Pell and other grants and contracts, gifts and contributions, and other revenue sources that are defined as nonoperating revenues by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Government Entities That Use Proprietary Fund Accounting*, and GASB No. 34, such as investment income.

g. Deferred Outflows/Inflows of Resources

In addition to assets, GASB No. 63 requires the presentation of a separate financial statement element, deferred outflows of resources, which represents a consumption of net position that applies to future periods. The Research Foundation has no items that qualify for reporting in this category.

In addition to liabilities, GASB No. 63 requires the presentation of a separate financial statement element, deferred inflows of resources, which represents an acquisition of net position that applies to future periods. The Research Foundation has no items that qualify for reporting in this category.

h. Net Clinical Services Revenue

The Research Foundation has agreements with third-party payers that provide for payments to the Research Foundation at amounts different from its established rates. Net clinical services revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for the services rendered and includes estimated retroactive revenue adjustments and a provision for uncollectible accounts. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such estimated amounts are revised in future periods as adjustments become known.

i. Grant Advances

The Research Foundation receives revenues relative to sponsored agreements via grants, contracts, or cooperative agreements. The flow of funds relative to these sponsored agreements is in the form of cost reimbursement or advanced funding.

In the case of cost reimbursement, the Research Foundation incurs costs on behalf of the granting authority and is then reimbursed for such costs pursuant to the terms of the sponsored agreement. Grant revenues are recognized as reimbursable costs are incurred.

In the case of advanced funding, the Research Foundation receives funds prior to incurring costs pursuant to the sponsored agreement, with the stipulation that these funds may have to be returned to the sponsor in the event the project is not completed to the sponsor's satisfaction. These funds, totaling approximately \$7.9 million and \$10.3 million as of June 30, 2015 and 2014, respectively, are recorded as a liability in the Research Foundation's financial statements as grant advances.

j. Compensated Absences

Research Foundation policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as the vacation or sick benefits are earned, whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as social security and Medicare taxes computed using rates in effect at that date.

k. Net Position

The net position of the Research Foundation is classified in three components. Net investment in capital assets consist of capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets. Restricted expendable net position consists of noncapital assets that must be used for a particular purpose as specified by creditors, grantors or donors external to the Research Foundation. Unrestricted net position consists of the remaining assets less remaining liabilities that do not meet the definition of net investment in capital assets or restricted net position.

l. Government Grants

Support funded by grants is recognized as the Research Foundation performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities

and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be made.

m. Tax Status

As an affiliate of a state institution of higher education, the income of the Research Foundation is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the Research Foundation is subject to federal income tax on any unrelated business income.

n. Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

o. Reclassifications

Certain 2014 amounts have been reclassified to conform to the 2015 presentation. These reclassifications had no effect on the change in net position.

2. Cash and Cash Equivalents

The Research Foundation maintains various deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Research Foundation's deposits or collateral securities may not be returned to it. For administrative convenience, cash balances of the Research Foundation are included in bank accounts maintained by the University. Details of accounting transactions affecting cash are maintained in such a manner as to ensure an appropriate segregation of amounts maintained by each entity.

The University currently uses commercial banks and the Commonwealth of Kentucky (the Commonwealth) as its depositories. Deposits with commercial banks are covered up to the limits federal depository insurance or collateral held by the bank in the University's name. At the Commonwealth, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth-pooled deposits are substantially covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name. The custodial credit risk for deposits is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of the deposits. The Research Foundation does not have a formal policy addressing custodial credit risk.

3. Transactions with Related Entities

The University provides certain facilities and administrative services to the Research Foundation for a share of the facilities and administrative cost recoveries. The current agreement provides for a transfer of 80%, after certain deductions, of the amount realized. Transfers from the Research Foundation to the University for their portion of cost recoveries totaled \$9.0 million and \$9.5 million for the years ended June 30, 2015 and 2014, respectively. Additional research support transfers to the University totaled \$1.2 million for the year ended June 30, 2015.



The Research Foundation transferred \$2.3 million and \$5.0 million related to capital projects and debt service payments during the fiscal years ended June 30, 2015 and 2014, respectively, to the University. These transfers relate to certain capital projects, which are financed by the University, and as such, are recorded as assets of the University.

For each of the years ended June 30, 2015 and 2014, the Research Foundation was the recipient of \$4.1 million and \$2.4 million, respectively, from related entities to assist in funding cost share required by certain sponsored programs and grants.

Additionally, the Research Foundation transferred \$1.0 million and \$2.2 million to related entities for the years ended June 30, 2015 and 2014, respectively.

4. Accounts Receivable, net

Accounts receivable, net as of June 30, 2015 and 2014, are summarized as follows (in thousands):

	<b>2015</b>		
	<b>Gross</b>		<b>Net</b>
	<b>Receivable</b>	<b>Allowance</b>	<b>Receivable</b>
Patient care	\$ 63,313	\$ (37,663)	\$ 25,650
Sponsored agreements	18,651	(2,740)	15,911
Other receivables	260	-	260
Total	<u>\$ 82,224</u>	<u>\$ (40,403)</u>	41,821
Current portion			41,088
Noncurrent portion			<u>\$ 733</u>
	<b>2014</b>		
	<b>Gross</b>		<b>Net</b>
	<b>Receivable</b>	<b>Allowance</b>	<b>Receivable</b>
Patient care	\$ 81,307	\$ (50,060)	\$ 31,247
Sponsored agreements	16,798	(2,740)	14,058
Other receivables	767	-	767
Total	<u>\$ 98,872</u>	<u>\$ (52,800)</u>	46,072
Current portion			45,457
Noncurrent portion			<u>\$ 615</u>

5. Capital Assets, net

Capital assets at historical cost as of June 30, 2015 and 2014 are summarized as follows (in thousands):

	2015				Ending Balance
	Beginning Balance	Additions	Retire- ments	Transfers	
<b>Cost - Non depreciable</b>					
Land	\$ 352				\$ 352
Construction in progress	\$ 8,515	641		\$ (9,156)	-
Subtotal	<u>8,867</u>	<u>641</u>		<u>(9,156)</u>	<u>352</u>
<b>Cost - Depreciable</b>					
Building	61,534	37		9,156	70,727
Infrastructure	930	-		-	930
Land improvements	237	-		-	237
Equipment	79,434	3,454	\$ (362)	-	82,526
Leasehold improvements	702	116	-	-	818
Library materials	44	0	-	-	44
Subtotal	<u>142,881</u>	<u>3,607</u>	<u>(362)</u>	<u>9,156</u>	<u>155,282</u>
Total capital assets - cost	<u>151,748</u>	<u>4,248</u>	<u>(362)</u>	<u>-</u>	<u>155,634</u>
<b>Accumulated depreciation</b>					
Buildings	11,580	2,778	-	-	14,358
Infrastructure	9	15	-	-	24
Land improvements	26	6	-	-	32
Equipment	65,032	5,662	(351)	-	70,343
Leasehold improvements	702	6	-	-	708
Library materials	34	3	-	-	37
Subtotal	<u>77,383</u>	<u>8,470</u>	<u>(351)</u>	<u>-</u>	<u>85,502</u>
Capital assets, net	<u>\$ 74,365</u>	<u>\$ (4,222)</u>	<u>\$ (11)</u>	<u>\$ -</u>	<u>\$ 70,132</u>

	2014				
	Beginning Balance	Additions	Retire-ments	Transfers (to)/ from Affiliates	Ending Balance
<b>Cost - Non depreciable</b>					
Land		352			\$ 352
Construction in progress	\$ 2,139	\$ 7,880		\$ (1,504)	\$ 8,515
Subtotal	<u>2,139</u>	<u>8,232</u>		<u>(1,504)</u>	<u>8,867</u>
<b>Cost - Depreciable</b>					
Building	60,805	65			61,534
Infrastructure	-	90		664	930
Land improvements	237	-		840	237
Equipment	77,002	2,972	\$ (540)	-	79,434
Leasehold improvements	702	-	-	-	702
Library materials	150	-	(106)	-	44
Subtotal	<u>138,896</u>	<u>3,127</u>	<u>(646)</u>	<u>1,504</u>	<u>142,881</u>
Total capital assets - cost	<u>141,035</u>	<u>11,359</u>	<u>(646)</u>	<u>-</u>	<u>151,748</u>
<b>Accumulated depreciation</b>					
Buildings	9,192	2,388	-	-	11,580
Infrastructure	-	9	-	-	9
Land improvements	20	6	-	-	26
Equipment	58,677	6,788	(433)	-	65,032
Leasehold improvements	702	-	-	-	702
Library materials	39	14	(19)	-	34
Subtotal	<u>68,630</u>	<u>9,205</u>	<u>(452)</u>	<u>-</u>	<u>77,383</u>
Capital assets, net	<u>\$ 72,405</u>	<u>\$ 2,154</u>	<u>\$ (194)</u>	<u>\$ -</u>	<u>\$ 74,365</u>

6. Other Liabilities

Other liabilities of the Research Foundation consisted of the following at June 30, 2015 and 2014 (in thousands):

	2015					
	Beginning Balance	Additions	Retire-ments	Ending Balance	Current Portion	Noncurrent Portion
Other postemployment benefits	\$ 10,605	\$ 3,436	\$ (1,157)	\$ 12,884	\$ 1,763	\$ 11,120
Total	<u>\$ 10,605</u>	<u>\$ 3,436</u>	<u>\$ (1,157)</u>	<u>\$ 12,884</u>	<u>\$ 1,763</u>	<u>\$ 11,120</u>
	2014					
	Beginning Balance	Additions	Retire-ments	Ending Balance	Current Portion	Noncurrent Portion
Other postemployment benefits	\$ 9,281	\$ 2,438	\$ (1,114)	\$ 10,605	\$ 1,716	\$ 8,889
Total	<u>\$ 9,281</u>	<u>\$ 2,438</u>	<u>\$ (1,114)</u>	<u>\$ 10,605</u>	<u>\$ 1,716</u>	<u>\$ 8,889</u>

The current portion of other postemployment benefits is included in accounts payable and accrued liabilities in the statements of net position as of June 30, 2015 and 2014.

7. Revenues From Clinical Services

a. Clinics and Laboratories

The University's Health Science Center operates various clinics, which generate revenues from the treatment of patients, as well as laboratory services. Revenues associated with the operations of these clinics totaled approximately \$109.5 million and \$99.2 million for the years ended June 30, 2015 and 2014, respectively.

b. University of Louisville School of Medicine Practice Plan (the Plan)

The Plan requires each clinical department of the University of Louisville, School of Medicine to establish a departmental entity, which bears the financial obligation pursuant to the Plan. The departmental entity must receive contributions from the faculty practice groups and remit the contributions as specified in the Plan.

The faculty practice groups remit funds in two forms. The first portion, Academic Program Support, as defined in the Plan, is remitted directly to the Research Foundation to support the academic programs in the clinical departments. Academic Program Support remitted to the Research Foundation totaled approximately \$1.5 million and \$3.0 million for the years ended June 30, 2015 and 2014, respectively. The second portion, the Dean's Fund, as defined in the Plan, is collected by the University of Louisville Medical School Fund (Medical School Fund) from the departmental entities and is used by the Dean to provide additional support for the clinical, academic programs and other activities of the Medical School. Amounts remitted to the Research Foundation by the Medical School Fund totaled approximately \$0.9 million and \$2.8 million for the years ended June 30, 2015 and 2014, respectively.

c. KentuckyOne Health, Inc. Affiliation Agreement

In November, 2012, the University and KentuckyOne Health, Inc. (KentuckyOne) entered into an agreement that calls for, among other things, KentuckyOne to provide funding (salary, benefits, and malpractice coverage) for certain full-time equivalent resident positions over the term of the affiliation agreement at University of Louisville Hospital (Hospital). Funding for residents will be a budget item annually determined and will take into account (a) staffing at comparable academic medical centers, (b) the services provided by the Hospital, and (c) the clinical load at the Hospital and related facilities. Certain services continue to be provided by University Medical Center, Inc. (UMC). Funding from the affiliation agreements for the years ended June 30, 2015 and 2014 was approximately \$61.2 million and \$50.5 million, respectively. This agreement addresses the patient care needs of the Hospital's inpatients.

d. Other Clinical Revenues

The Research Foundation works with other area hospitals by providing support services, such as residents and other staff. Revenues associated with these activities totaled approximately \$49.3 million and \$50.4 million for the years ended June 30, 2015 and 2014, respectively.

8. Expenses

Operating expenses by natural classification for the years ended June 30, 2015 and 2014 were approximately (in thousands):

	<u>2015</u>	<u>2014</u>
Salaries and wages	\$ 201,938	\$ 185,672
Employee benefits	49,765	45,484
Supplies and services	94,376	87,574
Depreciation	8,470	9,205
Scholarships and fellowships	42,020	41,160
	<u>\$ 396,569</u>	<u>\$ 369,095</u>

9. Retirement Plan

University personnel participate in a contributory retirement plan administered by the University. The University of Louisville 403(b) Retirement Plan (Retirement Plan) was established by the University and approved by the Board of Trustees. Permanent, full-time employees become eligible to participate in a defined contribution plan upon completion of one year's service and attainment of age 21. Eligible employees not contributing to the Retirement Plan are entitled to a 7.5% of base salary contribution on their behalf by the University. The University also matches up to an additional 2.5% of employee contributions. The Retirement Plan requires three years of continuous service for employees to vest in employer contributions.

