

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

Applicant/Program: University of Louisville Research Foundation
Applicant Requested Amount: \$6,158
Appropriation Request Amount: \$5,958

Executive Summary of Request

U of research Fdn. requested for Theatre Arts program funds for the play, **The Meeting**, commemorating the 50th Anniversary of Dr. Martin L. King and Malcolm X.

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.

3
District #

C. U. Mary C. Stodridge
Primary Sponsor Signature

\$5,958
Amount

9/10/18
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.

Approved by:

Appropriations Committee Chairman

Date

Final Appropriations Amount: _____

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Legal Name of Applicant Organization U o Louisville Research Foundation

Program Name and Request Amount The Meeting - \$6,158

	Yes/No/NA
Is the NDF Transmittal Sheet Signed by all Council Member(s) Appropriating Funding?	<input checked="" type="checkbox"/> Yes
Is the funding proposed by Council Member(s) less than or equal to the request amount?	<input checked="" type="checkbox"/> Yes
Is the proposed public purpose of the program viable and well-documented?	<input checked="" type="checkbox"/> Yes
Will all of the funding go to programs specific to Louisville/Jefferson County?	<input checked="" type="checkbox"/> Yes
Has Council or Staff relationship to the Agency been adequately disclosed on the cover sheet?	<input checked="" type="checkbox"/> Yes
Has prior Metro Funds committed/granted been disclosed?	<input checked="" type="checkbox"/> Yes
Is the application properly signed and dated by authorized signatory?	<input checked="" type="checkbox"/> Yes
Is proof of Tax Exempt status of 501(c) 3, 4, 6, 19, 1120-H included?	<input checked="" 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"/> No
Is the entity in good standing with: <ul style="list-style-type: none"> ▶ Kentucky Secretary of State? ▶ Louisville Metro Revenue Commission? ▶ Louisville Metro Government? ▶ Internal Revenue Service? ▶ Louisville Metro Human Relations Commission? 	<input checked="" type="checkbox"/> Yes
Is the current Fiscal Year Budget included?	<input checked="" type="checkbox"/> Yes
Is the entity's board member list (with term length/term limits) included?	<input checked="" type="checkbox"/> Yes
Is recommended funding less than 33% of total agency operating budget?	<input checked="" type="checkbox"/> Yes
Does the application budget reflect only the revenue and expenses of the project/program?	<input checked="" type="checkbox"/> Yes
Is the cost estimate(s) from proposed vendor (if request is for capital expense) included?	<input checked="" type="checkbox"/> Yes
Is the most recent annual audit (if required by organization) included?	<input type="checkbox"/> No
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 checked="" type="checkbox"/> Yes
Is the IRS Form W-9 included?	<input checked="" type="checkbox"/> Yes
Is the IRS Form 990 included?	<input checked="" type="checkbox"/> Yes
Are the evaluation forms (if program participants are given evaluation forms) included?	<input type="checkbox"/> N/A
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 checked="" type="checkbox"/> Yes
Prepared by: <i>Donna Jordan</i>	Date: <i>6-11-18</i>

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 1 - APPLICANT INFORMATION

Legal Name of Applicant Organization: University of Louisville Research Foundation, Inc. <i>(as listed on: http://www.sos.ky.gov/business/records)</i>			
Main Office Street & Mailing Address: 300 E Market ST, Suite 300, Louisville, KY 40202-1958			
Website: research.louisville.edu			
Applicant Contact:	Jessica Key	Title:	Program Coordinator, Sr.
Phone:	502-852-5922	Email:	jdkey002@louisville.edu
Financial Contact:	Gail Wilmes	Title:	Grants Management Accountant
Phone:	502-852-3788	Email:	gail.wilmes@louisville.edu
Organization's Representative who attended NDF Training: Gail Wilmes			

GEOGRAPHICAL AREA(S) WHERE PROGRAM ACTIVITIES ARE (WILL BE) PROVIDED			
Program Facility Location(s): Central High School and The Playhouse Theatre (UofL)			
Council District(s):	4 & 6	Zip Code(s):	40208 & 40203

SECTION 2 - PROGRAM REQUEST & FINANCIAL INFORMATION

PROGRAM/PROJECT NAME: "The Meeting", Remembering Dr. Martin Luther King, Jr.			
Total Request: (\$)	6,158	Total Metro Award (this program) in previous year: (\$)	0
Purpose of Request (check all that apply):			
<input type="checkbox"/> Operating Funds (generally cannot exceed 33% of agency's total operating budget)			
<input checked="" type="checkbox"/> Programming/services/events for direct benefit to community or qualified individuals			
<input type="checkbox"/> Capital Project of the organization (equipment, furnishing, building, etc)			

The Following are Required Attachments:	
<ul style="list-style-type: none"> ■ IRS Exempt Status Determination Letter ■ Current year projected budget ■ Current financial statement ■ Most recent IRS Form 990 or 1120-H ■ Articles of Incorporation (current & signed) Cost estimates from proposed vendor if request is for capital expense 	<ul style="list-style-type: none"> ■ Signed lease if rent costs are being requested ■ IRS Form W9 Evaluation forms if used in the proposed program ■ Annual audit (if required by organization) Faith Based Organization Certification Form, if applicable

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:	See Attached List	Amount: (\$)	
Source:		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

Applicant's Initials

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 3 – AGENCY DETAILS

Describe Agency's Vision, Mission and Services:

The University of Louisville Research Foundation, Inc. (ULRF) has the vision to make the University of Louisville a premier 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.

Who We Serve: ULRF serves our students Approximately 79,000 University of Louisville alumni currently reside in the Commonwealth. That is about 61 % of all graduates. Each and every one of them has a different story of their time at the University, and of how that story has impacted their lives.

As public financial support for higher education has declined and the cost continues to increase, ULRF is working to ensure the deficit in funding is met, and that young students can continue to become University of Louisville academics, athletes and citizens, creating their own unique UofL stories. This is why ULRF encourages scholarship programs that serve both financial and enrichment purposes, as well as the various academic, athletic and career pursuits, including everything from Fulbright scholarships to state-of-the-art soccer facilities.

ULRF serves our community Being a preeminent metropolitan research university means thinking globally and serving locally. Between 2003 and 2009, UofL increased the economic output of the Commonwealth by \$1.2 billion, and it produced an estimated 9,600 jobs (or 40% of the total new jobs created in Kentucky during this period).

UofL is an economic engine for the city of Louisville, our state and region. Since 2002, more than \$1.6 billion has been invested in UofL and UofL-related construction projects. An economic impact study found that between 2003 and 2009, UofL increased the economic output of the Commonwealth by \$1.2 billion, and it produced an estimated 9,600 jobs (or 40% of the total new jobs created in Kentucky during this period). ULRF is committed to helping the community.

ULRF serves future generations By making smart investments in real estate and smart choices in the way it operates, the Foundation has a proven track record of financial success that is sure to pay dividends for years to come. This starts with guidance from administration, continues with a portfolio of investments with unprecedented returns and finishes with a property procurement program that ensures community prosperity on multiple levels.

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

SECTION 4 - BOARD OF DIRECTORS AND PAID STAFF

Board Member	Term End Date
Gregory C. Postel, Acting President	
William Armstrong	July 9, 2018
Bonita Black	
Dale Billingsley, Chief Academic Officer	
Raymond Burse	January 13, 2019
Brian Cromer	January 13, 2020
Sandra Frazier	January 13, 2021
J. David Grissom	January 13, 2023
Joseph Han, Chief Operating Officer	
Susan Howarth, Chief Financial Officer	
Rob Keynton, Chief Business Officer	
Mary Nixon	January 13, 2024
James Rogers	January 13, 2018
Nitin Sahney	January 13, 2021
John Schnatter	January 13, 2022
Vishnu Tirumala	July 20, 2018
Enid Trucio-Haynes	Septmber 6, 2018
Ronald Wright	January 13, 2019

Describe the Board term limit policy:

Board of Directors. The government of the Corporation shall be vested in a Board of Directors composed of the members of the Board of Trustees of the University of Louisville and the following officers of the University of Louisville: the President and the Chief Business Officer, the Chief Financial Officer, the Chief Academic Officer, and the Chief Research Officer designated by the President of the University who shall be Vice Presidents of the Corporation. A Chairman, Vice Chairman, Secretary, and Treasurer shall be elected annually by the Board of Directors. The term of each Director shall be coterminous with service on the Board of Trustees of the University of Louisville or as President, Chief Business Officer, the Chief Financial Officer, Chief Academic Officer, or Chief Research Officer of the University of Louisville as the case may be.

Three Highest Paid Staff Names	Annual Salary

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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.):

Founded in 1993, the African American Theatre Program is committed to staging works by new and established African-American dramatists, developing a broad audience for African American theatre, and offering an in-depth curriculum that focuses on the theory and craft of acting, directing, and designing for Black Theatre.

We offer an incredibly unique opportunity for students to study African American Theatre; its history, literature, aesthetics as well as the crafts of acting and directing.

This year is the 50th year of Dr. Martin Luther King, Jr's. assassination. We are going to honor his memory by touring a production of *The Meeting* by Jeff Stetson, and reaching out to the under served youth in west Louisville. We plan to have a showing of the production at The Playhouse Theatre at the University of Louisville.

Thursday, May 17th - Western Middle School
Friday, May 18th - Central High School
Saturday, May 19th - University of Louisville (The Playhouse)

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

See attached budget proposal.



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

N/A

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.

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:

The UofL African American Theatre Program is dedicated to reaching the under-served communities in Louisville, KY. We have a vested interest in the youth and families in west Louisville and giving them opportunities to experience works by African American playwrights in hopes that they will be inspired and support our community engagement efforts.

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.

The African American Theatre Program has collaborative relationships with the Kentucky Center for African American Heritage (KCAAH), Locust Grove, and Louisville Metro. We've hosted numerous events at KCAAH, and they continue to be supportive of our program. Locust Grove provides community service opportunities for our students. Additionally, Louisville Metro has been supportive of our touring productions in the past.



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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.

	Column 1	Column 2	Column (1+2)=3
Program/Project Expenses	Proposed Metro Funds	Non- Metro Funds	Total Funds
A: Personnel Costs Including Benefits	2826.00		2826.00
B: Rent/Utilities			
C: Office Supplies			
D: Telephone			
E: In-town Travel	200.00		200.00
F: Client Assistance (See Detailed List on Page 8)			
G: Professional Service Contracts			
H: Program Materials			
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)	3132.00		3132.00
*TOTAL PROGRAM/PROJECT FUNDS	6158.00		6158.00
% of Program Budget	100 %	%	100%

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

Other State, Federal or Local Government	
United Way	
Private Contributions (do not include individual donor names)	
Fees Collected from Program Participants	
Other (please specify)	
Total Revenue for Columns 2 Expenses **	

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

**Must equal or exceed total in column 2.

JR

LOUISVILLE METRO COUNCIL NEIGHBORHOOD DEVELOPMENT FUND APPLICATION

Detail for Client Assistance, Community Events & Festivals or Other Expenses shown on Page 7 (circle one and use multiple sheets if necessary)	Column 1	Column 2	Column (1 + 2) = 3
	Proposed Metro Funds	Non-Metro Funds	Total Funds
Reception	200		200
Actors Temp Service	800		800
Scene Shop Supplies	352		352
Promotional Materials	150		150
Facilities & Administrative Expense	1,630		1,630
Total	3,132		3,132

Applicant's Initials 

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">Total Value of In-Kind (to match Program Budget Line Item. Volunteer Contribution & Other In Kind)</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: July 1, 2018

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:



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 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.
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 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.