The Research Foundation recorded expenses related to the defined contribution plan of approximately \$13.5 million and \$12.3 million during the years ended June 30, 2015 and 2014, respectively. As of June 30, 2015 and 2014, the Research Foundation had no outstanding liability related to the Retirement Plan.

10. Postemployment Healthcare Benefits

a. Plan Description

University personnel are eligible for postemployment healthcare benefits as described in The University of Louisville Group Health Plan (Plan), administered by the University. To be eligible for the Plan, a retired employee must be the earlier of the attainment of age 60 with seven years of service in eligible faculty or staff status, or the date that the sum of the employee's age and years of regular service of not less than 80% full-time equivalent at the University equals or exceeds 75. The Plan is a single-employer plan and the University's Board of Trustees determines the eligibility requirements related to the Plan. The Plan does not issue stand-alone financial reports and is not included in the report of any entity.

b. Funding Policy

The Plan is funded on a pay-as-you-go basis. The contribution requirements of the contributing members are determined by the University's management on an annual basis. During the years ended June 30, 2015 and 2014, the University contributed approximately \$1.7 million and \$1.7 million, approximately 65% and 68% of total premiums, respectively. Retired Plan members under age 65 receiving benefits contributed approximately \$0.9 million and \$0.8 million, approximately 35% and 32% of total premiums for the years ended June 30, 2015 and 2014, respectively, through their required monthly contributions according to the schedules below:

2015					
	<u>PPO</u>	<u>Cardinal Care Plan</u>	<u>EPO</u>	<u>PCA High</u>	<u>PCA Low</u>
Employee	\$ 335	\$ 407	\$ 353	\$ 281	\$ 248
Employee and Spouse	\$ 811	\$ 831	\$ 851	\$ 692	\$ 555
2014					
	<u>PPO</u>	<u>Cardinal Care Plan</u>	<u>EPO</u>	<u>PCA High</u>	<u>PCA Low</u>
Employee	\$ 389	\$ 419	\$ 431	\$ 279	\$ 208
Employee and Spouse	\$ 763	\$ 828	\$ 850	\$ 583	\$ 451

Medicare-eligible retirees receive a monthly benefit of \$108 per individual covered. For the years ended June 30, 2015 and 2014, the University contributed \$1.5 million and \$1.3 million, respectively, for Medicare-eligible retirees.

c. Annual Other Postemployment Benefit (OPEB) Cost and Net OPEB Obligation

The University's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (GASB Statement No. 45). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (AAL) over a period not to exceed thirty years.

The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the University's net OPEB obligation (in thousands):

	<u>2015</u>	<u>2014</u>
Normal cost	\$ 4,536	\$ 4,188
AAL amortization	5,095	4,789
Annual required contribution (ARC)	<u>9,631</u>	<u>8,977</u>
Interest on above	1,171	994
Adjustment to ARC	(1,669)	(1,362)
OPEB liability gain	(8)	(1,792)
Annual OPEB cost (AOC)	<u>9,125</u>	<u>6,817</u>
Contributions made	(3,195)	(3,048)
Increase in net OPEB obligation	<u>5,930</u>	<u>3,769</u>
Net OPEB obligation - beginning of year	31,069	27,300
Net OPEB obligation - end of year	<u>\$ 36,999</u>	<u>\$ 31,069</u>

The University's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows (in-thousands):

Fiscal Year Ended June 30,	Annual OPEB Cost/(Gain)	Percentage of Annual OPEB Cost/(Gain) Contributed	Net OPEB Obligation
2015	\$ 9,125	35%	\$ 36,999
2014	\$ 6,817	45%	\$ 31,069
2013	\$ 5,476	41%	\$ 27,300
2012	\$ 3,337	61%	\$ 24,045

The University allocates a portion of the AOC, and the corresponding OPEB obligation, to its affiliated corporations, including the Research Foundation. For the years ended June 30, 2015 and 2014, the Research Foundation's portion of the AOC was \$3.4 million and \$2.4 million, respectively. The Research Foundation's net OPEB obligation for the years ended June 30, 2015 and 2014 was \$12.9 million and \$10.6 million, of which \$11.1 million and \$8.9 million was recorded in other long-term liabilities and \$1.8 million and \$1.7 million was recorded in accounts payable and accrued liabilities as of June 30, 2015 and 2014, respectively.

d. Funded Status and Funding Progress

As of July 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$89.1 million and \$85.2 million and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$89.1 million and \$85.2 million as of June 30, 2015 and 2014, respectively. The covered payroll (annual payroll of active employees covered by the Plan) was \$459.6 million and \$445.0 million, and the ratio of the UAAL to the covered payroll was 19% for each of the years ended June 30, 2015 and 2014.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the Plan and the annual required contributions of the

employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liabilities for benefits.

e. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point in time. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the unit credit method actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses), which is based on the estimated return on the University's general assets, and an annual healthcare cost trend rate of 7.3 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 11 years. The gains on the benefit obligation recognized during the fiscal years ended June 30, 2015 and 2014 were due to updates made on expected future health claims and changes made to the retiree life insurance benefit. Expected claims have decreased based on a review of actual claims over the last three years as well as current COBRA rates. The UAAL is being amortized on a straight line basis over 30 years. The remaining amortization period at June 30, 2015 was 22 years.

11. Commitments and Contingencies

a. Commitments

At June 30, 2015 and 2014, respectively, the Research Foundation had approximately \$.3 million and \$5.6 million in encumbrances outstanding for future expenditures.

b. Litigation

The University has been named as defendant in several lawsuits, including several actions initiated by patients involving alleged malpractice. It is the opinion of management and its legal counsel, based in part on the doctrine of sovereign immunity, commercial insurance coverages and other statutory provisions, that the ultimate outcome of litigation will not have a material effect on the future operations or financial position of the University or the Research Foundation beyond the amounts already provided.

c. Government Grants

The Research Foundation is currently participating in numerous grants from various departments and agencies of the federal and state governments. The expenditure of grant proceeds must be for allowable and eligible purposes. Single audits and audits by the granting department or agency may result in requests for reimbursement of unused grant proceeds or disallowed expenditures. Upon notification of final approval by the granting department or agency, the grants are considered closed.



## 12. Recent Accounting Pronouncements

As of June 30, 2015, the GASB has issued the following statements which were implemented by the Research Foundation.

- a. GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement is intended to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. The implementation of this Statement did not have an impact on the financial statements of the Research Foundation.
- b. GASB Statement No. 69, *Government Combinations and Disposals of Government Operation*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The implementation of this Statement did not have an impact on the financial statements of the Research Foundation.
- c. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. The objective of Statement No. 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement were required to be applied simultaneously with the provisions of Statement 68.

As of June 30, 2015, the GASB has issued the following statements not yet implemented by the Research Foundation.

- a. Statement No. 72, *Fair Value Measurement and Application*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.
- b. GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.
- c. GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.
- d. GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

- e. GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.
- f. GASB Statement No. 77, *Tax Abatement Disclosures*. The Research Foundation has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Funding Progress by the University**  
**For Other Postemployment Benefits**  
**(in thousands)**

<u>Actuarial Value Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b - a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a) / c)</u>
7/1/2014	-	\$ 89,098	\$ 89,098	0%	\$ 459,588	19%
7/1/2013	-	\$ 85,282	\$ 85,282	0%	\$ 444,970	19%
7/1/2012	-	\$ 82,260	\$ 82,260	0%	\$ 426,752	19%

Form **990**

**Return of Organization Exempt From Income Tax**

OMB No 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

**Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)**  
 Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.  
 Information about Form 990 and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990)

**Open to Public Inspection**

**A For the 2013 calendar year, or tax year beginning 07-01-2013, 2013, and ending 06-30-2014**

- B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION  
 Doing Business As  
 Number and street (or P O box if mail is not delivered to street address) Room/suite  
 Controllers Office  
 University of Louisville  
 City or town, state or province, country, and ZIP or foreign postal code  
 Louisville, KY 40292

**D** Employer identification number  
61-1029626  
**E** Telephone number  
(502) 852-7072  
**G** Gross receipts \$ 368,381,854

**F** Name and address of principal officer  
 JAMES RAMSEY  
 2301 S Third Street  
 Louisville, KY 40292

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
 If "No," attach a list (see instructions)  
**H(c)** Group exemption number ▶

**I** Tax-exempt status  501(c)(3)  501(c) ( ) ◀ (insert no)  4947(a)(1) or  527

**J** Website: ▶ N/A

**K** Form of organization  Corporation  Trust  Association  Other ▶

**L** Year of formation 1984 **M** State of legal domicile KY

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities THE UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION IS ORGANIZED FOR THE PURPOSE OF PROMOTING AND SUPPORTING RESEARCH PROJECTS, INVESTIGATIONS, CLINICAL SERVICES, AND OTHER ACTIVITIES RELATING TO THE MISSIONS OF THE UNIVERSITY OF LOUISVILLE		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	25
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	18
	<b>5</b> Total number of individuals employed in calendar year 2013 (Part V, line 2a)	<b>5</b>	0
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	25
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	0
<b>7b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	0	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	156,299,277	155,127,522
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	175,229,768	208,461,936
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	40,251	-74,773
	<b>12</b> Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	16,277,527	3,877,533
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	347,846,823	367,392,218
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	41,192,973	41,454,004
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	0	0
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 0	0	0
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	327,889,201	341,973,711
<b>18</b> Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	369,082,174	383,427,715	
<b>19</b> Revenue less expenses Subtract line 18 from line 12	-21,235,351	-16,035,497	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	118,616,223	121,339,222
	<b>22</b> Net assets or fund balances Subtract line 21 from line 20	31,076,685	43,556,170
		87,539,538	77,783,052

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

\*\*\*\*\*  
 Signature of officer  
 DR JAMES RAMSEY PRESIDENT  
 Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name  
 Rachel Spurlock  
 Preparer's signature  
 Firm's name ▶ CROWE HORWATH LLP  
 Firm's address ▶ 9500 BROWNSBORO ROAD  
 SUITE 400  
 LOUISVILLE, KY 402411122

May the IRS discuss this return with the preparer shown above? (see instructions)

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III

**1** Briefly describe the organization's mission  
THE UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION IS ORGANIZED FOR THE PURPOSE OF PROMOTING AND SUPPORTING RESEARCH PROJECTS, INVESTIGATIONS, CLINICAL SERVICES, AND OTHER ACTIVITIES RELATING TO THE MISSIONS OF THE UNIVERSITY OF LOUISVILLE

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported

**4a** (Code ) (Expenses \$ 341,001,872 including grants of \$ 41,454,004 ) (Revenue \$ 208,478,902 )  
THE UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION (ULRF) CONTINUED TO EXPAND ITS PROGRAM SERVICE ACCOMPLISHMENTS AND RESEARCH PORTFOLIO THROUGHOUT 2013-14. SOME OF ULRF'S MAJOR FEDERAL SPONSORS INCLUDE THE NATIONAL INSTITUTES OF HEALTH, THE NATIONAL SCIENCE FOUNDATION, THE UNITED STATES DEPARTMENT OF DEFENSE, THE UNITED STATES DEPARTMENT OF EDUCATION, AND THE VETERANS ADMINISTRATION. THESE PROJECTS, WHEN COMBINED WITH OTHER ADDITIONAL LOCAL, STATE, INDUSTRY, AND PRIVATE NONPROFIT FOUNDATION GRANTS, TOTAL OVER 900 GRANTS FOR PROJECTS INITIATED DURING THE FISCAL YEAR. SOME OF THE ORGANIZATION'S FUNDING HIGHLIGHTS DURING THE YEAR INCLUDE PROJECTS COVERING CARDIOVASCULAR RESEARCH, SPINAL CORD INJURY, RENEWABLE ENERGY RESEARCH INTO PHOTOVOLTAICS, FUEL CELLS, AND BIOENERGY, POLLUTION PREVENTION NETWORKS, TEEN PREGNANCY PREVENTION, MIDDLE SCHOOL MATHEMATICS UPDATING, COLLEGE ACCESS PROGRAMS, AND THE CENTER FOR TRAUMATIZED CHILDREN

**4b** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe in Schedule O )  
(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses 341,001,872