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 this application.

Signature of Legal Signatory:	<i>Barbara Sells</i>	Date:	5/4/18
Legal Signatory: (please print):	Barbara Sells	Title:	Associate Director
Phone:	(502) 852-8367	Extension:	
		Email:	grmtgmt@louisville.edu

JK

Here are the links to all the forms that are being requested by Louisville Metro in the e-mail below:

UofL Operating Budget 2017 – 2018

<http://louisville.edu/provost/budget/opuds/1718/opudbook1718.pdf>

University of Louisville Research Foundation, Inc most current financial statement

<http://www.louisvillefoundation.org/wp-content/uploads/2017/11/TNRP-FS-2017-1.pdf>

Most recent IRS Form 990 or 1120-H (2016, 2017 has not been published)

<http://louisville.edu/finance/controller/tax/forms990/ulrf9902016/view>

Link to A133 Audit Report

<http://louisville.edu/finance/controller/univacct/finst/ula1332017/view>

University of Louisville Research Foundation audit report

<http://louisville.edu/finance/controller/univacct/finst/ulrf2017/view>

Jon Schmidt

A&S Research Office

University of Louisville
Department of Theatre Arts

African American Theatre Program
Presents

THE MEETING

Written by Jeff Stetson
Directed by Baron Kelly



Commemorating the 50th Anniversary of Dr. Martin
Luther King Jr.'s Assassination and Malcolm X's Birthday

Free and Open to the Public

Saturday, May 19th
3:00 PM at The Playhouse Theatre
1911 S. 3rd Street



UNIVERSITY OF
LOUISVILLE
DEPARTMENT OF THEATRE ARTS

Request for Taxpayer Identification Number and Certification

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

Go to www.irs.gov/FormW9 for instructions and the latest information.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

2 Business name/disregarded entity name, if different from above

3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.

Individual/sole proprietor or single-member LLC

C Corporation

S Corporation

Partnership

Trust/estate

Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____

Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.

Other (see instructions) ▶ **STATE UNIVERSITY**

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) 1

Exemption from FATCA reporting code (if any) _____

(Applies to accounts maintained outside the U.S.)

5 Address (number, street, and apt. or suite no.) See instructions.

CONTROLLER'S OFFICE - SERVICE COMPLEX BLDG.

Requester's name and address (optional)

6 City, state, and ZIP code

LOUISVILLE, KY 40292

7 List account number(s) here (optional)

Print or type. See Specific Instructions on page 3.

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 instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

			-			-				
--	--	--	---	--	--	---	--	--	--	--

OR

Employer identification number



Part II Certification

Under penalties of perjury, I certify that:

- 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
- 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
- I am a U.S. citizen or other U.S. person (defined below); and
- 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 for Part II, later.

Sign Here

Signature of U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

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*, later.

0180002.09

Chance
NAOA

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

Trey Grayson
Secretary of State
Received and Filed
01/10/2005 9:50:43 AM
Fee Receipt: \$8.00

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 November 11, 2004, at a meeting held pursuant to the By-laws of the Corporation as provided in the Kentucky Nonprofit Corporation Act.
- THIRD:** Article III of the Corporation's Articles of Incorporation shall read as follows:

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 any 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. The Corporation shall qualify as and remain classified as an affiliated corporation of the University of Louisville pursuant to the provisions of KRS 164A.610 and exercise all rights and perform the duties as such.

3. 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.

4. 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.

5. To foster 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.

6. 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.

7. To do and perform such other objects as, in the opinion of the Board of Directors, may be incidental to, or in furtherance of, the objects hereinbefore expressed.

8. 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 corporations 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 nor the meaning of the general terms used in describing any such purposes and powers; nor shall the expression of one thing be deemed to exclude another not expressed, although it be of like nature.

James R. Ramsey
James R. Ramsey, President
Board of Directors
University of Louisville Research Foundation, Inc.

Kathleen M. Smith
Kathleen M. Smith
Assistant Secretary
Board of Directors
University of Louisville Research Foundation, Inc.

Document No.: DN2005000742
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Total Fees: 9.00
Transfer Tax: .00
County Clerk: BOBBIE HOLSCLOW-JEFF CO KY
Deputy Clerk: CARHAR

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

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

RECEIVED AND FILED

DATE
TIME
BY

BEVERA GIESLER
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

General Information

Organization Number	0180002
Name	UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.
Profit or Non-Profit	N - Non-profit
Company Type	KCO - Kentucky Corporation
Status	A - Active
Standing	G - Good
State	KY
File Date	7/26/1983
Organization Date	7/26/1983
Last Annual Report	5/22/2018
Principal Office	UNIVERSITY OF LOUISVILLE OFFICE OF UNIVERSITY COUNSEL LOUISVILLE, KY 40292
Registered Agent	DAVID D. KING UNIVERSITY OF LOUISVILLE 2301 S. THIRD STREET LOUISVILLE, KY 40292

Current Officers

Chairman	James Rogers
President	Neeli Bendapudi
Vice Chairman	Sandra Frazier
Secretary	Bonita Black
Treasurer	Mary Nixon
Director	Gregory Postel
Director	Robert Keynton
Director	Beth Boehm

Individuals / Entities listed at time of formation

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

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	5/22/2018	1 page	PDF
Registered Agent	5/8/2018 9:57:09 AM	1 page	PDF

name/address change				
Annual Report	4/19/2017	1 page	PDF	
Annual Report	3/8/2016	1 page	PDF	
Annual Report	5/8/2015	1 page	PDF	
Registered Agent name/address change	1/26/2015 4:55:06 PM	1 page	PDF	
Annual Report	6/30/2014	1 page	PDF	
Annual Report	2/8/2013	1 page	PDF	
Annual Report	2/28/2012	1 page	PDF	
Annual Report	3/28/2011	1 page	PDF	
Annual Report	4/5/2010	1 page	PDF	
Annual Report	3/30/2009	1 page	PDF	
Annual Report	2/6/2008	1 page	PDF	
Annual Report	5/30/2007	1 page	PDF	
Annual Report	3/30/2006	2 pages	PDF	
Annual Report	4/11/2005	1 page	PDF	
Amendment	1/10/2005	2 pages	tiff	PDF
Annual Report	6/2/2003	2 pages	tiff	PDF
Statement of Change	5/8/2002	1 page	tiff	PDF
Annual Report	4/23/2002	2 pages	tiff	PDF
Annual Report	7/26/2001	6 pages	tiff	PDF
Annual Report	7/6/2000	4 pages	tiff	PDF
Annual Report	8/23/1999	4 pages	tiff	PDF
Annual Report	7/22/1998	4 pages	tiff	PDF
Annual Report	7/1/1997	4 pages	tiff	PDF
Annual Report	7/1/1996	4 pages	tiff	PDF
Annual Report	7/1/1995	4 pages	tiff	PDF
Annual Report	7/1/1994	4 pages	tiff	PDF
Annual Report	7/1/1993	4 pages	tiff	PDF
Annual Report	7/1/1992	5 pages	tiff	PDF
Annual Report	7/1/1991	4 pages	tiff	PDF
Annual Report	7/1/1990	4 pages	tiff	PDF
Annual Report	7/1/1989	4 pages	tiff	PDF
Statement of Change	7/2/1987	1 page	tiff	PDF
Annual Report	7/1/1984	1 page	tiff	PDF
Articles of Incorporation	7/26/1983	8 pages	tiff	PDF

Assumed Names

Activity History

Filing	File Date	Effective Date	Org. Referenced
Annual report	5/22/2018 4:16:00 PM	5/22/2018 4:16:00 PM	
Registered agent address change	5/8/2018 9:57:09 AM	5/8/2018 9:57:09 AM	
Annual report	4/19/2017 9:20:45 AM	4/19/2017 9:20:45 AM	
Annual report	3/8/2016 2:24:16 PM	3/8/2016 2:24:16 PM	

Annual report	5/8/2015 11:41:33 AM	5/8/2015 11:41:33 AM
Registered agent address change	1/26/2015 4:55:06 PM	1/26/2015 4:55:06 PM
Annual report	6/30/2014 5:00:01 PM	6/30/2014 5:00:01 PM
Annual report	2/8/2013 3:30:27 PM	2/8/2013 3:30:27 PM
Annual report	2/28/2012 10:27:50 AM	2/28/2012 10:27:50 AM
Annual report	3/28/2011 3:37:44 PM	3/28/2011 3:37:44 PM
Annual report	4/5/2010 3:55:59 PM	4/5/2010 3:55:59 PM
Annual report	3/30/2009 3:05:04 PM	3/30/2009 3:05:04 PM
Annual report	2/6/2008 4:08:35 PM	2/6/2008 4:08:35 PM
Annual report	5/30/2007 10:57:58 AM	5/30/2007 10:57:58 AM
Annual report	3/30/2006 3:20:06 PM	3/30/2006 3:20:06 PM
Annual report	4/11/2005	4/11/2005
Amendment - Miscellaneous amendments	1/10/2005 9:50:43 AM	1/10/2005
Annual report	4/7/2004	4/7/2004
Registered agent address change	5/8/2002 8:32:53 AM	5/8/2002
Amendment - Miscellaneous amendments	7/11/1989	7/11/1989

Microfilmed Images

Microfilm images are not available online. They can be ordered by faxing a [Request For Corporate Documents](#) to the Corporate Records Branch at 502-564-5687.

Amendment	1/10/2005	2 pages
Annual Report	12/31/2004 2:18:10 PM	1 page
Annual Report	6/2/2003	2 pages
Statement of Change	5/8/2002	1 page
Annual Report	4/23/2002	2 pages
Annual Report	7/26/2001	6 pages
Annual Report	7/6/2000	4 pages
Annual Report	8/23/1999	4 pages
Annual Report	7/22/1998	4 pages
Annual Report	7/1/1997	4 pages
Annual Report	7/1/1996	4 pages
Annual Report	7/1/1995	4 pages
Annual Report	7/1/1994	4 pages
Annual Report	7/1/1993	4 pages
Annual Report	7/1/1992	5 pages

Annual Report	7/1/1991	4 pages
Annual Report	7/1/1990	4 pages
Annual Report	7/1/1989	4 pages
Statement of Change	7/2/1987	1 page
Annual Report	7/1/1984	1 page
Articles of Incorporation	7/26/1983	7 pages

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**

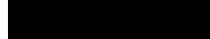
Person to Contact:

**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.

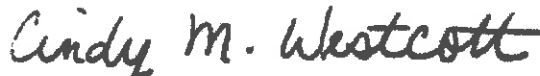
In May 1984 we issued a determination letter that recognized you as exempt from federal income tax. Our records indicate that you are currently exempt under section 501(c)(3) of the Internal Revenue Code.