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A <input checked="" type="checkbox"/>	Yes	
<b>2</b> Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)? <input checked="" type="checkbox"/>	Yes	
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		No
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		No
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		No
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		No
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		No
<b>9</b> Did the organization report an amount in Part X, line 21 for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		No
<b>10</b> Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V		No
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI <input checked="" type="checkbox"/>	Yes	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		No
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		No
<b>d</b> Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		No
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X <input checked="" type="checkbox"/>	Yes	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X		No
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI and XII <input checked="" type="checkbox"/>	Yes	
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional <input checked="" type="checkbox"/>	Yes	
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		No
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States?		No
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		No
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? If "Yes," complete Schedule F, Parts II and IV		No
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? If "Yes," complete Schedule F, Parts III and IV		No
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I (see instructions)		No
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II		No
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		No
<b>20a</b> Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		No
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

**Part IV Checklist of Required Schedules (continued)**

<p><b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .</p>	<p><b>21</b></p>	<p>Yes</p>	
<p><b>22</b> Did the organization report more than \$5,000 of grants or other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .</p>	<p><b>22</b></p>	<p>Yes</p>	
<p><b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .</p>	<p><b>23</b></p>	<p>Yes</p>	
<p><b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i> . . . . .</p>	<p><b>24a</b></p>		<p>No</p>
<p><b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . . .</p>	<p><b>24b</b></p>		
<p><b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .</p>	<p><b>24c</b></p>		
<p><b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . . .</p>	<p><b>24d</b></p>		
<p><b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .</p>	<p><b>25a</b></p>		<p>No</p>
<p><b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .</p>	<p><b>25b</b></p>		<p>No</p>
<p><b>26</b> Did the organization report any amount on Part X, line 5, 6, or 22 for receivables from or payables to any current or former officers, directors, trustees, key employees, highest compensated employees, or disqualified persons? <i>If so, complete Schedule L, Part II</i> . . . . .</p>	<p><b>26</b></p>		<p>No</p>
<p><b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> . . . . .</p>	<p><b>27</b></p>		<p>No</p>
<p><b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)</p>			
<p><b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .</p>	<p><b>28a</b></p>		<p>No</p>
<p><b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .</p>	<p><b>28b</b></p>		<p>No</p>
<p><b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .</p>	<p><b>28c</b></p>		<p>No</p>
<p><b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .</p>	<p><b>29</b></p>		<p>No</p>
<p><b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .</p>	<p><b>30</b></p>		<p>No</p>
<p><b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .</p>	<p><b>31</b></p>		<p>No</p>
<p><b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .</p>	<p><b>32</b></p>		<p>No</p>
<p><b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .</p>	<p><b>33</b></p>		<p>No</p>
<p><b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> . . . . .</p>	<p><b>34</b></p>	<p>Yes</p>	
<p><b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?</p>	<p><b>35a</b></p>		<p>No</p>
<p><b>b</b> If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .</p>	<p><b>35b</b></p>		<p>No</p>
<p><b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .</p>	<p><b>36</b></p>		<p>No</p>
<p><b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i></p>	<p><b>37</b></p>		<p>No</p>
<p><b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .</p>	<p><b>38</b></p>	<p>Yes</p>	

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

		Yes	No
<b>1a</b>	Enter the number reported in Box 3 of Form 1096 Enter -0- if not applicable		
<b>1b</b>	Enter the number of Forms W-2G included in line 1a Enter -0- if not applicable		
<b>1c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	Yes	
<b>2a</b>	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return		
<b>2b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions)		
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?		No
<b>3b</b>	If "Yes," has it filed a Form 990-T for this year? If "No" to line 3b, provide an explanation in Schedule O		
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		No
<b>4b</b>	If "Yes," enter the name of the foreign country See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts		
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		No
<b>5b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		No
<b>5c</b>	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		No
<b>6b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>		
<b>7a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?		No
<b>7b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?		
<b>7c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		No
<b>7d</b>	If "Yes," indicate the number of Forms 8282 filed during the year		
<b>7e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		No
<b>7f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		No
<b>7g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		
<b>7h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>		
<b>9a</b>	Did the organization make any taxable distributions under section 4966?		
<b>9b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?		
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter		
<b>10a</b>	Initiation fees and capital contributions included on Part VIII, line 12		
<b>10b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities		
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter		
<b>11a</b>	Gross income from members or shareholders		
<b>11b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)		
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?		
<b>12b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year		
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>		
<b>13a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O		
<b>13b</b>	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans		
<b>13c</b>	Enter the amount of reserves on hand		
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?		No
<b>14b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O		



**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

**Section A. Governing Body and Management**

		Yes	No
<b>1a</b>	Enter the number of voting members of the governing body at the end of the tax year . . . . .		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O		
<b>1b</b>	Enter the number of voting members included in line 1a, above, who are independent . . . . .		
<b>2</b>	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? . . . . .		No
<b>3</b>	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . . . .		No
<b>4</b>	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? . . . . .		No
<b>5</b>	Did the organization become aware during the year of a significant diversion of the organization's assets? . . . . .		No
<b>6</b>	Did the organization have members or stockholders? . . . . .		No
<b>7a</b>	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? . . . . .		No
<b>7b</b>	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? . . . . .		No
<b>8</b>	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
<b>a</b>	The governing body? . . . . .	Yes	
<b>b</b>	Each committee with authority to act on behalf of the governing body? . . . . .	Yes	
<b>9</b>	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O . . . . .		No

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
<b>10a</b>	Did the organization have local chapters, branches, or affiliates? . . . . .		No
<b>b</b>	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b>	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? . . . . .	Yes	
<b>b</b>	Describe in Schedule O the process, if any, used by the organization to review this Form 990 . . . . .		
<b>12a</b>	Did the organization have a written conflict of interest policy? If "No," go to line 13 . . . . .	Yes	
<b>b</b>	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? . . . . .	Yes	
<b>c</b>	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done . . . . .	Yes	
<b>13</b>	Did the organization have a written whistleblower policy? . . . . .	Yes	
<b>14</b>	Did the organization have a written document retention and destruction policy? . . . . .	Yes	
<b>15</b>	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b>	The organization's CEO, Executive Director, or top management official . . . . .		No
<b>b</b>	Other officers or key employees of the organization . . . . .		No
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b>	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? . . . . .		No
<b>b</b>	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements? . . . . .		

**Section C. Disclosure**

- 17** List the States with which a copy of this Form 990 is required to be filed **▶KY**
- 18** Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
 Own website  Another's website  Upon request  Other (explain in Schedule O)
- 19** Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization  
**▶Larry Zink** Controllers Office Univ of Louisiv  
 Louisville, KY 40292 (502) 852-7072

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

• List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

• List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."

• List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

• List all of the organization's **former** officers, key employees, or highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

• List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(1) DR DAVID DUNN Vice President	50 48 50	X		X				0	1,059,920	39,780
(2) DR JAMES R RAMSEY President	50 45 50	X		X				0	328,352	43,399
(3) DR SHIRLEY WILLIHNGANZ Vice President	50 39 00	X		X				0	332,886	54,071
(4) DR WILLIAM PIERCE Vice President	50 48 00	X		X				0	344,672	45,490
(5) EMILY BINGHAM Secretary	50 0	X		X				0	0	0
(6) JONATHAN BLUE Vice Chair	50 0	X		X				0	0	0
(7) MICHAEL J CURTIN Vice President (to 8/31/2013)	50 38 50	X		X				0	221,935	30,645
(8) RON BUTT Chair	50 50	X		X				0	0	0
(9) SUSAN I HOWARTH Vice President (From 9/1/2013)	50 49 50	X		X				0	156,179	27,548
(10) ANGELA LEWIS-KLEIN Director	50 49 50	X						0	48,939	23,994
(11) BRUCE HENDERSON Director	50 50	X						0	0	0
(12) BRUCIE MOORE Director	50 0	X						0	0	0
(13) CARRIE MATTINGLY Director (To 4/30/2014)	50 49 50	X						0	4,320	0
(14) DEBBIE SCOPPECHIO Director	50 1 00	X						0	0	0
(15) DOUGLAS HALL Director	50 0	X						0	0	0
(16) DR JOSEPH PRATHER II Director	50 0	X						0	0	0
(17) DR PAMELA FELDHOFF Director	50 49 50	X						0	109,291	22,758

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Board of Trustees  
University of Louisville  
Louisville, Kentucky

**Report on Compliance for Each Major Federal Program**

We have audited University of Louisville and Affiliated Corporations ("University") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2015. The University's major federal programs are 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the University's major federal programs 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about

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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 the University'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 each major federal program. However, our audit does not provide a legal determination of the University's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of the University 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 the University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 the University'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 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

#### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 26, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Crowe Horwath LLP*

Crowe Horwath LLP

Indianapolis, Indiana  
October 26, 2015

**UNIVERSITY OF LOUISVILLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2015

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**Section I: Summary of Auditor's Results**

1. The opinion(s) expressed in the independent accountants' report was:  
Unmodified
  
2. The independent accountants' report on internal control over financial reporting described:  
  

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
  
3. Noncompliance considered material to the financial statements was disclosed by the audit?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--
  
4. The independent accountants' report on internal control over compliance with requirements that could have a direct and material effect on major federal awards programs disclosed:  
  

Significant deficiency(ies)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Material weakness(es)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
  
5. The opinion(s) expressed in the independent accountants' report on compliance with requirements that could have a direct and material effect on major federal awards was (were):  
Unmodified
  
6. The audit disclosed findings required to be reported by OMB Circular A-133?

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
--	------------------------------	--
  
7. The University's major programs were:

Cluster/Program	CFDA Number
Student Financial Aid Cluster	84.007, 84.032, 84.033, 84.038, 84.063, 84.268, 84.375, 84.376, 84.379, 93.342, and 93.364

(Continued)

**UNIVERSITY OF LOUISVILLE**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2015

Cluster/Program	CFDA Number
Research and Development Cluster	10.001, 10.310, 11.609, 12.000, 12.300, 12.351, 12.420, 12.431, 12.630, 12.800, 12.901, 12.910, 15.632, 15.805, 20.701, 43.000, 43.001, 43.008, 43.009, 45.024, 47.041, 47.049, 47.050, 47.074, 47.075, 47.076, 47.079, 47.081, 47.082, 64.018, 66.460, 66.461, 66.717, 81.049, 81.087, 84.133, 84.305, 93.000, 93.077, 93.083, 93.113, 93.121, 93.161, 93.172, 93.173, 93.184, 93.185, 93.213, 93.233, 93.242, 93.262, 93.273, 93.279, 93.286, 93.300, 93.307, 93.310, 93.361, 93.389, 93.393, 93.394, 93.395, 93.396, 93.397, 93.701, 93.702, 93.779, 93.837, 93.838, 93.839, 93.846, 93.847, 93.853, 93.855, 93.856, 93.859, 93.865, 93.866, 93.867, 93.879, 93.887, 97.000, 15.000, 16.524, 16.540, 16.560, and 20.505

8. The threshold used to distinguish between Type A and Type B programs as those terms are defined in OBM Circular A-133 was \$3,000,000
9. The University qualified as a low-risk auditee as that term is defined in OBM Circular A-133?  Yes  No

**Section II: Findings Required to be Reported by Government Auditing Standards**

There were no findings for the year ended June 30, 2015.

**Section III: Findings and Questioned Costs for Federal Awards Required to be Reported by OMB Circular A-133**

There were no findings for the year ended June 30, 2015.

(Continued)

**UNIVERSITY OF LOUISVILLE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2015

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**Section IV: Schedule of Prior Year Audit Findings and Questioned Costs**

2014-001

**Criteria:** Management is responsible for establishing and maintaining effective internal controls over financial reporting.

**Condition:** During the 2014 audit, material adjustments were discovered and recorded by management resulting in a prior year restatement of the University's financial statements.

**Context:** Management is responsible for the fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

**Effect:** Potentially material misstatements in the financial statements and disclosures could occur.

**Cause:** Management obtained additional information on various policies and procedures regarding capitalizing assets and recording of certain Medicaid revenue and related receivables.

**Recommendation:** Management should continue to review policies and procedures throughout the University and continue to provide training and updates to unit business managers

**Views of responsible officials and planned corrective actions:** Management agrees with the recommendation. Communication is essential to an organization as decentralized and complex as the University and its Affiliates. As of May 2014, the associate vice president for finance and her staff have regular meetings with the financial administration of the Health Science Campus, including their new chief financial officer. Discussions concerning capital asset accounting have been held with the senior business managers involved in the adjustment. Additional training is in development for the library department, as well as senior business managers in all areas. Through the re-organization of the business managers into shared business service units, management can more effectively communicate and educate unit business managers on proper accounting treatment.

**Status:** Corrected.

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(Continued)



**UNIVERSITY OF LOUISVILLE**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2015

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2014-002

U.S. Department of Education - Student Financial Aid Cluster  
CFDA No. 84.268, Federal Direct Student Loan Program  
CFDA No. 84.063, Federal Pell Grant Program  
Program Year 2013 -2014

**Criteria:** Special tests and provisions related to notifying the National Student Loan Data System (NSLDS) of student enrollment changes within required time frames.

**Condition:** The University is required to submit to the Department of Education via NSLDS enrollment status changes for students that received a loan or Pell grant and did not enroll or ceased to be enrolled on at least a half-time basis within required time frames.

**Context:** Out of a population of 2,241 enrollment status changes, a sample of 25 status changes were selected for testing. For four students tested, the University did not notify the NSLDS within required time frames.

**Effect:** The University did not notify the Department of Education regarding student enrollment changes within required time frames.

**Cause:** Personnel responsible for notification overlooked these students and did not report to the NSLDS within the required time frame.

**Recommendation:** The University should ensure that personnel handling such submissions report enrollment changes to the NSLDS within the required time frames and batch files are complete.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and Members of the Registrar's Office, the Office of Institutional Research and Planning and the Office of Student Financial Aid have met to discuss needed changes to ensure enrollment data is reported in a means to help ensure federal requirements are met. Management determined the schedule of enrollment reporting to the Clearinghouse will be revised to ensure students who drop to less than half-time, graduate or withdraw are reported in time to be processed by the Clearinghouse and reported to NSLDS within 30 days and more communication between the various departments has been established to ensure accurate, timely and complete information is provided.

**Status:** Corrected.

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**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W- 2/1099-MISC)	(E) Reportable compensation from related organizations (W- 2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
(18) DR ROBERT CURTIS HUGHES Director	50 0	X						0	0	0
(19) KEVIN COSBY Director	50 0	X						0	0	0
(20) LAURENCE BENZ Director	50 0	X						0	0	0
(21) MARIE ABRAMS Director	50 0	X						0	0	0
(22) MONALI HALDANKAR Director (From 5/1/2014)	50 0	X						0	0	0
(23) PHOEBE WOOD Director	50 0	X						0	0	0
(24) ROBERT P BENSON JR Director	50 0	X						0	0	0
(25) ROBERT W ROUNSAVALL III Director	50 0	X						0	0	0
(26) STEPHEN PAUL CAMPBELL Director	50 0	X						0	0	0
(27) STEVE WILSON Director	50 0	X						0	0	0
(28) ANGELA D KOSHEWA Legal Counsel (to 5/31/2014)	50 49 50			X				0	168,901	29,530
(29) DR JOSEPH M STEFFEN Treasurer	50 49 00			X				0	95,675	20,550
(30) KATHLEEN M SMITH Assistant Secretary	50 28 50			X				0	110,180	19,924
<b>1b Sub-Total</b>								0	2,981,250	357,689
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>								0	2,981,250	357,689

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		No
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	Yes	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		No

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization Report compensation for the calendar year ending with or within the organization's tax year

(A) Name and business address	(B) Description of services	(C) Compensation
UNIVERSITY OF LOUISVILLE PHYSICIANS 300 EAST MARKET STREET LOUISVILLE KY 40202	MEDICAL/HEALTHCARE	6,141,202
DELOITTE TAX LLP 220 WEST MAIN STREET LOUISVILLE KY 40202	CONSULTING	2,581,429
UNIVERSITY OF KENTUCKY RESEARCH FOUNDATION 301 PETERSON SERVICE BUILDING LEXINGTON KY 405060005	RESEARCH SERVICES	1,258,247
EMORY UNIVERSITY 201 DOWMAN DRIVE ATLANTA GA 30322	RESEARCH SERVICES	968,555
STITES & HARBISON 400 WEST MARKET STREET LOUISVILLE KY 40202	CONSULTING	924,348

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **89**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	<b>1a</b> Federated campaigns . . . . . <b>1a</b>					
	<b>b</b> Membership dues . . . . . <b>1b</b>					
	<b>c</b> Fundraising events . . . . . <b>1c</b>					
	<b>d</b> Related organizations . . . . . <b>1d</b>					
	<b>e</b> Government grants (contributions) . . . . . <b>1e</b>	120,994,896				
	<b>f</b> All other contributions, gifts, grants, and similar amounts not included above . . . . . <b>1f</b>	34,132,626				
	<b>g</b> Noncash contributions included in lines 1a-1f \$					
	<b>h Total.</b> Add lines 1a-1f . . . . .	155,127,522				
<b>Program Service Revenue</b>	<b>2a</b> CLINICAL SERVICES	541700	205,763,845	205,763,845		
	<b>b</b> OTHER RESEARCH PROJECTS	541700	2,573,921	2,573,921		
	<b>c</b> CONFERENCES AND TRAINING	541700	124,170	124,170		
	<b>d</b>		0			
	<b>e</b>		0			
	<b>f</b> All other program service revenue		0	0	0	
	<b>g Total.</b> Add lines 2a-2f . . . . .		208,461,936			
	<b>Other Revenue</b>	<b>3</b> Investment income (including dividends, interest, and other similar amounts) . . . . .		32,584		32,584
<b>4</b> Income from investment of tax-exempt bond proceeds . . . . .			0			
<b>5</b> Royalties . . . . .			3,843,699		3,843,699	
<b>6a</b> Gross rents		(i) Real	16,868			
		(ii) Personal				
		<b>b</b> Less rental expenses	0			
		<b>c</b> Rental income or (loss)	16,868	0		
<b>d</b> Net rental income or (loss) . . . . .			16,868		16,868	
<b>7a</b> Gross amount from sales of assets other than inventory		(i) Securities				0
		(ii) Other				
		<b>b</b> Less cost or other basis and sales expenses				107,357
		<b>c</b> Gain or (loss)	0			-107,357
<b>d</b> Net gain or (loss) . . . . .					-107,357	
<b>8a</b> Gross income from fundraising events (not including \$ of contributions reported on line 1c) See Part IV, line 18 . . . . .						
<b>b</b> Less direct expenses . . . . .						
<b>c</b> Net income or (loss) from fundraising events . . . . .		0				
<b>9a</b> Gross income from gaming activities See Part IV, line 19 . . . . .						
<b>b</b> Less direct expenses . . . . .						
<b>c</b> Net income or (loss) from gaming activities . . . . .		0				
<b>10a</b> Gross sales of inventory, less returns and allowances . . . . .	<b>a</b>	890,256				
	<b>b</b> Less cost of goods sold . . . . .	882,279				
	<b>c</b> Net income or (loss) from sales of inventory . . . . .		7,977	7,977		
<b>Miscellaneous Revenue</b>	<b>11a</b> MISCELLANEOUS	900099	8,989	8,989		
	<b>b</b>		0			
	<b>c</b>		0			
	<b>d</b> All other revenue . . . . .		0	0	0	
	<b>e Total.</b> Add lines 11a-11d . . . . .		8,989			
<b>12 Total revenue.</b> See Instructions . . . . .		367,392,218	208,478,902	0	3,785,794	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A)

Check if Schedule O contains a response or note to any line in this Part IX

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	294,200	294,200		
<b>2</b> Grants and other assistance to individuals in the United States. See Part IV, line 22	41,159,804	41,159,804		
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16	0			
<b>4</b> Benefits paid to or for members	0			
<b>5</b> Compensation of current officers, directors, trustees, and key employees	0			
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0			
<b>7</b> Other salaries and wages	0			
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	0			
<b>9</b> Other employee benefits	0			
<b>10</b> Payroll taxes	0			
<b>11</b> Fees for services (non-employees)				
<b>a</b> Management	0			
<b>b</b> Legal	2,440,436	1,865,962	574,474	
<b>c</b> Accounting	63,023	51,818	11,205	
<b>d</b> Lobbying	0			
<b>e</b> Professional fundraising services. See Part IV, line 17	0			
<b>f</b> Investment management fees	0			
<b>g</b> Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	272,880,497	244,456,939	28,423,558	0
<b>12</b> Advertising and promotion	443,682	231,756	211,926	
<b>13</b> Office expenses	1,299,114	1,233,501	65,613	
<b>14</b> Information technology	3,939,522	3,310,156	629,366	
<b>15</b> Royalties	53,071	53,071		
<b>16</b> Occupancy	3,513,164	3,274,998	238,166	
<b>17</b> Travel	3,932,951	3,745,708	187,243	
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials	0			
<b>19</b> Conferences, conventions, and meetings	6,126,594	5,857,786	268,808	
<b>20</b> Interest	0			
<b>21</b> Payments to affiliates	0			
<b>22</b> Depreciation, depletion, and amortization	9,204,866	9,204,866		
<b>23</b> Insurance	1,056,823	1,028,735	28,088	
<b>24</b> Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O)				
<b>a</b> FACILITIES AND ADMINISTRATIVE SERVICES	14,348,935	3,766,734	10,582,201	
<b>b</b> LABORATORY SUPPLIES AND EXPENSES	14,040,752	13,606,391	434,361	
<b>c</b> SMALL EQUIPMENT PURCHASES AND RENTALS	567,782	545,756	22,026	
<b>d</b> LICENSES, PERMITS, AND FEES	666,201	651,823	14,378	
<b>e</b> All other expenses	7,396,298	6,661,868	734,430	0
<b>25</b> Total functional expenses. Add lines 1 through 24e	383,427,715	341,001,872	42,425,843	0
<b>26</b> Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)	0			

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	15,430	<b>1</b>	11,105
	<b>2</b> Savings and temporary cash investments . . . . .	21,946,256	<b>2</b>	0
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	22,305,107	<b>4</b>	45,457,329
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L . . . . .	0	<b>5</b>	0
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions) Complete Part II of Schedule L . . . . .	0	<b>6</b>	0
	<b>7</b> Notes and loans receivable, net . . . . .	1,158,543	<b>7</b>	614,884
	<b>8</b> Inventories for sale or use . . . . .	360,815	<b>8</b>	353,629
	<b>9</b> Prepaid expenses and deferred charges . . . . .		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D . . . . .	<b>10a</b> 151,746,335		
	<b>b</b> Less accumulated depreciation . . . . .	<b>10b</b> 77,382,122	72,405,451	<b>10c</b> 74,364,213
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities See Part IV, line 11 . . . . .	2,113	<b>12</b>	2,113
	<b>13</b> Investments—program-related See Part IV, line 11 . . . . .	0	<b>13</b>	0
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets See Part IV, line 11 . . . . .	422,508	<b>15</b>	535,949
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .	118,616,223	<b>16</b>	121,339,222	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	12,587,520	<b>17</b>	15,365,793
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .	10,510,302	<b>19</b>	10,267,598
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L . . . . .	0	<b>22</b>	0
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	0	<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24) Complete Part X of Schedule D . . . . .	7,978,863	<b>25</b>	17,922,779
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25 . . . . .	31,076,685	<b>26</b>	43,556,170
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets . . . . .		<b>27</b>	
	<b>28</b> Temporarily restricted net assets . . . . .		<b>28</b>	
	<b>29</b> Permanently restricted net assets . . . . .		<b>29</b>	
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds . . . . .		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building or equipment fund . . . . .		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds . . . . .	87,539,538	<b>32</b>	77,783,052
<b>33</b> Total net assets or fund balances . . . . .	87,539,538	<b>33</b>	77,783,052	
<b>34</b> Total liabilities and net assets/fund balances . . . . .	118,616,223	<b>34</b>	121,339,222	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	367,392,218
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	383,427,715
<b>3</b>	Revenue less expenses Subtract line 2 from line 1	-16,035,497
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	87,539,538
<b>5</b>	Net unrealized gains (losses) on investments	
<b>6</b>	Donated services and use of facilities	
<b>7</b>	Investment expenses	
<b>8</b>	Prior period adjustments	6,279,011
<b>9</b>	Other changes in net assets or fund balances (explain in Schedule O)	
<b>10</b>	Net assets or fund balances at end of year Combine lines 3 through 9 (must equal Part X, line 33, column (B))	77,783,052

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		No
<b>2b</b> Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input checked="" type="checkbox"/> Both consolidated and separate basis	Yes	
<b>2c</b> If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
<b>3b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

**SCHEDULE A**  
(Form 990 or 990EZ)

**Public Charity Status and Public Support**

OMB No 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.  
▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Open to Public Inspection

Name of the organization  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number  
61-1029626

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E )
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II )
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II )
- 9  An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2)**. (Complete Part III )
- 10  An organization organized and operated exclusively to test for public safety See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h  
  - a  Type I b  Type II c  Type III - Functionally integrated d  Type III - Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)
- f  If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g  Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
  - (ii) A family member of a person described in (i) above?
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above?
- h  Provide the following information about the supported organization(s)

	Yes	No
<b>11g(i)</b>		
<b>11g(ii)</b>		
<b>11g(iii)</b>		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**  
 (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	173,608,959	174,798,105	174,198,510	156,299,277	155,127,522	834,032,373
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						0
<b>4 Total.</b> Add lines 1 through 3	173,608,959	174,798,105	174,198,510	156,299,277	155,127,522	834,032,373
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						0
<b>6 Public support.</b> Subtract line 5 from line 4						834,032,373

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>7</b> Amounts from line 4	173,608,959	174,798,105	174,198,510	156,299,277	155,127,522	834,032,373
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources			184,736	382,946	3,893,151	4,460,833
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on	69,487	317,813				387,300
<b>10</b> Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)	0	0	0			0
<b>11 Total support</b> (Add lines 7 through 10)						838,880,506

**12** Gross receipts from related activities, etc. (see instructions) **12** 955,869,069

**13 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2013 (line 6, column (f) divided by line 11, column (f))	<b>14</b>	99.420%
<b>15</b> Public support percentage for 2012 Schedule A, Part II, line 14	<b>15</b>	99.880%

- 16a 33 1/3% support test—2013.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization
- b 33 1/3% support test—2012.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization
- 17a 10%-facts-and-circumstances test—2013.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
- b 10%-facts-and-circumstances test—2012.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization
- 18 Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions



**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2009	(b) 2010	(c) 2011	(d) 2012	(e) 2013	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						
<b>14 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b> <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2013 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	
<b>16</b> Public support percentage from 2012 Schedule A, Part III, line 15	<b>16</b>	

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2013 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	
<b>18</b> Investment income percentage from 2012 Schedule A, Part III, line 17	<b>18</b>	

- 19a 33 1/3% support tests—2013.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- b 33 1/3% support tests—2012.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV** **Supplemental Information.** Provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test	
Return Reference	Explanation

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No 1545-0047

2013

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990. See separate instructions. Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

Name of the organization UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

Table with 2 columns: (a) Donor advised funds, (b) Funds and other accounts. Rows for Total number at end of year, Aggregate contributions to (during year), Aggregate grants from (during year), Aggregate value at end of year.