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,

A handwritten signature in cursive script that reads "Cindy M. Westcott".

**Cindy Westcott
Manager, EO Determinations**

FINANCIAL STATEMENTS

The Nucleus Real Properties, Inc.
An Affiliate of the University of Louisville Foundation, Inc.
Years Ended June 30, 2017 and 2016
With Report of Independent Auditors

Ernst & Young LLP



Building a better
working world

The Nucleus Real Properties, Inc.

Financial Statements

Years Ended June 30, 2017 and 2016

Contents

Report of Independent Auditors.....1

Financial Statements

Statements of Financial Position.....3

Statements of Activities and Changes in Net Assets4

Statements of Cash Flows.....5

Notes to Financial Statements.....6



Ernst & Young LLP
Suite 2400
400 West Market Street
Louisville, KY 40202

Tel: +1 502 585 1400
Fax: +1 502 584 4221
ey.com

Report of Independent Auditors

The Board of Directors
University of Louisville Foundation, Inc. and Affiliates
Louisville, Kentucky

We have audited the accompanying financial statements of The Nucleus Real Properties, Inc., which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and changes in net assets and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Nucleus Real Properties, Inc. at June 30, 2017 and its statements of activities and changes in net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Report of Other Auditors on 2016 Financial Statements

The financial statements of The Nucleus Real Properties, Inc. for the year ended June 30, 2016, were audited by other auditors who expressed an unmodified opinion on those statements on October 27, 2016.

Ernst + Young LLP

October 12, 2017

The Nucleus Real Properties, Inc.

Statements of Financial Position
(In Thousands)

	June 30	
	2017	2016
Assets		
Cash	\$ 351	\$ 121
Restricted cash	311	1,325
Total cash	<u>662</u>	<u>1,446</u>
Deferred rent	3,312	2,787
Prepaid expenses and other assets	14	8
Deferred leasing costs, net	1,736	1,772
Tenant improvement allowance, net	5,524	5,138
Capital assets, net	24,510	24,537
Total assets	<u>\$ 35,758</u>	<u>\$ 35,688</u>
Liabilities and net (deficit) assets		
Liabilities:		
Accounts payable and accrued liabilities	\$ 982	\$ 223
Notes payable	19,315	19,295
Note payable to the University of Louisville Foundation, Inc.	16,160	16,160
Total liabilities	<u>36,457</u>	<u>35,678</u>
Net (deficit) assets:		
Unrestricted	(403)	10
Distributions to University of Louisville Foundation, Inc., net	(296)	—
Total net (deficit) assets	<u>(699)</u>	<u>10</u>
Total liabilities and net (deficit) assets	<u>\$ 35,758</u>	<u>\$ 35,688</u>

See accompanying notes.

The Nucleus Real Properties, Inc.

Statements of Activities and Changes in Net Assets
(In Thousands)

	Year Ended June 30	
	2017	2016
Revenues		
Rental revenue	\$ 3,055	\$ 2,463
Expenses		
Real estate operations	1,969	1,116
Depreciation and amortization	1,173	1,070
Total expenses	<u>3,142</u>	<u>2,186</u>
	(87)	277
Other expenses		
Interest expense – note payable	(164)	(164)
Interest expense – University of Louisville Foundation, Inc.	(162)	(162)
Total other expenses	<u>(326)</u>	<u>(326)</u>
Decrease in unrestricted net assets	(413)	(49)
Net assets, beginning of year	10	59
Distributions to University of Louisville Foundation, Inc., net	(296)	–
Net (deficit) assets, end of year	<u>\$ (699)</u>	<u>\$ 10</u>

See accompanying notes.

The Nucleus Real Properties, Inc.

Statements of Cash Flows
(In Thousands)

	Year Ended June 30	
	2017	2016
Operating activities		
Decrease in unrestricted net assets	\$ (413)	\$ (49)
Adjustments to reconcile decrease in unrestricted net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,173	1,389
Amortization of debt issuance costs	20	20
Accounts receivable	—	21
Deferred rent	(525)	(1,355)
Prepaid expenses and other assets	(6)	20
Accounts payable and accrued liabilities	759	164
Tenant improvement allowance, net	(386)	—
Deferred leasing costs, net	(124)	(271)
Net cash provided by (used in) operating activities	<u>498</u>	<u>(61)</u>
Investing activities		
Purchase of capital assets	(986)	(17)
Net cash used in investing activities	<u>(986)</u>	<u>(17)</u>
Financing activities		
Contributions from Foundation	580	—
Distributions to Foundation	(876)	—
Net cash used in financing activities	<u>(296)</u>	<u>—</u>
Net decrease in cash	(784)	(78)
Cash, beginning of year	1,446	1,524
Cash, end of year	<u>\$ 662</u>	<u>\$ 1,446</u>
Supplemental cash flows information		
Cash paid for interest	<u>\$ 306</u>	<u>\$ 265</u>

See accompanying notes.

The Nucleus Real Properties, Inc.

Notes to Financial Statements

June 30, 2017 and 2016

1. Description of Organization and Summary of Significant Accounting Policies

Organization

The Nucleus Real Properties, Inc. (TNRP), a Kentucky not-for-profit corporation, was formed on July 11, 2013, and is a consolidated affiliate of the University of Louisville Foundation, Inc. (the Foundation). TNRP and the Foundation share a common Board of Directors and certain common management.

TNRP's purpose is to develop the property and manage improvements located at the corner of Market and Shelby Streets in Louisville, Kentucky, commonly known as The Atria Support Center Building, as revenue-producing assets aimed at furthering the charitable and educational purposes of the Foundation. Additionally, TNRP entered into a New Market Tax Credit (NMTC) agreement to provide financing for the Atria Support Center Building. See Note 3 for additional information.

Prior to July 11, 2013, the Foundation financed the Atria Support Center Building with a construction line of credit. Once construction was substantially complete, the Foundation transferred the assets of the Atria Support Center Building to TNRP. TNRP used a portion of the debt proceeds issued through the NMTC agreement to transfer funds to the Foundation to repay the construction line of credit.

Prior to July 11, 2013, the Foundation entered into a management and leasing agreement with NTS Management Company (NTS) to assist with management, leasing and operation of the Atria Support Center Building. The Foundation assigned the management and leasing agreement to TNRP.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates could also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Cash

The cash carried on the statements of financial position approximates fair value.

At June 30, 2017 and 2016, TNRP's cash accounts exceeded federally insured limits by approximately \$412,000 and \$1,221,000, respectively.

Restricted Cash

In connection with the NMTC financing, TNRP was required to establish certain cash reserve accounts. TNRP established the NNMF Sub-CDE XX, LLC (NNMF) reserve account to provide payment for fees related to asset management, tax and accounting, and annual loan servicing throughout the life of the financing. The reserve account will be reduced pro rata, on a quarterly basis, throughout the term of the agreement as long as asset management fees, due and payable, are current. TNRP established an operating/lease-up account to fund costs and expenses related to the initial lease-up of the project and/or to provide funds for TNRP to meet its loan payment obligations. TNRP can also draw from this reserve to fund additional tenant improvements. TNRP classifies these accounts as restricted cash on the statements of financial position.

Rental Revenue and Deferred Rent

TNRP recognizes revenue over the term of each tenant's lease agreement and structures certain lease agreements to include scheduled and specific rent increases over the lease term. For financial reporting purposes, deferred rent consists of rents receivable from these leases recognized on a straight-line basis over the initial lease term. Accrued income from these leases reflected as deferred rent was approximately \$3,312,000 and \$2,787,000 for the years ended June 30, 2017 and 2016, respectively.

Capital Assets

TNRP records capital assets at cost and expenses depreciation using the straight-line method based on the estimated useful lives of the assets.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

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

Land improvements	10 years
Buildings	40 years
Furniture and fixtures	5 years
Tenant finish	3 to 10 years

TNRP capitalizes interest costs as a component of construction in progress, based on interest costs specific to the project and net of any interest earned on investments acquired with the borrowed funds. For the years ended June 30, 2017 and 2016, TNRP did not capitalize any interest.

Long-Lived Asset Impairment

TNRP evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

No asset impairment was recognized during the years ended June 30, 2017 and 2016.

Tenant Improvement Allowance

Tenant improvement allowance represents costs incurred with a tenant buildout that are paid by TNRP. TNRP capitalizes these costs and amortizes such costs using the straight-line method over 8 to 16 years, which represents the term of the lease.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Deferred Leasing Costs

Deferred leasing costs represent expenses incurred in connection with a management and leasing agreement with NTS. TNRP is required to pay NTS a commercial leasing fee equal to 4% of the future minimum gross rental amounts of any new lease or lease expansion and extension. Fees are 2% of the future minimum gross rental amounts for lease renewals. If NTS works with a cooperating broker in connection with a new lease or lease expansion, the commercial leasing fee is equal to 6% of the future minimum gross rental amounts. If NTS leases space to a tenant, that is an affiliate of TNRP or the University of Louisville, the fee is 2% of future minimum gross rental amounts. Leasing fees are due 50% at the time of execution of the lease and 50% upon the lease commencement date.

TNRP amortizes such costs using the straight-line method over the respective lease terms, ranging from 3 to 17 years.

At June 30, 2017 and 2016, approximately \$2,110,000 and \$2,003,000, respectively, in leasing commission fees have been paid by TNRP and approximately \$374,000 and \$231,000, respectively, have been recorded as accumulated amortization.

Net Assets

TNRP had no net assets subject to donor restrictions at June 30, 2017 and 2016.

Tax Status

TNRP is recognized by the Internal Revenue Service as exempt from federal income tax under Section 501(a) of the Internal Revenue Code (the Code) as charitable organizations qualifying under the Code Section 501(c)(3). Total interest expense on the notes for the years ended June 30, 2017 and 2016, was approximately \$164,000.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

Management Fees

TNRP operates under a management agreement with NTS. Under the terms of this agreement, TNRP agrees to pay compensation based on gross revenues, construction supervision costs and commercial leasing commissions. For the years ended June 30, 2017 and 2016, TNRP recorded management fee expense of approximately \$306,000 and \$200,000, respectively.

Recent Accounting Pronouncements

In April 2015, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2015-03, *Interest–Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs* to require debt issuance costs to be presented on the consolidated statement of financial position as a direct deduction from the carrying value of the associated debt liability (i.e., a contra liability), consistent with the presentation of a debt discount. This amends current guidance that requires debt issuance costs to be presented as a deferred charge on the consolidated statements of financial position (i.e., an asset). This guidance was effective for reporting periods beginning after December 15, 2015, with early adoption permitted. Management adopted ASU 2015-03 for the year ended June 30, 2017, including reclassification of prior year amounts for consistent presentation as required.

As a result of this adoption, debt issuance costs of approximately \$535,000 are reflected as a reduction of the carrying amounts of TNRP's notes payable as of June 30, 2017. As required under the ASU, this adoption resulted in the reclassification of approximately \$555,000 of debt issuance costs previously included in prepaid expenses and other assets to notes payable in the statements of financial position as of June 30, 2016.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 815-10) Recognition and Measurement of Financial Assets and Financial Liabilities*, to enhance the reporting model for financial instruments to provide users of financial statements with more decision-useful information. ASU 2016-01 provides additional guidance on classifying and measuring financial instruments. For entities other than public business entities, which includes NFP organizations, ASU 2016-01 eliminates the requirement in Accounting Standards Codification (ASC) 825, *Financial Instruments*, to disclose the fair values of financial instruments measured at amortized cost on the balance sheet. The guidance within ASU 2016-01 is effective for entities other than public business entities for fiscal years beginning after December 15, 2018, and interim periods beginning after December 15, 2019. However, ASU 2016-01 allows for

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

1. Description of Organization and Summary of Significant Accounting Policies (continued)

entities other than public business entities to early adopt the provision that eliminates the fair value disclosures for financial instruments not recognized at fair value. TNRP elected to adopt ASU 2016-01 early and has made the relevant changes in the financial statements.

2. Capital Assets

Capital assets as of June 30 are as follows (in thousands):

	<u>2017</u>	<u>2016</u>
Land	\$ 965	\$ 965
Land improvements	14	14
Buildings	22,879	22,879
Furniture and fixtures	415	327
Tenant finish	3,715	2,812
Construction in process	—	6
Accumulated depreciation and amortization	(3,478)	(2,466)
	<u>\$ 24,510</u>	<u>\$ 24,537</u>

3. Notes Payable

TNRP, a qualified active low-income community business (QALICB), executed a loan agreement on September 12, 2013, that provided borrowings totaling \$5,000,000 from PNC CDE 28, LP (PNC) and \$14,850,000 from NNMF Sub-CDE XX, LLC (NNMF). These loans financed the construction of the Atria Support Center Building. TNRP secured the loans with a property deed of trust and security agreement filing on the property, along with a guaranty by the Foundation for obligations under the loan agreement. TNRP's loan balance at June 30, 2017 and 2016, is \$19,850,000.

Under the terms of the loan agreements, the loans have an interest rate of 0.73%, payable quarterly to PNC and NNMF. The agreement does not permit TNRP to prepay any portion of the loan principal until the seventh anniversary date. Commencing September 2020, TNRP will pay quarterly in arrears, equal installments of principal and interest in amounts sufficient to fully amortize the principal balances of the loans through the maturity date, December 31, 2043. Total interest expense on the notes for the years ended June 30, 2017 and 2016, was approximately \$144,000.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

3. Notes Payable (continued)

Under the terms of the loan agreement, TNRP has certain compliance requirements, including compliance reporting and maintaining its status as a QALICB as defined by the Code.

Notes payable consist of the following at June 30 (in thousands):

		Fiscal Year of Maturity	2017	2016
	Description			
PNC CDE Note "A"	Fixed rate of .73%, with quarterly interest-only payments of \$6 through December 2020, then quarterly principal and interest payments \$42 through maturity.	2044	\$ 3,518	\$ 3,518
PNC CDE Note "B"	Fixed rate of .73%, with quarterly interest-only payments of \$3 through December 2020, then quarterly principal and interest payments of \$18 through maturity.	2044	1,482	1,482
NNMF Note "A"	Fixed rate of .73%, with quarterly interest-only payments of \$20 through December 2020, then quarterly principal and interest payments of \$129 through maturity.	2044	10,886	10,886
NNMF Note "B"	Fixed rate of .73%, with quarterly interest-only payments of \$7 through December 2020, then quarterly principal and interest payments of \$45 through maturity.	2044	3,964	3,964
Notes payable			19,850	19,850
Less debt issuance costs			(535)	(555)
Total notes payable			<u>\$ 19,315</u>	<u>\$ 19,295</u>

TNRP signed a \$16,160,194 promissory note, issued September 2013, with the Foundation, maturing in December 2043. The loan has an interest rate of 1%, payable quarterly through September 2020. Beginning in December 2020, TNRP shall make principal and interest payments of \$196,847 to amortize the outstanding balance over the remaining period. For each of the years ended June 30, 2017 and 2016, TNRP incurred approximately \$162,000 of interest expense to the Foundation related to this note. This note payable to the Foundation is subordinate to the four NMTC notes payable.

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

3. Notes Payable (continued)

At June 30, 2017, principal payments on the above obligations due in the next five years and thereafter are as follows (in thousands):

	Notes Payable	Note Payable to the University of Louisville Foundation, Inc.
2018	\$ —	\$ —
2019	—	—
2020	—	—
2021	742	471
2022	794	633
Thereafter	18,314	15,056
	<u>\$ 19,850</u>	<u>\$ 16,160</u>

4. Related-Party Transactions

During the years ended June 30, 2017 and 2016, TNRP distributed cash to the Foundation approximating \$876,000 and \$0, respectively, and is included in distributions to University of Louisville Foundation, Inc. in the statements of activities and changes in net assets. The distributions represent net available cash flows from TNRP and are transferred to the Foundation monthly.

Rent revenues with related parties included in rental revenue in the statements of activities and changes in net assets for the years ended June 30, 2017 and 2016, includes the following (in thousands):

	2017	2016
University of Louisville Institute for Optimal Aging	\$ 124	\$ 124
University of Louisville Executive Vice President for Research and Innovation	574	574
University of Louisville Physicians, Inc.	1,063	807
Advanced Cancer Therapeutics, LLC	39	39
	<u>\$ 1,800</u>	<u>\$ 1,544</u>

The Nucleus Real Properties, Inc.

Notes to Financial Statements (continued)

5. Leasing Activities

TNRP leases space to tenants under noncancelable operating leases. As of June 30, 2017 and 2016, TNRP had leases with five and six tenants, respectively. These leases expire in 1 to 16 years, through 2032. These leases generally require TNRP to pay all executory costs (property, taxes, maintenance and insurance).

Future leasing rent payments due to TNRP during the next five years ending June 30, and thereafter were as follows (in thousands):

2018	\$ 3,382
2019	3,426
2020	3,449
2021	3,505
2022	3,562
Thereafter	21,749
Total	<u>\$ 39,073</u>

6. Major Tenants

As of June 30, 2017 and 2016, TNRP has leased approximately 95% and 79% of leasable space, respectively, to three tenants.

7. Unleased Space

As of June 30, 2017, approximately 1% of leasable space is vacant.

8. Subsequent Events

TNRP has evaluated and disclosed subsequent events through October 12, 2017, which is the date the financial statements were made publicly available. No recognized or nonrecognized subsequent events were identified for recognition or disclosure in the financial statements.

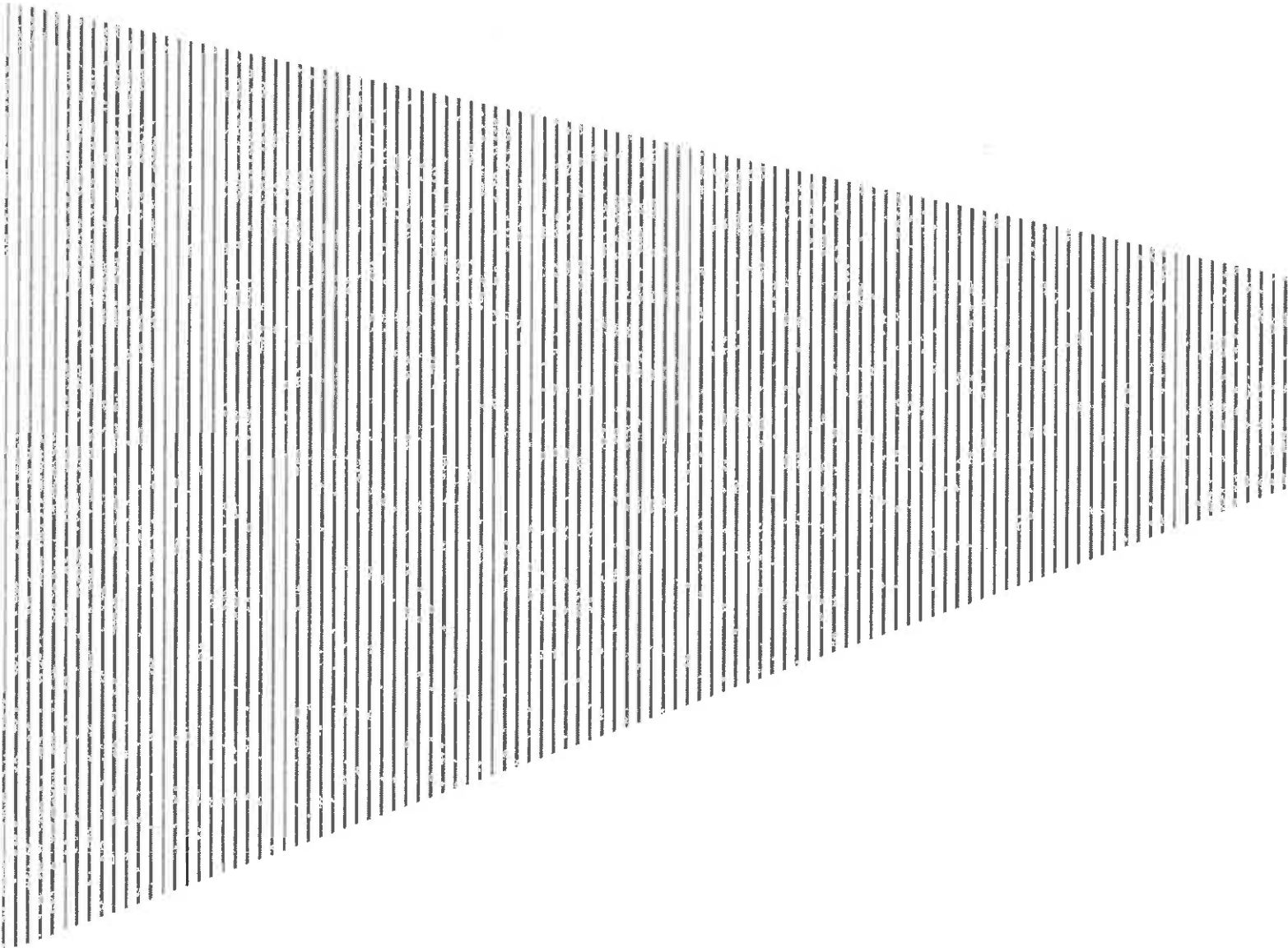
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Form **990**

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2015

Open to Public Inspection

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.