- 5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

- 1 Purpose(s) of conservation easements held by the organization (check all that apply): Preservation of land for public use, Protection of natural habitat, Preservation of open space, Preservation of an historically important land area, Preservation of a certified historic structure.

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

- a Total number of conservation easements
b Total acreage restricted by conservation easements
c Number of conservation easements on a certified historic structure included in (a)
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

Table: Held at the End of the Year. Rows: 2a, 2b, 2c, 2d.

- 3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year
4 Number of states where property subject to conservation easement is located
5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?
6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year
7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year
8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)?
9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items
b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items: (i) Revenues included in Form 990, Part VIII, line 1; (ii) Assets included in Form 990, Part X
2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items: a Revenues included in Form 990, Part VIII, line 1; b Assets included in Form 990, Part X

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply)

- a  Public exhibition
- b  Scholarly research
- c  Preservation for future generations
- d  Loan or exchange programs
- e  Other

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No

b If "Yes," explain the arrangement in Part XIII and complete the following table

- c Beginning balance
- d Additions during the year
- e Distributions during the year
- f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ▶
  - b Permanent endowment ▶
  - c Temporarily restricted endowment ▶
- The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIII the intended uses of the organization's endowment funds

**Part VI Land, Buildings, and Equipment.** Complete if the organization answered "Yes" to Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		351,695		351,695
b Buildings		61,533,970	11,579,083	49,954,887
c Leasehold improvements		702,205	702,205	0
d Equipment		79,424,845	65,023,300	14,401,545
e Other		9,733,620	77,534	9,656,086
<b>Total.</b> Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				74,364,213







**Grants and Other Assistance to Organizations, Governments and Individuals in the United States**

Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
 Attach to Form 990

Department of the Treasury  
Internal Revenue Service  
Name of the organization

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

2013  
Open to Public Inspection

Employer identification number

**Part I General Information on Grants and Assistance**

- Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
- Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

Yes  No

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

(a) Name and address of organization or government	(b) EIN	(c) IRC Code section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) CLINICAL RESEARCH FOUNDATION 800 ZORN AVENUE LOUISVILLE, KY 40206	61-1144514	501(C)(3)	100,000				SUPPORT FOR CLINICAL STUDIES
(2) MARCH OF DIMES 4802 SHERBURN LANE LOUISVILLE, KY 40207	13-1846366	501(C)(3)	25,000				SPONSORSHIP
(3) DREXEL UNIVERSITY 3201 ARCH STREET PHILADELPHIA, PA 19104	23-1352630	501(C)(3)	25,000				SPONSORSHIP
(4) METRO UNITED WAY 334 EAST BROADWAY LOUISVILLE, KY 40202	61-0444680	501(C)(3)	20,000				GENERAL SUPPORT
(5) JUNIOR ACHIEVEMENT OF KENTUCKIANA 1401 W MUHAMMAD ALI BLVD LOUISVILLE, KY 40203	61-0476694	501(C)(3)	10,000				SPONSORSHIP
(6) EPILEPSY FOUNDATION OF KENTUCKIANA 982 EASTERN PARKWAY LOUISVILLE, KY 40217	61-1314540	501(C)(3)	5,000				SPONSORSHIP
(7) WESTIE FOUNDATION OF AMERICA INC 428 HEDGECROFT DRIVE SEABROOK, TX 77586	06-1473645	501(C)(3)	5,000				SPONSORSHIP FOR FIBROSIS WORKSHOP

- Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . 7
- Enter total number of other organizations listed in the line 1 table . . . . . 0



**Part III** **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
 Part III can be duplicated if additional space is needed. Page 2

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
(1) SCHOLARSHIPS, FELLOWSHIPS FINANCIAL AID, AWARDS	11055	41,159,804			

**Part IV** **Supplemental Information.** Provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

Return Reference	Explanation
Schedule I, Part I, Line 2, Procedures for monitoring use of grant funds	THE RECIPIENTS OF SCHOLARSHIPS, FELLOWSHIPS, AID, AND AWARDS ARE SELECTED BASED ON UNIVERSITY OF LOUISVILLE DEPARTMENTAL CRITERIA THE ORGANIZATION SERVES PRIMARILY AS A FUNDING SOURCE FOR ANY SCHOLARSHIPS AWARDED BY THE UNIVERSITY

**Schedule J**  
(Form 990)

**Compensation Information**

OMB No 1545-0047

**2013**

Department of the Treasury  
Internal Revenue Service

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees  
 ▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.  
 ▶ Attach to Form 990. ▶ See separate instructions.

**Open to Public Inspection**

▶ Information about Schedule J (Form 990) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

Name of the organization  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number

**Part I Questions Regarding Compensation**

- 1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.
- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain.

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.

- |  |  |
|--|--|
| <input type="checkbox"/> Compensation committee              | <input type="checkbox"/> Written employment contract                     |
| <input type="checkbox"/> Independent compensation consultant | <input type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?  
**b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?  
**c** Participate in, or receive payment from, an equity-based compensation arrangement?  
 If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

**Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

- a** The organization? **5a** Yes **5a** No  
**b** Any related organization? **5b** Yes **5b** No  
 If "Yes," to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

- a** The organization? **6a** Yes **6a** No  
**b** Any related organization? **6b** Yes **6b** No  
 If "Yes," to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III.

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III.

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

	Yes	No
<b>1b</b>		
<b>2</b>		
<b>4a</b>		No
<b>4b</b>		No
<b>4c</b>		No
<b>5a</b>		No
<b>5b</b>		No
<b>6a</b>		No
<b>6b</b>		No
<b>7</b>		
<b>8</b>		
<b>9</b>		

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed. For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
(1) DR JAMES R RAMSEY PRESIDENT	(i) 0 (ii) 325,466	0 0	2,886	25,375	0 18,024	0 371,751	0 0
(2) DR SHIRLEY WILLHANGANZ VICE PRESIDENT	(i) 0 (ii) 319,698	0 0	13,188	37,206	0 16,865	0 386,957	0 0
(3) DR WILLIAM PIERCE VICE PRESIDENT	(i) 0 (ii) 300,484	0 0	44,188	30,530	0 14,960	0 390,162	0 0
(4) MICHAEL J CURTIN VICE PRESIDENT (TO 8/31/2013)	(i) 0 (ii) 213,840	0 0	8,095	21,450	0 9,195	0 252,580	0 0
(5) SUSAN I HOWARTH VICE PRESIDENT (FROM 9/1/2013)	(i) 0 (ii) 151,765	0 0	4,414	15,379	0 12,169	0 183,727	0 0
(6) DR DAVID DUNN VICE PRESIDENT	(i) 0 (ii) 963,732	0 95,000	1,188	25,375	0 14,405	0 1,099,700	0 0
(7) ANGELA D KOSHEWA LEGAL COUNSEL (TO 5/31/2014)	(i) 0 (ii) 167,713	0 0	1,188	17,009	0 12,521	0 198,431	0 0

**Part III Supplemental Information**

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also, complete this part for any additional information.

Return Reference	Explanation
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**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

# Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

▶ Information about Schedule O (Form 990 or 990-EZ) and its instructions is at [www.irs.gov/form990](http://www.irs.gov/form990).

# 2013

Open to Public Inspection

Name of the organization  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number

Return Reference	Explanation
FORM 990, PART V, LINE 1A, FORM 1096	THE ORGANIZATION'S FORMS 1099 ARE FILED BY ITS COMMON PAY AGENT, THE UNIVERSITY OF LOUISVILLE

Return Reference	Explanation
FORM 990, PART V, LINE 2A, FORMS W-2	THE ORGANIZATION HAS NO EMPLOYEES

Return Reference	Explanation
Form 990, Part VI, Sec A, Line 1a, Delegate broad authority to a committee	<p>THE EXECUTIVE COMMITTEE CONSISTS OF THE CHAIRMAN, VICE CHAIRMAN, SECRETARY, TREASURER OF THE BOARD OF DIRECTORS, PRESIDENT, CHIEF BUSINESS OFFICER, CHIEF FINANCIAL OFFICER, CHIEF ACADEMIC OFFICER, AND CHIEF RESEARCH OFFICER OF THE UNIVERSITY OF LOUISVILLE IN THEIR CAPACITY AS DIRECTOR. THE PRESIDENT SERVES AS CHAIRMAN OF THE EXECUTIVE COMMITTEE. THE COMMITTEE ACTS FOR THE BOARD OF DIRECTORS IN THE INTERIM BETWEEN MEETINGS OF THE BOARD, AND WITH RESPECT TO THE ACCEPTANCE, ADMINISTRATION AND ACCOUNTING FOR GRANTS AND CONTRACTS IT IS NOT REQUIRED THAT ACTIONS OF THE EXECUTIVE COMMITTEE BE RATIFIED BY THE BOARD EXCEPT AS STATED ABOVE. THE DELEGATION OF POWER AND AUTHORITY WHEN GIVEN BY THE BOARD OF DIRECTORS TO THE EXECUTIVE COMMITTEE SHALL BE COMPLETE, SUBJECT ONLY TO THE LIMITATIONS IMPOSED BY THE KENTUCKY REVISED STATUTES. POWERS OF THE COMMITTEE SHALL NOT EXTEND TO AMENDING, ALTERING OR REPEALING THE BYLAWS, ELECTING, APPOINTING OR REMOVING ANY MEMBER OF ANY SUCH COMMITTEE OR ANY DIRECTOR OR OFFICER OF THE CORPORATION, AMENDING THE ARTICLES OF INCORPORATION, RESTATING ARTICLES OF INCORPORATION ADOPTING A PLAN OR MERGER OR ADOPTING A PLAN OF CONSOLIDATION WITH ANOTHER CORPORATION, AUTHORIZING THE SALE, LEASE, EXCHANGE OR MORTGAGE OF ALL OR SUBSTANTIALLY ALL OF THE PROPERTY AND ASSETS OF THE CORPORATION, AUTHORIZING THE VOLUNTARY DISSOLUTION OF THE CORPORATION OR REVOKING PROCEEDINGS THEREFOR, ADOPTING A PLAN FOR THE DISTRIBUTION OF THE ASSETS OF THE CORPORATION, OR AMENDING, ALTERING OR REPEALING ANY RESOLUTION OF THE BOARD OF DIRECTORS WHICH BY ITS TERMS PROVIDES THAT IT SHALL NOT BE AMENDED, ALTERED OR REPEALED BY SUCH COMMITTEE.</p>

<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Sec B, Line 11b, Review of form 990 by governing body	UNIVERSITY OF LOUISVILLE FINANCE PERSONNEL AND AN OUTSIDE FIRM PREPARED THE RETURN A COPY OF THE RETURN WAS PROVIDED TO ALL BOARD MEMBERS FOR REVIEW PRIOR TO FILING