▶ Information about Form 990 and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

A For the 2015 calendar year, or tax year beginning 07/01, 2015, and ending 06/30, 2016

B Check if applicable:
 Address change
 Name change
 Initial return
 Final 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
 UOFL CONTROLLERS OFFICE
 City or town, state or province, country, and ZIP or foreign postal code
 LOUISVILLE, KY 40292

D Employer identification number
 [REDACTED]

E Telephone number
 (502) 852-7072

G Gross receipts \$ 411,627,990

F Name and address of principal officer: GREGORY C. POSTEL
 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

Activities & Governance	1	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. (CONTINUED ON SCHEDULE O)			
	2	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	3	22	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	4	15	
	5	Total number of individuals employed in calendar year 2015 (Part V, line 2a)	5	0	
	6	Total number of volunteers (estimate if necessary)	6	25	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0	
	7b	Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year 174,255,006	Current Year 172,640,537	
	9	Program service revenue (Part VIII, line 2g)	224,405,417	237,697,669	
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	821,837	27,399	
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,403,716	484,313	
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	400,885,976	410,849,918	
	Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	42,266,657	43,023,600
		14	Benefits paid to or for members (Part IX, column (A), line 4)		
15		Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)		0	
16a		Professional fundraising fees (Part IX, column (A), line 11e)	0	0	
b		Total fundraising expenses (Part IX, column (D), line 25) ▶	0		
17		Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	363,681,910	378,593,879	
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	405,948,567	421,617,479		
19	Revenue less expenses. Subtract line 18 from line 12	(5,062,591)	(10,767,561)		
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year 112,774,387	End of Year 116,462,761	
	21	Total liabilities (Part X, line 26)	40,053,926	54,509,861	
	22	Net assets or fund balances. Subtract line 21 from line 20	72,720,461	61,952,900	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of 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: SUSAN I. HOWARTH, VICE PRESIDENT
 Date: [REDACTED]

Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: RACHEL SPURLOCK
 Preparer's signature: [REDACTED]
 Date: [REDACTED]
 Check if self-employed
 Firm's name: CROWE HORWATH LLP
 Firm's EIN: [REDACTED]
 Firm's address: 9600 BROWNSBORO ROAD, SUITE 400, LOUISVILLE, KY 40241-1122
 Phone no.: (502) 326-3996

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

For Paperwork Reduction Act Notice, see the separate instructions. Cat. No. 11282Y Form 990 (2015)

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III Yes No

- 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 \$ 394,590,499 including grants of \$ 43,023,600) (Revenue \$ 238,024,291)
 IN FISCAL YEAR 2016 THE UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION (ULRF) CONTINUED TO EXPAND AND DIVERSIFY ITS RESEARCH PORTFOLIO IN ALL CATEGORIES. THE ORGANIZATION RECEIVED 908 AWARDS FOR \$134.6 MILLION WHICH INCLUDED \$100 MILLION FROM THE FEDERAL GOVERNMENT, \$19 MILLION FROM INDUSTRY, \$9 MILLION FROM FOUNDATIONS, AND \$4 MILLION FROM THE COMMONWEALTH OF KENTUCKY. BASIC RESEARCH ACTIVITIES COVERED A WIDE RANGE OF TOPICS: LASER SPECTROSCOPY, ATMOSPHERIC TIDAL EFFECTS, LIGHTNING AND ITS ECOLOGICAL IMPACT IN A TROPICAL FOREST, AND CARDIOVASCULAR TOXICITY OF TOBACCO PRODUCTS. A KEY ELEMENT OF THE UNIVERSITY'S RESEARCH PORTFOLIO IS THE TRANSLATION OF RESEARCH INTO PRACTICAL APPLICATIONS. ULRF IS ONE OF ONLY A FEW ORGANIZATIONS IN THE COUNTRY TO BE AWARDED THREE PRESTIGIOUS COMMERCIALIZATION GRANTS: THE COULTER AWARD, NSF I CORPS SITE PROGRAM, AND THE NIH EXCITE PROGRAM. THESE PROGRAMS CONTINUED IN FY2016. OTHER TRANSLATIONAL EFFORTS INCLUDED USING COAL EXHAUST FOR RENEWABLE FUELS, FIRST IN-HUMAN USE OF AN ARTIFICIAL LUNG, AND NOVEL CANCER CHEMOTHERAPEUTICS. IN
 (CONTINUED ON SCHEDULE O)

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 394,590,499

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5 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? <i>If "Yes," complete Schedule C, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6 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? <i>If "Yes," complete Schedule D, Part I</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
9 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? <i>If "Yes," complete Schedule D, Part IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11 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.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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? <i>If "Yes," complete Schedule D, Part VII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c 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? <i>If "Yes," complete Schedule D, Part VIII</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d 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? <i>If "Yes," complete Schedule D, Part IX</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
f 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)? <i>If "Yes," complete Schedule D, Part X</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
14 a Did the organization maintain an office, employees, or agents outside of the United States?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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? <i>If "Yes," complete Schedule F, Parts I and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15 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? <i>If "Yes," complete Schedule F, Parts II and IV</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16 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? <i>If "Yes," complete Schedule F, Parts III and IV.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
17 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? <i>If "Yes," complete Schedule G, Part I (see instructions)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Part IV Checklist of Required Schedules (continued)

	Yes	No
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		✓
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	✓	
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	✓	
23 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>	✓	
24a 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>		✓
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. 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>		✓
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>		✓
26 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 "Yes," complete Schedule L, Part II</i>		✓
27 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>		✓
28 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):		
a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		✓
c 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>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		✓
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		✓
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		✓
32 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>		✓
33 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>		✓
34 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>	✓	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?		✓
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>		
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		✓
37 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>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? Note. All Form 990 filers are required to complete Schedule O.	✓	

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 [X]

Table with columns for line numbers (1a-14b), descriptions of questions, and Yes/No columns. Includes entries for Form 1096, Form W-2G, Form W-3, Form 990-T, Form 8886-T, Form 8282, Form 8899, Form 1098-C, Form 990, Form 1041, and Form 720.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 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
1a	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.		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	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?		✓
3	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?		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		✓
6	Did the organization have members or stockholders?		✓
7a	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?		✓
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	✓	
b	Each committee with authority to act on behalf of the governing body?	✓	
9	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		✓

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

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		✓
10b	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?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	✓	
11b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	✓	
12b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	✓	
13	Did the organization have a written whistleblower policy?	✓	
14	Did the organization have a written document retention and destruction policy?	✓	
15	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?		
15a	The organization's CEO, Executive Director, or top management official		✓
15b	Other officers or key employees of the organization		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		✓
16b	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 Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 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, address, and telephone number of the person who possesses the organization's books and records: ►
 INGRID GENTRY, CONTROLLER'S 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, and 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. JAMES R. RAMSEY PRESIDENT	0.5 49.5			✓	✓			0	349,972	45,066
(2) WILLIAM M. PIERCE, JR., PH.D. VICE PRESIDENT	0.5 49.5			✓	✓			0	330,888	47,169
(3) NEVILLE G. PINTO, PH.D. VICE PRESIDENT	0.5 49.5			✓	✓			0	382,644	39,875
(4) HARLAN M. SANDS, J.D. VICE PRESIDENT	0.5 49.5			✓	✓			0	357,495	38,023
(5) PAMELA A. FELDHOFF, PH.D. SECRETARY	0.5 49.5			✓	✓			0	121,204	23,753
(6) RON BUTT, C.F.P. CHAIR	0.5 0.0			✓	✓			0	0	0
(7) JONATHAN BLUE VICE CHAIR	0.5 0.0			✓	✓			0	0	0
(8) EMILY BINGHAM, PH.D. TREASURER	0.5 0.0			✓	✓			0	0	0
(9) MARIE ABRAMS DIRECTOR	0.5 0.0			✓				0	0	0
(10) VICTORIA ANN ALLEN DIRECTOR	0.5 9.5			✓				0	5,595	0
(11) ROBERT P BENSON, JR., M.D. DIRECTOR	0.5 0.0			✓				0	0	0
(12) LAURENCE BENZ DIRECTOR	0.5 0.0			✓				0	0	0
(13) STEPHEN PAUL CAMPBELL DIRECTOR	0.5 0.0			✓				0	0	0
(14) PAUL DIAZ DIRECTOR (TO 2/5/2016)	0.5 0.0			✓				0	0	0

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			
(15) CRAIG GREENBERG, J.D. DIRECTOR	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(16) DOUGLAS HALL DIRECTOR	0.5 0.5	<input checked="" type="checkbox"/>						0	0	0
(17) LARRY HAYES DIRECTOR	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(18) BRUCE HENDERSON DIRECTOR	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(19) ROBERT CURTIS HUGHES, M.D. DIRECTOR	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(20) ANGELA LEWIS-KLEIN, M.B.A. DIRECTOR	0.5 49.5	<input checked="" type="checkbox"/>						0	64,008	19,876
(21) BRUCIE MOORE, J.D. DIRECTOR	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(22) JOSEPH W. PRATHER, II, M.D. DIRECTOR	0.5 0.5	<input checked="" type="checkbox"/>						0	0	0
(23) ROBERT W. ROUNSAVALL, III DIRECTOR (TO 3/3/2016)	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(24) WILLIAM E. SUMMERS, IV DIRECTOR (FROM 9/30/2015)	0.5 0.0	<input checked="" type="checkbox"/>						0	0	0
(25) (SEE STATEMENT)										
1b Sub-total								0	1,611,806	213,762
c Total from continuation sheets to Part VII, Section A								0	2,453,908	301,994
d Total (add lines 1b and 1c)								0	4,065,714	515,756

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
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4 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? If "Yes," complete Schedule J for such individual	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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	15,933,363
PRICE WATERHOUSE COOPERS LLP, PO BOX 75647, CHICAGO, IL 60675	CONSULTING	1,940,167
UNIVERSITY MEDICAL CENTER, 530 S JACKSON ST, LOUISVILLE, KY 40202	MEDICAL SERVICES	953,023
UNIV. OF KENTUCKY RESEARCH FDN., 301 PETERSON SERVICE BUILDING, LEXINGTON, KY 40506	RESEARCH SERVICES	897,741
JEWISH HOSPITAL HEALTHCARE, 200 ABRAHAM FLEXNER WAY, LOUISVILLE, KY 40202	MEDICAL SERVICES	891,989

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 **74**

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	
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions)	1e 142,763,188					
	f All other contributions, gifts, grants, and similar amounts not included above	1f 29,877,349					
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f		172,640,537				
Program Service Revenue			Business Code				
	2a CLINICAL SERVICES	541700	233,863,992	233,863,992			
	b OTHER RESEARCH PROJECTS	541700	3,757,651	3,757,651			
	c CONFERENCES AND TRAINING	541700	76,026	76,026			
	d _____						
	e _____						
	f All other program service revenue		0	0	0	0	
g Total. Add lines 2a-2f		237,697,669					
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		12,741			12,741	
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties		157,691			157,691	
	6a Gross rents	(i) Real	(ii) Personal				
		b Less: rental expenses					
		c Rental income or (loss)	0	0			
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			53,199	0			
		b Less: cost or other basis and sales expenses	0	38,541			
		c Gain or (loss)	53,199	(38,541)			
	d Net gain or (loss)			14,658		14,658	
	8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events						
9a Gross income from gaming activities. See Part IV, line 19	a						
b Less: direct expenses	b						
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	a	911,816					
	b Less: cost of goods sold	b	739,531				
	c Net income or (loss) from sales of inventory		172,285	172,285			
Miscellaneous Revenue		Business Code					
11a LEGAL SETTLEMENTS	900099	118,398	118,398				
b MISCELLANEOUS	900099	35,939	35,939				
c _____							
d All other revenue		0	0	0	0		
e Total. Add lines 11a-11d		154,337					
12 Total revenue. See instructions.		410,849,918	238,024,291	0		185,090	