Return Reference	Explanation
Form 990, Part VI, Sec B, Line 12c, Conflict of interest policy	<p>IF AN ITEM IS PRESENTED TO THE BOARD OF DIRECTORS (OR ANY OTHER POLICY BOARD) FOR ACTION, E.G., PURCHASE OF PROPERTY, MERGING WITH ANOTHER ENTITY, BUYING SERVICES, ETC., THE BOARD MEMBER WILL DISCLOSE HIS OR HER POSSIBLE CONFLICT OF INTEREST AND MUST RECUSE HIMSELF OR HERSELF FROM VOTING. THE BOARD MEMBER ALSO AVOIDS PARTICIPATING IN ANY DECISION OR ADVOCATING FOR ANY DECISION OF THE BOARD IN SOME CIRCUMSTANCES, E.G., WHEN THE CONFLICT OF THE BOARD MEMBER PLACES THE BOARD MEMBER IN COMPETITION WITH THE UNIVERSITY, THE BOARD MEMBER WILL LEAVE THE BOARD MEETING DURING DISCUSSION OR UPDATE ON THE ACTION BEFORE ANY MEETING OF THE VARIOUS BOARDS, AN AGENDA IS CIRCULATED TO EACH MEMBER OR DIRECTOR WITH DESCRIPTIONS OF THE ACTION ITEMS. THIS ALLOWS SUFFICIENT TIME FOR ANY BOARD MEMBER OR DIRECTOR TO ALERT THE BOARD ABOUT A POTENTIAL CONFLICT OF INTEREST. PAST PRACTICE INCLUDES WRITTEN DISCLOSURE BY THE BOARD MEMBER OUTLINING (1) THAT A CONFLICT OF INTEREST MAY EXIST, (2) THE NATURE AND EXTENT OF THE CONFLICT, AND (3) THE DESCRIPTION AND POTENTIAL BENEFIT, DIRECT OR INDIRECT, TO THE MEMBER OF THE BOARD. THIS INFORMATION WILL BE SUPPLIED TO LEGAL COUNSEL AND THE ENTIRE BOARD AHEAD OF THE MEETING, AND A COPY OF THE INFORMATION WILL BE MAINTAINED IN THE BOARD MEMBER'S FILE.</p>

Return Reference	Explanation
FORM 990, PART VI, LINE 15, PROCESS FOR DETERMINING COMPENSATION	THE ORGANIZATION HAS NO EMPLOYEES, THUS LINES 15(A) AND 15(B) OF PART VI HAVE BEEN MARKED "NO "

<b>Return Reference</b>	<b>Explanation</b>
Form 990, Part VI, Sec C, Line 19, Required documents available to the public	AS A MATTER OF PRACTICE, THE ORGANIZATION ADHERES TO THE CONFLICT OF INTEREST POLICY, NON-RETALIATION POLICY, AND DOCUMENT INTEGRITY POLICY OF THE UNIVERSITY OF LOUISVILLE. COPIES OF THESE POLICIES ARE AVAILABLE AT LOUISVILLE.EDU OR UPON REQUEST. COPIES OF THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS ARE ALSO AVAILABLE AT LOUISVILLE.EDU

Return Reference	Explanation
Form 990, Part IX, Line 11g, Other Expenses	UNIVERSITY OF LOUISVILLE SALARY AND BENEFIT ALLOCATIONS - TOTAL EXPENSE 230974594, PROGRAM SERVICE EXPENSE 222350260, MANAGEMENT AND GENERAL EXPENSES 8624334, FUNDRAISING EXPENSES , RESEARCH SUBCONTRACTING - TOTAL EXPENSE 9090405, PROGRAM SERVICE EXPENSE 9090405, MANAGEMENT AND GENERAL EXPENSES , FUNDRAISING EXPENSES , CONTRACTUAL - TOTAL EXPENSE 21197943, PROGRAM SERVICE EXPENSE 3387986, MANAGEMENT AND GENERAL EXPENSES 17809957, FUNDRAISING EXPENSES , OTHER CONSULTING AND SERVICES - TOTAL EXPENSE 11617555, PROGRAM SERVICE EXPENSE 9628288, MANAGEMENT AND GENERAL EXPENSES 1989267, FUNDRAISING EXPENSES .

Return Reference	Explanation
, PRIOR PERIOD ADJUSTMENT	<p>THE ORGANIZATION'S AUDITED FINANCIAL STATEMENTS FOR JUNE 30, 2013, WERE RESTATED TO PROPERLY REFLECT AMOUNTS RECEIVABLE FROM THIRD PARTIES NOT PREVIOUSLY INCLUDED IN REVENUE. THE NET EFFECT OF THIS MISSTATEMENT RESULTED IN AN INCREASE OF \$8.1 MILLION IN UNRESTRICTED NET POSITION AS OF JULY 1, 2012, AND AN INCREASE IN THE DECREASE IN NET POSITION OF \$1.9 MILLION FOR THE YEAR ENDED JUNE 30, 2013, FOR A NET INCREASE IN UNRESTRICTED NET POSITION OF \$6.2 MILLION AS OF JUNE 30, 2013.</p>

Return Reference	Explanation
, REPORTABLE COMPENSATION	AMOUNTS REPORTED ON PART VII AND ON SCHEDULE J INCLUDE ONLY COMPENSATION PAID BY ITS CONTROLLING PARENT, THE UNIVERSITY OF LOUISVILLE. THE REPORTED AMOUNTS DO NOT INCLUDE COMPENSATION PAID BY THE UNIVERSITY OF LOUISVILLE FOUNDATION, WHICH IS UNRELATED TO THE FILING ORGANIZATION FOR FORM 990 REPORTING PURPOSES







**Part V Transactions With Related Organizations** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		
<b>b</b> Gift, grant, or capital contribution to related organization(s)		No
<b>c</b> Gift, grant, or capital contribution from related organization(s)		No
<b>d</b> Loans or loan guarantees to or for related organization(s)		No
<b>e</b> Loans or loan guarantees by related organization(s)		No
<b>f</b> Dividends from related organization(s)		No
<b>g</b> Sale of assets to related organization(s)		No
<b>h</b> Purchase of assets from related organization(s)		No
<b>i</b> Exchange of assets with related organization(s)		No
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s)		No
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s)		No
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s)		No
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s)		No
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)		No
<b>o</b> Sharing of paid employees with related organization(s)		No
<b>p</b> Reimbursement paid to related organization(s) for expenses		No
<b>q</b> Reimbursement paid by related organization(s) for expenses		No
<b>r</b> Other transfer of cash or property to related organization(s)		No
<b>s</b> Other transfer of cash or property from related organization(s)		No

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of related organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved



**Part VII** **Supplemental Information**

Provide additional information for responses to questions on Schedule R (see instructions)

**Return Reference**

**Explanation**

A 43981  
JUL 2 1983

OS

SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY

ARTICLES OF INCORPORATION  
OF  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

JUL 26 1983

*Samuel J. Hill*  
SECRETARY OF STATE

I, the undersigned incorporator of University of Louisville Research Foundation, Inc., of Jefferson County, Kentucky, do hereby incorporate a non-profit corporation without capital stock or shareholders, under the provisions of KRS 273.161 to 273.390, and for that purpose adopt the following Articles of Incorporation.

ARTICLE I

The name of the corporation is University of Louisville Research Foundation, Inc.

ARTICLE II

The period of duration of the Corporation is perpetual.

ARTICLE III

Any provision of these Articles to the contrary notwithstanding, the Corporation shall not have any purpose or object, nor have or exercise any power, nor engage in any activity which in any way contravenes or is in conflict with the provisions of Section 1 of this Article III of these Articles of Incorporation.

The objects and purposes of the Corporation and the powers it shall have and may exercise are as follows:

1. To conduct and carry on its work, not for profit, but exclusively for charitable, educational and scientific purposes, in such manner that no part of its income or property shall inure to the private benefit of any donor, director or individual having a personal or private interest in the activities of the Corporation and in such a manner that it shall not directly or indirectly engage in carrying on propaganda or otherwise attempting to influence legislation.
2. To carry out and support research projects, investigations and other activities relating to educational, scientific, literary, artistic, health care and public service missions of the University of Louisville.
3. To promote, encourage, facilitate, foster and develop such projects and activities for the benefit of the students, faculty, staff and trustees of the University of Louisville and the state as a whole.

4. To foster the transfer and development of technology including but not limited to development of patents and research information useful to the public by means of publication, commercialization, licensing, cooperative agreements and other arrangements designed to bring new and useful ideas to the marketplace.

5. To obtain and administer grants, contracts and gifts in support of research, educational and public service activities, directly or as intermediary or fiscal agent for the University of Louisville or related organizations.

6. To engage in any such other activities as, in the opinion of the Board of Directors, may be incidental to, or in furtherance of, or appropriate to effectuate the purposes hereinbefore expressed.

7. To engage in any and all lawful activities or pursuits for which a corporation may be incorporated under Chapter 273 of the Kentucky Revised Statutes dealing with non-stock, non-profit corporations and to exercise any and all powers that such corporation may now or hereafter exercise, whether or not specifically set forth herein, and insofar as such may not be inconsistent with Section 1 hereof.

The foregoing Section shall be construed as powers, as well as objects and purposes, and the matters expressed in each Section shall, unless herein otherwise expressly provided, be in no wise limited by reference to or inference from the terms of any other Section, but shall be regarded as independent purposes and powers, and the enumeration of specific purposes and powers shall not be construed to limit or restrict in any manner the general powers of the Corporation or the meaning of the general terms used in describing any such purpose and powers; nor shall the expression of one thing be deemed to exclude another not expressed, although it be of like nature.

#### ARTICLE IV

In the event of a dissolution and liquidation the assets of the Corporation in the process of dissolution shall be applied and distributed as follows:

1. All liabilities and obligations of the Corporation shall be paid and discharged, or adequate provisions shall be made therefor;

2. Assets held by the Corporation upon condition requiring return, transfer or conveyance, which condition occurs by reason of the dissolution, shall be returned, transferred or conveyed in accordance with such requirements;

3. All other assets which are not held upon a condition requiring return, transfer or conveyance by reason of dissolution, shall be transferred or conveyed to the University of Louisville Foundation, Inc., if that organization at the time of transfer or conveyance is described in Section 170(b)(1)(A) (other than in clauses (vii) and (viii)) and in Section 501(c)(3) of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws or, if that organization is not (a) in existence, or (b) so described, then to the University of Louisville, if that organization is described in Section 170(b)(1)(A) (other than in clauses (vii) and (viii)) and Section 501(c)(3) of the Internal Revenue Code of 1954, or in corresponding provisions of any subsequent Federal tax laws or, if that organization is not (a) in existence, or (b) so described, then to the Commonwealth of Kentucky for charitable purposes, pursuant to a plan of distribution adopted as provided by law.

#### ARTICLE V

There shall be no members of the Corporation.

#### ARTICLE VI

Until otherwise changed, the registered office of the Corporation shall be located at the University of Louisville, Office of University Counsel, Louisville, Kentucky 40292 and the name of its registered agent at such address is David L. Baker, University Counsel.

#### ARTICLE VII

The business and affairs of the Corporation shall be under the supervision, management and control of a Board of Directors, which shall exercise the Corporation's power and authority. The Board of Directors shall consist of Trustees on the Board of Trustees of the University of Louisville, and the term of each director shall be coterminous with his or her term as such Trustee of the University of Louisville. The number of directors shall be as provided in the By-Laws, but shall not be less than 20.

The number of directors constituting the initial Board of Directors shall be 20 and the names and addresses of the persons who are to serve as initial directors are as follows:

Mr. Norbert L. Blume

4224 Northwestern Parkway  
Louisville, Kentucky 40212

Mr. Daniel D. Briscoe P. O. Box 517  
151 Elkhorn Court  
Frankfort, Kentucky 40602

Mr. Robert L. Cochran University Staff Senate  
University of Louisville  
Louisville, Kentucky 40292

Mr. George E. Fischer Secretary of the Governor's  
Executive Cabinet  
Frankfort, Kentucky 40601

Mr. Gene P. Gardner Louisville Cement Company  
P. O. Box 35750  
Louisville, Kentucky 40232

Mr. Kenton R. Hayes, Sr. Hayes Utley & Associates Ins.  
3923 Bardstown Road  
Louisville, Kentucky 40218

Madeline Maupin Hicks, D.M.D. Doctors Office Building  
Suite 709  
250 East Liberty Street  
Louisville, Kentucky 40202

Mr. Frank Jemley III Student Government Association  
University of Louisville  
Louisville, Kentucky 40292

Mr. D. Harry Jones Jones Plastic & Engineering  
Corporation  
2410 Plantside Drive  
Louisville, Kentucky 40299

Mr. Samuel H. Klein Bank of Louisville  
Fifth and Broadway  
Louisville, Kentucky 40202

George C. Lindauer, Ph.D. University Faculty Senate  
University of Louisville  
Louisville, Kentucky 40292

J. Herman Mahaffey, M.D. 201 Baptist East Doctors Bldg.  
3950 Kresge Way  
Louisville, Kentucky 40207

Mr. Charles I. McCarty BATUS Inc.  
2000 Citizens Plaza  
Louisville, Kentucky 40202

Ms. Elaine M. Musselman	Harris & Company 940 Starks Building Louisville, Kentucky 40202
Mr. Woodford R. Porter	Porter's Funeral Home 1300 West Chestnut Street Louisville, Kentucky 40203
Mr. Robert W. Rounsavall, Jr.	Dixie Warehouse & Cartage Co. P. O. Box 36158 Louisville, Kentucky 40233
Mrs. Mary N. Shands	509 West Main Street Louisville, Kentucky 40202
Mr. Thomas C. Simons	Capital Holding Corporation P. O. Box 32830 Louisville, Kentucky 40232
Mr. R. Gene Smith	Vice Chairman, Governor's Executive Cabinet Frankfort, Kentucky 40601
Mr. Daniel C. Ulmer Jr.	Citizens Fidelity Bank & Trust Company P. O. Box 35009 Louisville, Kentucky 40232

#### ARTICLE VII

The names and addresses of the sole incorporator is as follows:

Donald C. Swain, Ph.D.	Office of the President University of Louisville Louisville, Kentucky 40292
------------------------	---

#### ARTICLE VIII

Indemnification of directors, officers, employees and agents of the Corporation may be as provided for in the By-Laws; provided, however, such indemnification is not otherwise in conflict with the provisions of Article III of these Articles of Incorporation.