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
1	Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21	307,688	307,688		
2	Grants and other assistance to domestic individuals. See Part IV, line 22	42,715,912	42,715,912		
3	Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees				
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages				
8	Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9	Other employee benefits				
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management				
b	Legal	1,328,467	1,192,986	135,481	
c	Accounting	28,064	27,264	800	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees				
g	Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.)	318,360,696	303,390,464	14,970,232	
12	Advertising and promotion	394,465	335,513	58,952	
13	Office expenses	1,575,291	1,398,000	177,291	
14	Information technology	3,798,332	3,395,149	403,183	
15	Royalties	90,649	90,649		
16	Occupancy	2,282,426	1,914,043	368,383	
17	Travel	4,305,304	4,141,640	163,664	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	5,845,689	5,436,780	408,909	
20	Interest				
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	7,913,871		7,913,871	
23	Insurance	985,528	903,827	81,701	
24	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.)				
a	F&A SERVICES AND OTHER TRANSFERS	11,919,689	10,002,707	1,916,982	
b	LABORATORY SUPPLIES AND EXPENSES	15,113,324	15,074,502	38,822	
c	SMALL EQUIPMENT PURCHASES AND RENTALS	951,599	840,638	110,961	
d	LICENSES, PERMITS, AND FEES	999,737	974,354	25,383	
e	All other expenses	2,700,748	2,448,383	252,365	
25	Total functional expenses. Add lines 1 through 24e	421,617,479	394,590,499	27,026,980	0
26	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)				

Part X Balance Sheet

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

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	7,420	1	5,779
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	41,087,788	4	49,048,558
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	0
	6 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		6	0
	7 Notes and loans receivable, net	733,457	7	716,987
	8 Inventories for sale or use	373,544	8	394,608
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 157,600,281		
	b Less: accumulated depreciation	10b 91,611,417	70,131,849	10c 65,988,864
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11	2,113	12	2,113
	13 Investments—program-related. See Part IV, line 11	0	13	0
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11	438,216	15	305,852
16 Total assets. Add lines 1 through 15 (must equal line 34)	112,774,387	16	116,462,761	
Liabilities	17 Accounts payable and accrued expenses	15,130,937	17	13,275,301
	18 Grants payable		18	
	19 Deferred revenue	7,856,902	19	2,011,372
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 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		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 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	17,066,087	25	39,223,188
	26 Total liabilities. Add lines 17 through 25	40,053,926	26	54,509,861
Net Assets or Fund Balances	Organizations that follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets		28	
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds	72,720,461	32	61,952,900
	33 Total net assets or fund balances	72,720,461	33	61,952,900
34 Total liabilities and net assets/fund balances	112,774,387	34	116,462,761	

Part XI Reconciliation of Net Assets

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

1	Total revenue (must equal Part VIII, column (A), line 12)	1	410,849,918
2	Total expenses (must equal Part IX, column (A), line 25)	2	421,617,479
3	Revenue less expenses. Subtract line 2 from line 1	3	(10,767,561)
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	72,720,461
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	61,952,900

Part XII Financial Statements and Reporting

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

	Yes	No
1 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.		
2a 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		
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		
c 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.	✓	
3a 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?	✓	
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.	✓	

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 (Check all that apply)						(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			
(25) STEVE WILSON DIRECTOR (TO 9/29/2015)	0.5 0.0	✓						0	0	0
(28) KYLE J. BEAMER ASSISTANT SECRETARY	0.5 49.5			✓				0	49,460	14,217
(27) DANA B. MAYTON ,J.D. LEGAL COUNSEL	0.5 49.5			✓				0	173,527	29,898
(28) MITCHELL H. PAYNE ,J.D. CHIEF BUSINESS OFFICER	0.5 49.5			✓				0	214,318	38,623
(29) DAVID L. DUNN ,M.D. FORMER VICE PRESIDENT	0.0 50.0						✓	0	1,107,092	38,010
(30) SUSAN I. HOWARTH FORMER VICE PRESIDENT	0.0 50.0						✓	0	222,535	33,818
(31) KATHLEEN M. SMITH FORMER ASST. SECRETARY	0.0 50.0						✓	0	137,801	38,610
(32) ROBERT H. STAAT ,M.D. FORMER TREASURER	0.0 50.5						✓	0	123,257	31,204
(33) JOSEPH M. STEFFEN ,PH.D. FORMER SECRETARY	0.0 50.0						✓	0	88,788	21,320
(34) SHIRLEY C. WILLIHNGANZ ,PH.D. FORMER VICE PRESIDENT	0.0 50.0						✓	0	337,130	56,294

SCHEDULE A
(Form 990 or 990-EZ)

Public Charity Status and Public Support

OMB No. 1545-0047

2015

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.

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ Information about Schedule A (Form 990 or 990-EZ) and its instructions is at www.irs.gov/form990.

Name of the organization: UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION
Employer identification number: [REDACTED]

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 (Form 990 or 990-EZ).)
- 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 in lines 11a through 11d that describes the type of supporting organization and complete lines 11e, 11f, and 11g.
 - a **Type I.** A supporting organization operated, supervised, or controlled by its supported organization(s), typically by giving the supported organization(s) the power to regularly appoint or elect a majority of the directors or trustees of the supporting organization. **You must complete Part IV, Sections A and B.**
 - b **Type II.** A supporting organization supervised or controlled in connection with its supported organization(s), by having control or management of the supporting organization vested in the same persons that control or manage the supported organization(s). **You must complete Part IV, Sections A and C.**
 - c **Type III functionally integrated.** A supporting organization operated in connection with, and functionally integrated with, its supported organization(s) (see instructions). **You must complete Part IV, Sections A, D, and E.**
 - d **Type III non-functionally integrated.** A supporting organization operated in connection with its supported organization(s) that is not functionally integrated. The organization generally must satisfy a distribution requirement and an attentiveness requirement (see instructions). **You must complete Part IV, Sections A and D, and Part V.**
 - e Check this box if the organization received a written determination from the IRS that it is a Type I, Type II, Type III functionally integrated, or Type III non-functionally integrated supporting organization.
 - f Enter the number of supported organizations: _____
 - g Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above (see instructions))	(iv) Is the organization listed in your governing document?		(v) Amount of monetary support (see instructions)	(vi) Amount of other support (see instructions)
			Yes	No		
(A)						
(B)						
(C)						
(D)						
(E)						
Total						

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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	174,198,510	156,299,277	155,127,522	174,255,006	172,640,537	832,520,852
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						0
3 The value of services or facilities furnished by a governmental unit to the organization without charge						0
4 Total. Add lines 1 through 3	174,198,510	156,299,277	155,127,522	174,255,006	172,640,537	832,520,852
5 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
6 Public support. Subtract line 5 from line 4.						832,520,852

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
7 Amounts from line 4	174,198,510	156,299,277	155,127,522	174,255,006	172,640,537	832,520,852
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	184,736	382,946	3,893,151	196,814	184,742	4,842,389
9 Net income from unrelated business activities, whether or not the business is regularly carried on					0	0
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)	0	0	0	0	0	0
11 Total support. Add lines 7 through 10						837,363,241
12 Gross receipts from related activities, etc. (see instructions)					12	1,033,510,623
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ▶ <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2015 (line 6, column (f) divided by line 11, column (f))	14	99.42 %
15 Public support percentage from 2014 Schedule A, Part II, line 14	15	99.41 %
16a 33 1/3% support test—2015. 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 ▶ <input checked="" type="checkbox"/>		
b 33 1/3% support test—2014. 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 ▶ <input type="checkbox"/>		
17a 10%-facts-and-circumstances test—2015. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
b 10%-facts-and-circumstances test—2014. 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 VI how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ▶ <input type="checkbox"/>		
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 ▶ <input type="checkbox"/>		

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) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 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						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
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						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2011	(b) 2012	(c) 2013	(d) 2014	(e) 2015	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part VI.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here <input type="checkbox"/>						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2015 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2014 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2015 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2014 Schedule A, Part III, line 17	18	%

- 19a** **33 1/3% support tests—2015.** 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—2014.** 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 Supporting Organizations

(Complete only if you checked 11a of Part I. If you checked 11a of Part I, complete Sections A and B. If you checked 11b of Part I, complete Sections A and C. If you checked 11c of Part I, complete Sections A, D, and E. If you checked 11d of Part I, complete Sections A and D, and complete Part V.)

Section A. All Supporting Organizations

	Yes	No
1 Are all of the organization's supported organizations listed by name in the organization's governing documents? If "No," describe in Part VI how the supported organizations are designated. If designated by class or purpose, describe the designation. If historic and continuing relationship, explain.		
2 Did the organization have any supported organization that does not have an IRS determination of status under section 509(a)(1) or (2)? If "Yes," explain in Part VI how the organization determined that the supported organization was described in section 509(a)(1) or (2).		
3a Did the organization have a supported organization described in section 501(c)(4), (5), or (6)? If "Yes," answer (b) and (c) below.		
b Did the organization confirm that each supported organization qualified under section 501(c)(4), (5), or (6) and satisfied the public support tests under section 509(a)(2)? If "Yes," describe in Part VI when and how the organization made the determination.		
c Did the organization ensure that all support to such organizations was used exclusively for section 170(c)(2)(B) purposes? If "Yes," explain in Part VI what controls the organization put in place to ensure such use.		
4a Was any supported organization not organized in the United States ("foreign supported organization")? If "Yes," and if you checked 11a or 11b in Part I, answer (b) and (c) below.		
b Did the organization have ultimate control and discretion in deciding whether to make grants to the foreign supported organization? If "Yes," describe in Part VI how the organization had such control and discretion despite being controlled or supervised by or in connection with its supported organizations.		
c Did the organization support any foreign supported organization that does not have an IRS determination under sections 501(c)(3) and 509(a)(1) or (2)? If "Yes," explain in Part VI what controls the organization used to ensure that all support to the foreign supported organization was used exclusively for section 170(c)(2)(B) purposes.		
5a Did the organization add, substitute, or remove any supported organizations during the tax year? If "Yes," answer (b) and (c) below (if applicable). Also, provide detail in Part VI , including (i) the names and EIN numbers of the supported organizations added, substituted, or removed; (ii) the reasons for each such action; (iii) the authority under the organization's organizing document authorizing such action; and (iv) how the action was accomplished (such as by amendment to the organizing document).		
b Type I or Type II only. Was any added or substituted supported organization part of a class already designated in the organization's organizing document?		
c Substitutions only. Was the substitution the result of an event beyond the organization's control?		
6 Did the organization provide support (whether in the form of grants or the provision of services or facilities) to anyone other than (i) its supported organizations, (ii) individuals that are part of the charitable class benefited by one or more of its supported organizations, or (iii) other supporting organizations that also support or benefit one or more of the filing organization's supported organizations? If "Yes," provide detail in Part VI .		
7 Did the organization provide a grant, loan, compensation, or other similar payment to a substantial contributor (defined in section 4958(c)(3)(C)), a family member of a substantial contributor, or a 35% controlled entity with regard to a substantial contributor? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
8 Did the organization make a loan to a disqualified person (as defined in section 4958) not described in line 7? If "Yes," complete Part I of Schedule L (Form 990 or 990-EZ).		
9a Was the organization controlled directly or indirectly at any time during the tax year by one or more disqualified persons as defined in section 4946 (other than foundation managers and organizations described in section 509(a)(1) or (2))? If "Yes," provide detail in Part VI .		
b Did one or more disqualified persons (as defined in line 9a) hold a controlling interest in any entity in which the supporting organization had an interest? If "Yes," provide detail in Part VI .		
c Did a disqualified person (as defined in line 9a) have an ownership interest in, or derive any personal benefit from, assets in which the supporting organization also had an interest? If "Yes," provide detail in Part VI .		
10a Was the organization subject to the excess business holdings rules of section 4943 because of section 4943(f) (regarding certain Type II supporting organizations, and all Type III non-functionally integrated supporting organizations)? If "Yes," answer 10b below.		
b Did the organization have any excess business holdings in the tax year? (Use Schedule C, Form 4720, to determine whether the organization had excess business holdings.)		