#### ARTICLE IX

1. The Corporation's Articles of Incorporation may be amended in the manner provided by law.





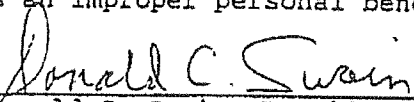
ARTICLES OF AMENDMENT  
TO THE ARTICLES OF INCORPORATION  
OF THE  
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.


Pursuant to the provisions of KRS 273.263 and KRS 273.267, the University of Louisville Research Foundation, Inc., a Kentucky non-stock, not for profit corporation without members (the "Corporation") hereby adopts the following Articles of Amendment to its Articles of Incorporation:

- FIRST: The name of the Corporation is University of Louisville Research Foundation, Inc.
- SECOND: The Corporation's Articles of Incorporation were amended by the affirmative vote of a majority of Directors of the Corporation on May 22, 1989, at a meeting held pursuant to the By-laws of the Corporation as provided in the Kentucky Nonprofit Corporation Act.
- THIRD: Article VIII of the Corporation's Articles of Incorporation shall read as follows:

ARTICLE VIII

Indemnification of directors, officers and agents of the Corporation may be as provided for in the By-Laws effective upon filing of this Article with the Secretary of State; provided, however, such indemnification is not otherwise in conflict with the provisions of Article III of these Articles of Incorporation, and shall not limit liability for (a) any transaction in which a director's personal financial interest is in conflict with the financial interest of the Corporation; (b) for acts or omissions not in good faith or which involve intentional misconduct, or are known to the director to be a violation of law; or (c) or for any transaction from which the director derives an improper personal benefit.

  
\_\_\_\_\_  
Donald C. Swain, President  
Board of Directors  
University of Louisville  
Research Foundation, Inc.

  
\_\_\_\_\_  
Karen R. Howe  
Assistant Secretary  
Board of Directors  
University of Louisville Research Foundation, Inc.

RECEIVED AND FILED  
DATE \_\_\_\_\_  
TIME 9:20 AM  
OFFICE OF THE  
SECRETARY OF STATE  
COWARD BUILDING, COLUMBUS, KY  
\_\_\_\_\_

## Request for Taxpayer Identification Number and Certification

**Give Form to the  
 requester. Do not  
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. <b>UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION</b>		
	2 Business name/disregarded entity name, if different from above		
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ <b>STATE UNIVERSITY</b>		4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>1</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) <b>CONTROLLER'S OFFICE - SERVICE COMPLEX BLDG.</b>		Requester's name and address (optional)
	6 City, state, and ZIP code <b>LOUISVILLE KY 40292</b>		
	7 List account number(s) here (optional)		

**Part I Taxpayer Identification Number (TIN)**

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number		
[ ] [ ] [ ] [ ]	-	[ ] [ ] [ ] [ ]
or		
Employer identification number		

**Note.** If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

**Part II Certification**

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

<b>Sign Here</b>	Signature of U.S. person ▶	Date ▶
------------------	----------------------------	--------

**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.  
**Future developments.** Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at [www.irs.gov/fw9](http://www.irs.gov/fw9).

**Purpose of Form**

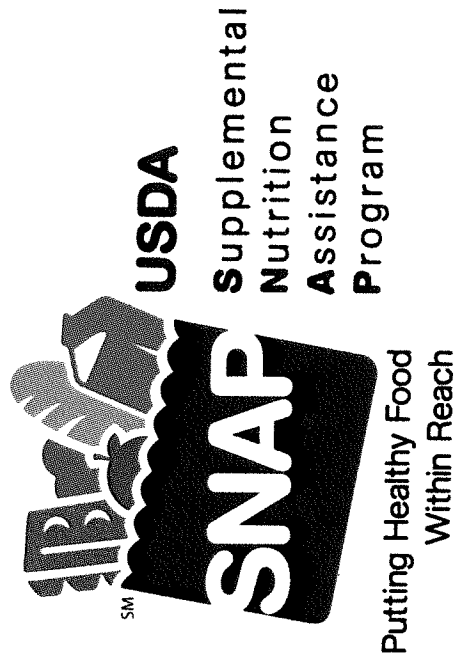
An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
  - Form 1099-C (canceled debt)
  - Form 1099-A (acquisition or abandonment of secured property)
- Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.
- If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.*
- By signing the filled-out form, you:
1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
  2. Certify that you are not subject to backup withholding, or
  3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
  4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

# DOUBLE YOUR DOLLARS

Gray Street Farmers Market Double Dollars Transaction Log 2016



Up to a \$20 match each week

## Gray Street Farmers Market 2016 Daily Transaction Log Double Dollars

### Gray Street Farmers Market Double Dollars Transaction Log 2016

Customers who receive SNAP benefits are eligible to receive a dollar for dollar match up to \$20 per week.

1. Market staff lets customer know they can receive a Double Dollars match of the same amount.
2. Customer states how much SNAP they want to run on their card.
3. Customer runs EBT card for SNAP portion of transaction.
4. If transaction is successful, market staff records it on the Daily Transaction Log, including:
  - a. First name, last initial
  - b. EBT amount
  - c. DD match
  - d. Total transaction amount
  - e. Last 5 digits of customer card number
  - f. If it is there first time at the market.
5. Customer receives EBT tokens (**square tokens**) for the SNAP & DD match portions of their transaction

**\*Reminder:** SNAP benefits CAN be used to purchase breads, fruits, vegetables, canned items, honey, jams, meat, as well as popcorn.

SNAP CANNOT be used to purchase prepared food items from food trucks.

**Gray Street Farmers Market 2016 Daily Transaction Log  
Double Dollars**

**Date: August 18, 2016**

	First Name, Last Initial	EBT Amount	DD Match Amount (\$1-\$20)	Total Transaction Amount EBT+ DD Match =	Last five (5) digits of EBT card	Is this your first time at the market
<u>Example</u>	John B	\$15	\$15	\$30	47553	Yes/No
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

**Gray Street Farmers Market 2016 Daily Transaction Log**  
**Double Dollars**

Date: August 18, 2016

	First Name, Last Initial	EBT Amount	DB Match Amount (\$1-\$20)	Total Transaction Amount EBT+ DD Match =	Last five (5) digits of EBT card	Is this your first time at the market
<u>Example</u>	John B	\$15	\$15	\$30	47553	Yes/No
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						

**Gray Street Farmers Market 2016 Daily Transaction Log**  
**Double Dollars**

**Date: August 18, 2016**

	First Name, Last Initial	EBT Amount	DD Match Amount (\$1-\$20)	Total Transaction Amount EBT+ DD Match =	Last five (5) digits of EBT card	Is this your first time at the market
<u>Example</u>	John B	\$15	\$15	\$30	47553	Yes/No
21.						
22.						
23.						
24.						
25.						
26.						
27.						
28.						
29.						
30.						



**Gray Street Farmers Market 2016 Daily Transaction Log**  
**Double Dollars**

Date: August 18, 2016

	First Name, Last Initial	EBT Amount	DB Match Amount (\$1-\$20)	Total Transaction Amount EBT+ DD Match =	Last five (5) digits of EBT card	Is this your first time at the market
<u>Example</u>	John B	\$15	\$15	\$30	47553	Yes/No
31.						
32.						
33.						
34.						
35.						
36.						
37.						
38.						
39.						
40.						
		Total	Total			

# Bonus Tokens

Gray Street Farmers Market Senior Voucher Transaction Log 2016

A onetime ONLY \$12 bonus

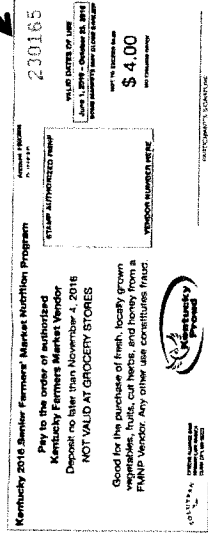
# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

### Gray Street Farmers Market Senior Voucher Transaction Log 2016

Customers who receive Senior Vouchers are eligible to receive a onetime only \$12 in tokens.

1. Customer states they have Senior Vouchers.
2. Market staff lets customer know they can receive a onetime only \$12 in tokens by showing their vouchers.
3. Customer gives market staff all the vouchers they have.
4. Market staff records required information into the Daily Transaction Log, including:
  - a. First name, last initial
  - b. Check number; range of ALL checks (ex: 230165-166)
  - c. Senior Voucher amount
  - d. Bonus Amount (will always be \$12)
  - e. If it is there first time at the market.
5. Customer receives EBT tokens (square tokens) for the SNAP & DD match portions of their transaction



**\*Reminder:** EBT tokens CAN be used to purchase breads, fruits, vegetables, canned items, honey, jams, meat, as well as popcorn.

SNAP CANNOT be used to purchase prepared food items from food trucks.

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

Date: August 25, 2016

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market Yes/No
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
1.				\$12	
2.				\$12	
3.				\$12	
4.				\$12	
5.				\$12	
6.				\$12	
7.				\$12	
8.				\$12	
9.				\$12	
10.				\$12	

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

Date: August 25, 2016

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
11.				\$12	
12.				\$12	
13.				\$12	
14.				\$12	
15.				\$12	
16.				\$12	
17.				\$12	
18.				\$12	
19.				\$12	
20.				\$12	

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

Date: August 25, 2016

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
21.				\$12	
22.				\$12	
23.				\$12	
24.				\$12	
25.				\$12	
26.				\$12	
27.				\$12	
28.				\$12	
29.				\$12	
30.				\$12	

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

Date: August 25, 2016

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
31.				\$12	
32.				\$12	
33.				\$12	
34.				\$12	
35.				\$12	
36.				\$12	
37.				\$12	
38.				\$12	
39.				\$12	
40.				\$12	

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market Yes/No
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
41.				\$12	
42.				\$12	
43.				\$12	
44.				\$12	
45.				\$12	
46.				\$12	
47.				\$12	
48.				\$12	
49.				\$12	
50.				\$12	



# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
51.				\$12	
52.				\$12	
53.				\$12	
54.				\$12	
55.				\$12	
56.				\$12	
57.				\$12	
58.				\$12	
59.				\$12	
60.				\$12	

# DO NOT ACCEPT CHECKS

## Gray Street Farmers Market 2016 Senior Voucher Daily Transaction Log Bonus Tokens

	First Name, Last Initial	Check Number	Senior Voucher Amount	EBT Bonus Tokens Given \$12	Is this your first time at the market
<u>Example</u>	John B	230164-165 (range of ALL checks)	\$8	\$12 (always \$12)	Yes/No
61.				\$12	
62.				\$12	
63.				\$12	
64.				\$12	
65.				\$12	
66.				\$12	
67.				\$12	
68.				\$12	
69.				\$12	
70.				\$12	

## 2015 Customer Survey - Gray Street Farmers Market

**We want to thank you for making the 2015 season of the Gray Street Farmers Market a success. This short survey is designed to help the market continue to grow and improve in 2016.**

**Please click the link below to begin the survey. It should take about 5 minutes to complete.**

## 2015 Customer Survey - Gray Street Farmers Market

1. Thinking back, in what year did you first visit the Gray Street Farmers Market?

2. In what month was your first visit to the Gray Street Farmers Market during the 2015 season?

3. How did you hear about the Gray Street Farmers Market?

A friend or co-worker

Email

Web search

Social Media

Posted signs

Other, please specify

4. Approximately, how frequently did you visit the Gray Street Farmers Market between May and October 2015?

5. When was your last visit to the Gray Street Farmers Market during the 2015 season?

6. On average, how much did you spend during each visit to the Gray Street Farmers Market?

7.