Part IV Supporting Organizations (continued)

	Yes	No
11 Has the organization accepted a gift or contribution from any of the following persons?		
a A person who directly or indirectly controls, either alone or together with persons described in (b) and (c) below, the governing body of a supported organization?	11a	
b A family member of a person described in (a) above?	11b	
c A 35% controlled entity of a person described in (a) or (b) above? If "Yes" to a, b, or c, provide detail in Part VI .	11c	

Section B. Type I Supporting Organizations

	Yes	No
1 Did the directors, trustees, or membership of one or more supported organizations have the power to regularly appoint or elect at least a majority of the organization's directors or trustees at all times during the tax year? If "No," describe in Part VI how the supported organization(s) effectively operated, supervised, or controlled the organization's activities. If the organization had more than one supported organization, describe how the powers to appoint and/or remove directors or trustees were allocated among the supported organizations and what conditions or restrictions, if any, applied to such powers during the tax year.	1	
2 Did the organization operate for the benefit of any supported organization other than the supported organization(s) that operated, supervised, or controlled the supporting organization? If "Yes," explain in Part VI how providing such benefit carried out the purposes of the supported organization(s) that operated, supervised, or controlled the supporting organization.	2	

Section C. Type II Supporting Organizations

	Yes	No
1 Were a majority of the organization's directors or trustees during the tax year also a majority of the directors or trustees of each of the organization's supported organization(s)? If "No," describe in Part VI how control or management of the supporting organization was vested in the same persons that controlled or managed the supported organization(s).	1	

Section D. All Type III Supporting Organizations

	Yes	No
1 Did the organization provide to each of its supported organizations, by the last day of the fifth month of the organization's tax year, (i) a written notice describing the type and amount of support provided during the prior tax year, (ii) a copy of the Form 990 that was most recently filed as of the date of notification, and (iii) copies of the organization's governing documents in effect on the date of notification, to the extent not previously provided?	1	
2 Were any of the organization's officers, directors, or trustees either (i) appointed or elected by the supported organization(s) or (ii) serving on the governing body of a supported organization? If "No," explain in Part VI how the organization maintained a close and continuous working relationship with the supported organization(s).	2	
3 By reason of the relationship described in (2), did the organization's supported organizations have a significant voice in the organization's investment policies and in directing the use of the organization's income or assets at all times during the tax year? If "Yes," describe in Part VI the role the organization's supported organizations played in this regard.	3	

Section E. Type III Functionally-Integrated Supporting Organizations

1 Check the box next to the method that the organization used to satisfy the Integral Part Test during the year (see instructions):

a The organization satisfied the Activities Test. Complete **line 2** below.

b The organization is the parent of each of its supported organizations. Complete **line 3** below.

c The organization supported a governmental entity. Describe in **Part VI** how you supported a government entity (see instructions).

2 Activities Test. Answer (a) and (b) below.

	Yes	No
a Did substantially all of the organization's activities during the tax year directly further the exempt purposes of the supported organization(s) to which the organization was responsive? If "Yes," then in Part VI identify those supported organizations and explain how these activities directly furthered their exempt purposes, how the organization was responsive to those supported organizations, and how the organization determined that these activities constituted substantially all of its activities.	2a	
b Did the activities described in (a) constitute activities that, but for the organization's involvement, one or more of the organization's supported organization(s) would have been engaged in? If "Yes," explain in Part VI the reasons for the organization's position that its supported organization(s) would have engaged in these activities but for the organization's involvement.	2b	
3 Parent of Supported Organizations. Answer (a) and (b) below.		
a Did the organization have the power to regularly appoint or elect a majority of the officers, directors, or trustees of each of the supported organizations? Provide details in Part VI .	3a	
b Did the organization exercise a substantial degree of direction over the policies, programs, and activities of each of its supported organizations? If "Yes," describe in Part VI the role played by the organization in this regard.	3b	

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations

1 Check here if the organization satisfied the Integral Part Test as a qualifying trust on Nov. 20, 1970. See instructions. All other Type III non-functionally integrated supporting organizations must complete Sections A through E.

Section A - Adjusted Net Income		(A) Prior Year	(B) Current Year (optional)
1 Net short-term capital gain	1		
2 Recoveries of prior-year distributions	2		
3 Other gross income (see instructions)	3		
4 Add lines 1 through 3	4		
5 Depreciation and depletion	5		
6 Portion of operating expenses paid or incurred for production or collection of gross income or for management, conservation, or maintenance of property held for production of income (see instructions)	6		
7 Other expenses (see instructions)	7		
8 Adjusted Net Income (subtract lines 5, 6 and 7 from line 4)	8		

Section B - Minimum Asset Amount		(A) Prior Year	(B) Current Year (optional)
1 Aggregate fair market value of all non-exempt-use assets (see instructions for short tax year or assets held for part of year):			
a Average monthly value of securities	1a		
b Average monthly cash balances	1b		
c Fair market value of other non-exempt-use assets	1c		
d Total (add lines 1a, 1b, and 1c)	1d		
e Discount claimed for blockage or other factors (explain in detail in Part VI):			
2 Acquisition indebtedness applicable to non-exempt-use assets	2		
3 Subtract line 2 from line 1d	3		
4 Cash deemed held for exempt use. Enter 1-1/2% of line 3 (for greater amount, see instructions).	4		
5 Net value of non-exempt-use assets (subtract line 4 from line 3)	5		
6 Multiply line 5 by .035	6		
7 Recoveries of prior-year distributions	7		
8 Minimum Asset Amount (add line 7 to line 6)	8		

Section C - Distributable Amount		(A) Prior Year	(B) Current Year
1 Adjusted net income for prior year (from Section A, line 8, Column A)	1		
2 Enter 85% of line 1	2		
3 Minimum asset amount for prior year (from Section B, line 8, Column A)	3		
4 Enter greater of line 2 or line 3	4		
5 Income tax imposed in prior year	5		
6 Distributable Amount. Subtract line 5 from line 4, unless subject to emergency temporary reduction (see instructions)	6		

7 Check here if the current year is the organization's first as a non-functionally-integrated Type III supporting organization (see instructions).

Part V Type III Non-Functionally Integrated 509(a)(3) Supporting Organizations (continued)

Section D - Distributions		Current Year
1	Amounts paid to supported organizations to accomplish exempt purposes	
2	Amounts paid to perform activity that directly furthers exempt purposes of supported organizations, in excess of income from activity	
3	Administrative expenses paid to accomplish exempt purposes of supported organizations	
4	Amounts paid to acquire exempt-use assets	
5	Qualified set-aside amounts (prior IRS approval required)	
6	Other distributions (describe in Part VI). See instructions.	
7	Total annual distributions. Add lines 1 through 6.	
8	Distributions to attentive supported organizations to which the organization is responsive (provide details in Part VI). See instructions.	
9	Distributable amount for 2015 from Section C, line 6	
10	Line 8 amount divided by Line 9 amount	

Section E - Distribution Allocations (see instructions)		(i) Excess Distributions	(ii) Underdistributions Pre-2015	(iii) Distributable Amount for 2015
1	Distributable amount for 2015 from Section C, line 6			
2	Underdistributions, if any, for years prior to 2015 (reasonable cause required-see instructions)			
3	Excess distributions carryover, if any, to 2015:			
a				
b				
c				
d	From 2013			
e	From 2014			
f	Total of lines 3a through e			
g	Applied to underdistributions of prior years			
h	Applied to 2015 distributable amount			
i	Carryover from 2010 not applied (see instructions)			
j	Remainder. Subtract lines 3g, 3h, and 3i from 3f.			
4	Distributions for 2015 from Section D, line 7: \$			
a	Applied to underdistributions of prior years			
b	Applied to 2015 distributable amount			
c	Remainder. Subtract lines 4a and 4b from 4.			
5	Remaining underdistributions for years prior to 2015, if any. Subtract lines 3g and 4a from line 2 (if amount greater than zero, see instructions).			
6	Remaining underdistributions for 2015. Subtract lines 3h and 4b from line 1 (if amount greater than zero, see instructions).			
7	Excess distributions carryover to 2016. Add lines 3j and 4c.			
8	Breakdown of line 7:			
a				
b				
c	Excess from 2013			
d	Excess from 2014			
e	Excess from 2015			

Schedule B

(Form 990, 990-EZ, or 990-PF)

Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Name of the organization

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number



Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II. See instructions for determining a contributor's total contributions.

Special Rules

For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc., purposes, but no such contributions totaled more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc., contributions totaling \$5,000 or more during the year ▶ \$ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on its Form 990-PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Cat. No. 30613X Schedule B (Form 990, 990-EZ, or 990-PF) (2015)

Name of organization

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number



Part I **Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 43,051,575	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
2	----- ----- -----	\$ 24,279,868	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
3	----- ----- -----	\$ 19,493,476	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
4	----- ----- -----	\$ 6,375,310	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
5	----- ----- -----	\$ 5,540,656	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
6	----- ----- -----	\$ 4,664,176	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization **UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION** Employer identification number XXXXXXXXXX

Part I Contributors (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
7	----- ----- -----	\$ 4,160,729	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
8	----- ----- -----	\$ 3,503,956	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)
-----	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II for noncash contributions.)

Name of organization

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number



Part II Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
-----	----- ----- ----- -----	\$-----	-----

Name of organization **UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION** Employer identification number XXXXXXXXXX

Part III Exclusively religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than \$1,000 for the year from any one contributor. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ _____

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
-----	----- ----- -----	----- ----- -----	----- ----- -----

(e) Transfer of gift	
Transferee's name, address, and ZIP + 4	Relationship of transferor to transferee
----- ----- -----	----- ----- -----

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.