We would like to know more about customer purchasing habits. Please indicate the items you purchased in 2015 by checking all that apply:

- Fruit
- Vegetables
- Lunch / Prepared Food
- Baked Goods
- Jams and Other Canned Goods
- Meat
- Granola
- Popcorn

Other, please specify

8. Please rate your level of satisfaction with these aspects of the Gray Street Farmers Market:

	Very Dissatisfied	Dissatisfied	Satisfied	Very Satisfied	N/A
a) Quality of produce/products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments

b) Variety of produce/products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
--------------------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

c) Quality of lunch items	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---------------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

d) Cost of products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

e) Ease of use with the Debit/EBT machine	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

f) Quality of service at the GSFM information booth	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
---	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

g) Communication with vendors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-------------------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

h) Overall experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
-----------------------	-----------------------	-----------------------	-----------------------	-----------------------	-----------------------

Comments

9. What age group are you in?

10. How do you get to the Gray Street Farmers Market ?

- Walk
- Car
- Bus
- Bike
- Other, please specify

11. Typically, where are you coming from just prior to visiting the Gray Street Farmers Market?

- Work
- Home

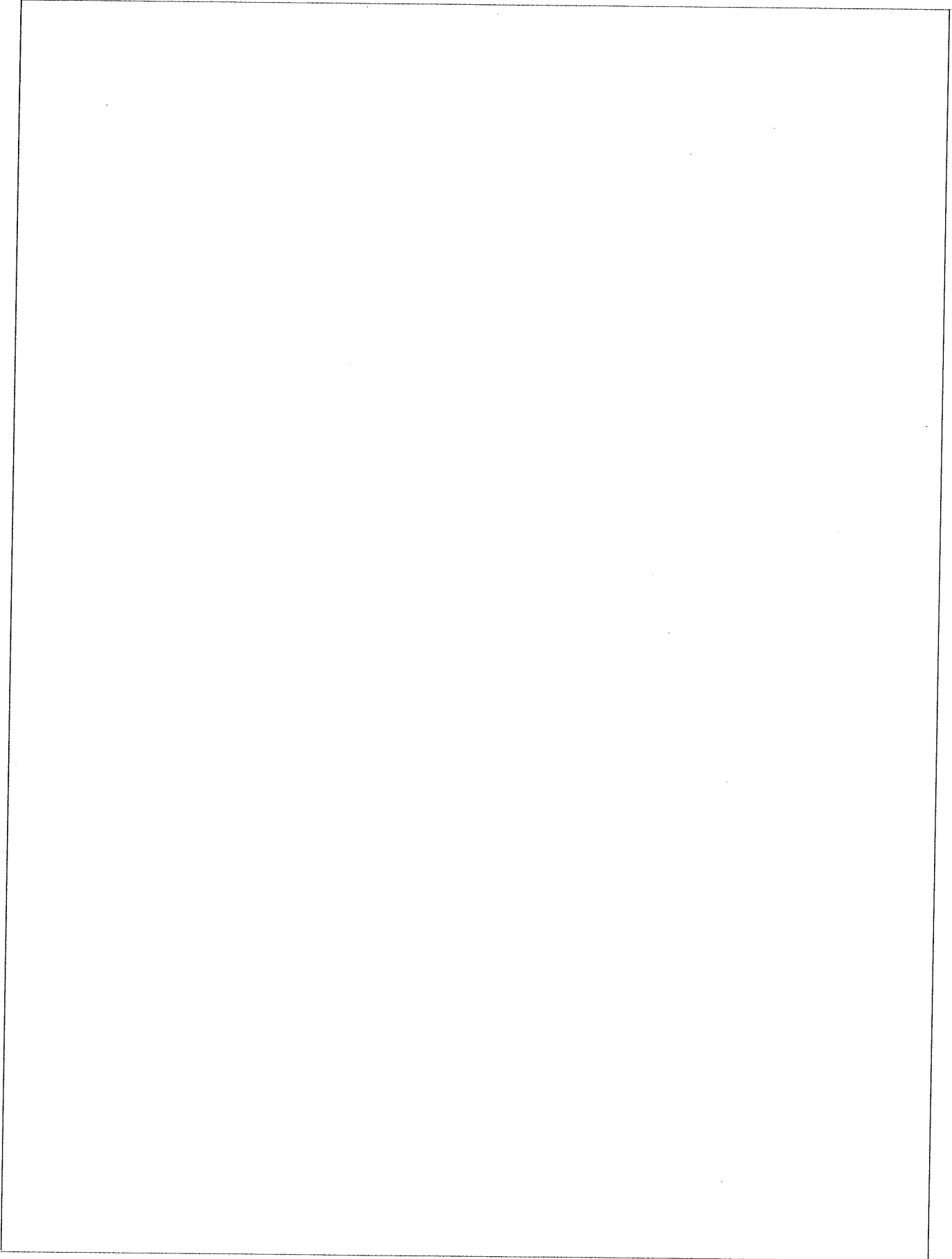
Other (please specify)

12. Please indicate if you are employed by any of the following organizations:

- Not applicable
- KentuckyOne Health
- Metro United Way
- Norton Healthcare
- Red Cross
- UofL Hospital
- University of Louisville – HSC
- University of Louisville – Other campus

Other (please specify)

13. Please use this space to provide any additional comments and recommendations to improve the market:





**UNIVERSITY OF LOUISVILLE**  
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE  
SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS**  
Year Ended June 30, 2015

**UNIVERSITY OF LOUISVILLE**  
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2015

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UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
<b>STUDENT FINANCIAL AID CLUSTER</b>			
UNITED STATES DEPARTMENT OF EDUCATION			
Federal Supplemental Educational Opportunity Grants	84.007		\$ 710,939
Federal Work Study Program	84.033		735,987
Federal Perkins Loan Program	84.038		9,533,051
Federal Pell Grant Program	84.063		19,153,843
William D. Ford Federal Direct Loan Program	84.268		139,827,053
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		170,786
<b>TOTAL UNITED STATES DEPARTMENT OF EDUCATION</b>			<u>170,131,659</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students	93.342		8,831,647
Nursing Student Loans	93.364		129,275
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>8,960,922</u>
<b>TOTAL STUDENT FINANCIAL AID CLUSTER</b>			<u>179,092,581</u>

See notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
<b>RESEARCH AND DEVELOPMENT CLUSTER</b>			
<b>DEPARTMENT OF AGRICULTURE</b>			
Agricultural Research_Basic and Applied Research Agriculture and Food Research Initiative (AFRI)	10.001 10.310		\$ 144,360 12,819
<b>TOTAL DEPARTMENT OF AGRICULTURE</b>			<u>157,179</u>
<b>DEPARTMENT OF COMMERCE</b>			
ARRA - Measurements and Engineering Research and Standards Through National Center for Defense Manufacturing and Machining	11.609 11.609	0140098	187,804 642,475
<b>TOTAL DEPARTMENT OF COMMERCE</b>			<u>830,279</u>
<b>DEPARTMENT OF DEFENSE</b>			
Department of Defense Contracts Through Ceramics Composites and Coatings Company Through Confidential Through Metabiota, Inc. Through Mound Laser & Photonics Center, Inc. Through Spectral Sciences, Inc. Through Spectral Sciences, Inc.	12.000 12.000 12.000 12.000 12.000 12.000 12.000	1501 Federal Contractor COLLABORATIVE BIOLOG FA8650-13-C-5021 TOPIC N13A-TO11 Optical Vibrations	(3,291) 11,206 51,456 (638) 61,679 20,997 83,658

See notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
Through Spectral Sciences, Inc.	12.000	N131-013, SBIR	\$ 7,435
Through Spectral Sciences, Inc.	12.000	N68335-15-C-0016	8,138
Through Texas Research Institute Austin, Inc.	12.000	N112-153	139,061
Basic and Applied Scientific Research	12.300		109,665
Basic Scientific Research - Combating Weapons of Mass Destruction	12.351		86,583
Through Omm Scientific, Inc.	12.351	HDTRA1-14-1-0043	180,292
Through Southern Research Institute	12.351	S13-XXXX	(1,300)
Military/Medical Research and Development	12.420		1,576,751
Through Christine Kleiner Institute	12.420	W81XWH-13-2-0057	130,592
Through Christopher & Dana Reeve Foundation	12.420	CTN1-2013	54,301
Through Jewish Hospital	12.420	SVF CELLS	110,420
Through Owensboro Medical Health System	12.420	W81XWH-10-2-0082	191,755
Through University of Florida	12.420	UF11142	686
Through University of Florida Research Foundation	12.420	UFDSP00010202	12,819
Through University of Pittsburgh	12.420	0027150 (408007-2)	62,319
Basic Scientific Research	12.431		380,351
Basic, Applied, and Advanced Research in Science and Engineering	12.630	W911NF-10-2-0076	2,920
Through Academy of Applied Science	12.800	RES508102	94,245
Air Force Defense Research Sciences Program	12.800	FA8650-09-D-5037 001	21,290
Through Case Western Reserve University	12.901		8,225
Through UES, Inc.	12.910		86,944
Mathematical Sciences Grants Program	12.910	DARPA-BAA-12-38	68,763
Research and Technology Development			
Through Scientific Systems Company, Inc.			
<b>TOTAL DEPARTMENT OF DEFENSE</b>			<u>3,557,322</u>

See notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
<b>DEPARTMENT OF INTERIOR</b>			
Department of Interior Contracts			
Conservation Grants Private Stewardship for Imperiled Species	15.000		\$ 13,561
Assistance to State Water Resources Research Institutes Through Kentucky Water Resources Research Institute	15.632		56,014
	15.805	348108119-14-152	<u>4,998</u>
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<u>74,573</u>
<b>DEPARTMENT OF JUSTICE</b>			
Legal Assistance for Victims through Legal Aid Society, Inc. Juvenile Justice and Delinquency Prevention - Allocation to States Through State of Kentucky	16.524	OVW LAV 2010, 2014-2017	21,495
National Institute of Justice Research, Evaluation, and Development Project Grants Through University of Kentucky Research Foundation	16.540	2009-JF-FX-0044	17,098
	16.560		66,475
	16.560	3048109943-13-154	<u>27,980</u>
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<u>133,048</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Through University of Kentucky Research Foundation	20.505	3048110296-13-192	44,031

See notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
University Transportation Centers Program through Marshall University	20.701	RC-P1300354	\$ 169,268
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<u>213,299</u>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>			
NASA Contracts			
Through Oregon State University	43.000	NS224A-A	59,021
Through University of Kentucky Research Foundation	43.000	3048110296-13-192	175,313
Through University of Kentucky Research Foundation	43.000	3049024102-13-142	(1,153)
Through University of Kentucky Research Foundation Science	43.000	3048109993-13-189	41,732
Through University of Kentucky Research Foundation	43.001	3049024102-15-119	4,270
Through Western Kentucky University	43.001	WKURF516171-09-114	1
Education through University of Kentucky Research Foundation	43.008	3048111831-15-029	264,570
Cross Agency Support	43.009		9,419
<b>TOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>			<u>553,173</u>
<b>NATIONAL ENDOWMENT FOR THE ARTS</b>			
Promotion of the Arts_ Grants to Organizations and Individuals	45.024		<u>1,245</u>

See notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
<b>NATIONAL SCIENCE FOUNDATION</b>			
Engineering Grants	47.041		\$ 400,438
Through Bert Thin Films, LLC	47.041	1448883	31,120
Through Pyrochem Catalyst Corporation	47.041	IIP-1417144	32,566
Mathematical and Physical Sciences	47.049		865,250
Through University of California, Riverside	47.049	S000717	13,372
Through Wayne State University	47.049	DMS-1312603	10,885
Geosciences	47.050		68,464
Biological Sciences	47.074		365,928
Social, Behavioral, and Economic Sciences	47.075		70,152
Education and Human Resources	47.076		1,070,005
Through Cleveland State University	47.076	DELAT37B	(4)
Through University of Kentucky Research Foundation	47.076	304811054-14-127	24,453
Office of International Science and Engineering			
Through University of Kentucky Research Foundation	47.079	3048111570	637,555
Office of Experimental Program to Stimulate Competitive Research			
Through University of Kentucky Research Foundation	47.081	3048108525-12-380	59,089
ARRA - Trans-NSF Recovery Act Research Support	47.082		37,764
<b>TOTAL NATIONAL SCIENCE FOUNDATION</b>			<u>3,687,037</u>

See notes to the schedule of expenditures of federal awards.



UNIVERSITY OF LOUISVILLE  
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 Year ended June 30, 2015

Federal Grant or Program Title	CFDA #	Pass Through Entity #	Fiscal 2015 Expenditures
<b>DEPARTMENT OF VETERANS AFFAIRS</b>			
Sharing Specialized Medical Resources Through National Academy of Sciences	64.018 64.018	2000004348	\$ 465,548 36,629
<b>TOTAL DEPARTMENT OF VETERANS AFFAIRS</b>			<u>502,177</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>			
Nonpoint Source Implementation Grants Through Cumberland Valley Resource Conservation Through State of Kentucky	66.460 66.460 66.461	Sinking Creek Water PON2129 1200002095 1	75,784 186,014 160,733
Regional Wetland Program Development Grants Source Reduction Assistance Through State of Kentucky	66.717 66.717	P02 129 1500003585 1	2,577 624
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY</b>			<u>425,732</u>
<b>DEPARTMENT OF ENERGY</b>			
Basic Energy Sciences Through University of Kentucky Research Foundation Renewable Energy Research and Development	81.049 81.049 81.087	3048103802-12-391	21,378 (2,447) 179,081
<b>TOTAL DEPARTMENT OF ENERGY</b>			<u>198,012</u>

See notes to the schedule of expenditures of federal awards.