▶ Information about Schedule D (Form 990) and its instructions is at www.irs.gov/form990.

OMB No. 1545-0047

2015

Open to Public Inspection

Name of the organization: UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION
Employer identification number: [REDACTED]

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate value of contributions to (during year)		
3 Aggregate value of grants from (during year)		
4 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?		<input type="checkbox"/> Yes <input type="checkbox"/> No
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?		<input type="checkbox"/> Yes <input type="checkbox"/> No

Part II Conservation Easements.

Complete if the organization answered "Yes" on 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 (e.g., recreation or education) Preservation of a historically important land area
 Protection of natural habitat Preservation of a certified historic structure
 Preservation of open space

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.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	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? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, 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)? Yes No

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" on 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) Revenue included on 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 Revenue included on Form 990, Part VIII, line 1 ▶ \$ _____ 0

b Assets included in Form 990, Part X ▶ \$ _____ 0

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" on 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:
- | | Amount |
|--|-----------|
| c Beginning balance | 1c |
| d Additions during the year | 1d |
| e Distributions during the year | 1e |
| f Ending balance | 1f |
- 2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? Yes No
- b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

Part V Endowment Funds.

Complete if the organization answered "Yes" on 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 on 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" on line 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" on 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		70,726,880	17,230,653	53,496,227
c Leasehold improvements		818,024	714,269	103,755
d Equipment		84,486,545	73,540,144	10,946,401
e Other		1,217,137	126,351	1,090,786
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				65,988,864

Part VII Investments—Other Securities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

Part VIII Investments—Program Related.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) _____		
(2) _____		
(3) _____		
(4) _____		
(5) _____		
(6) _____		
(7) _____		
(8) _____		
(9) _____		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

Part IX Other Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1) _____	
(2) _____	
(3) _____	
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

Part X Other Liabilities.

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) DUE TO UNIVERSITY OF LOUISVILLE	26,538,817
(3) ALLOCATED POST EMPLOYMENT BENEFITS	12,684,371
(4) _____	
(5) _____	
(6) _____	
(7) _____	
(8) _____	
(9) _____	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	39,223,188

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

Part XIII

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference - Identifier	Explanation	
SCHEDULE D, PART XI, LINE 4(B) - OTHER REVENUE	(a) Description	(b) Amount
	RECLASS GAIN ON SALE OF INVENTORY TO PART VIII	172,285
	RECLASS LOSS ON ASSET DISPOSALS TO PART VIII	- 38,541
SCHEDULE D, PART XII, LINE 2(D) - OTHER EXPENSES IN AUDITED FINANCIAL STATEMENTS NOT IN FORM 990	(a) Description	(b) Amount
	RECLASS GAIN ON SALE OF INVENTORY TO PART VIII	- 172,285
	RECLASS LOSS ON ASSET DISPOSALS TO PART VIII	38,541

**SCHEDULE I
(Form 990)**

**Grants and Other Assistance to Organizations,
Governments, and Individuals in the United States**
Complete if the organization answered "Yes" on Form 990, Part IV, line 21 or 22.

OMB No. 1545-0047

2015

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

Information about Schedule I (Form 990) and its instructions is at www.irs.gov/form990.

Employer identification number

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Part I General Information on Grants and Assistance

- 1 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? Yes No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Domestic Organizations and Domestic Governments. Complete if the organization answered "Yes" on 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.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC 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) CHRISTOPHER REEVE FOUNDATION 636 MORRIS TURNPIKE, SHORT HILLS, NJ 07078	22-2939536	501(C)(3)	59,527				SUPPORT
(2) SHAPING OUR APPALACHIAN REGION INC 137 MAIN ST, STE 300, PIKEVILLE, KY 41501	37-1760428	501(C)(3)	67,500				SPONSORSHIP
(3) JEWISH HOSPITAL & ST MARYS HEALTHCARE INC 250 E LIBERTY ST, STE 500, LOUISVILLE, KY 40202	61-1029768	501(C)(3)	30,000				SPONSORSHIP
(4) MARCH OF DIMES FOUNDATION 1275 MAMARONECK AVENUE, WHITE PLAINS, NY 10605	13-1846366	501(C)(3)	8,333				SPONSORSHIP
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table 4

3 Enter total number of other organizations listed in the line 1 table 0

Cat. No. 50055P

Schedule I (Form 990) (2015)

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Part III Grants and Other Assistance to Domestic Individuals. Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

(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	11,178	42,715,912			
2					
3					
4					
5					
6					
7					

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

SEE STATEMENT

Part IV

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

Return Reference - Identifier	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

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.

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

OMB No. 1545-0047

2015

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

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

Only section 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.

5 For persons listed on 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 | ✓ |
| b Any related organization? | 5b | ✓ |
- If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed on 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 | ✓ |
| b Any related organization? | 6b | ✓ |
- If "Yes" on line 6a or 6b, describe in Part III.

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

8 Were any amounts reported on 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
1a		
1b		
2		
3		
4a		✓
4b		✓
4c		✓
5a		✓
5b		✓
6a		✓
6b		✓
7		✓
8		
9		

Part III 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 on 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					(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(i)-(iii)			
1 DAVID L. DUNN, M.D. FORMER VICE PRESIDENT	0 1,074,404	0 31,500	0 1,188	0 26,500	0 11,510	0 1,145,102	0 0	
2 SUSAN I. HOWARTH FORMER VICE PRESIDENT	0 210,121	0 0	0 12,414	0 21,216	0 12,602	0 256,353	0 0	
3 ROBERT H. STAAT, M.D. FORMER TREASURER	0 119,549	0 0	0 3,708	0 12,640	0 18,564	0 154,461	0 0	
4 SHIRLEY C. WILLIHNGANZ, PH.D. FORMER VICE PRESIDENT	0 335,942	0 0	0 1,188	0 38,965	0 17,329	0 393,424	0 0	
5 DR. JAMES R. RAMSEY PRESIDENT	0 347,047	0 0	0 2,925	0 26,500	0 18,566	0 395,038	0 0	
6 WILLIAM M. PIERCE, JR., PH.D. VICE PRESIDENT	0 316,277	0 1,423	0 13,188	0 32,079	0 15,090	0 378,057	0 0	
7 NEVILLE G. PINTO, PH.D. VICE PRESIDENT	0 372,498	0 0	0 10,146	0 20,250	0 19,625	0 422,519	0 0	
8 HARLAN M. SANDS, J.D. VICE PRESIDENT	0 345,081	0 0	0 12,414	0 20,250	0 17,773	0 395,518	0 0	
9 KATHLEEN M. SMITH FORMER ASST. SECRETARY	0 135,515	0 0	0 2,286	0 22,353	0 16,257	0 176,411	0 0	
10 JOSEPH M. STEFFEN, PH.D. FORMER SECRETARY	0 87,914	0 0	0 874	0 8,011	0 13,309	0 110,108	0 0	
11 DANA B. MAYTON, J.D. LEGAL COUNSEL	0 172,801	450 0	276 0	17,708 0	12,190 0	203,425 0	0 0	
12 MITCHELL H. PAYNE, J.D. CHIEF BUSINESS OFFICER	0 200,020	0 0	0 14,298	0 21,006	0 17,617	0 252,941	0 0	
13								
14								
15								
16								

Supplemental Information to Form 990 or 990-EZ

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

2015

Open to Public Inspection

Name of the Organization
UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Identification Number

Return Reference - Identifier	Explanation
FORM 990, PART I, LINE 1 - BRIEF MISSION	INVESTIGATIONS, CLINICAL SERVICES, AND OTHER ACTIVITIES RELATING TO THE MISSIONS OF THE UNIVERSITY OF LOUISVILLE.
FORM 990, PART III, LINE 4A - PROGRAM SERVICE DESCRIPTION	ADDITION TO BASIC AND TRANSLATIONAL RESEARCH, ULRF IS ALSO MAKING SIGNIFICANT CONTRIBUTIONS TO IMPROVE THE QUALITY OF LIFE FOR PEOPLE IN BOTH THE LOCAL AREA AND GLOBALLY. THESE WIDE-RANGING PROGRAMS INCLUDE COAL ASH AND CHILDREN'S HEALTH, TRAINING AND TECHNICAL ASSISTANCE TO IMPROVE WATER QUALITY FOR SMALL SCALE WATER COMPANIES, ECONOMIC IMPACT OF MEDICAID EXPANSION, CHILD WELFARE TRAINING, AND POLLUTION PREVENTION ASSISTANCE.
FORM 990, PART V, LINE 1A - FORM 1096	THE ORGANIZATION'S FORMS 1099 ARE FILED BY ITS COMMON PAY AGENT, THE UNIVERSITY OF LOUISVILLE.
FORM 990, PART V, LINE 2A - FORMS W-2	THE ORGANIZATION HAS NO EMPLOYEES.
FORM 990, PART VI, 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 STATUES.</p> <p>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>
FORM 990, PART VI, 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.
FORM 990, PART VI, 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.</p> <p>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>
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."
FORM 990, PART VI, 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 - Identifier	Explanation				
FORM 990, PART VII, SECTION A, LINE 1A - 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.				
FORM 990, PART IX, LINE 11G - OTHER FEES FOR SERVICES	(a) Description	(b) Total Expenses	(c) Program Service Expenses	(d) Management and General Expenses	(e) Fundraising Expenses
	UNIVERSITY OF LOUISVILLE SALARY AND BENEFIT ALLOCATIONS	262,625,731	249,940,911	12,684,820	
	RESEARCH SUBCONTRACTING	9,441,718	9,441,718		
	MEDICAL SUBCONTRACTING	38,221,816	38,221,816		
	OTHER CONSULTING AND SERVICES	8,071,431	5,786,019	2,285,412	

**SCHEDULE R
(Form 990)**

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.

▶ Attach to Form 990.

▶ Information about Schedule R (Form 990) and its instructions is at www.irs.gov/form990.

Department of the Treasury
Internal Revenue Service

Name of the organization

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION

Employer identification number

2015

**Open to Public
Inspection**

Part I Identification of Disregarded Entities Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(1)	(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)						
(2)						
(3)						
(4)						
(5)						
(6)						

Part II Identification of Related Tax-Exempt Organizations Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(1)	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
							Yes	No
(1)	UNIVERSITY OF LOUISVILLE, (61-1014882) UNIVERSITY OF LOUISVILLE, LOUISVILLE, KY 40292	EDUCATION	KY			N/A		✓
(2)	UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC. (31-1106941) UNIVERSITY OF LOUISVILLE, LOUISVILLE, KY 40292	EDUCATION	KY	501(C)(3)	11	UNIVERSITY OF LOUISVILLE		✓
(3)	UNIVERSITY OF LOUISVILLE MEDICAL SCHOOL FUND, INC. (61-0888729) UNIVERSITY OF LOUISVILLE, LOUISVILLE, KY 40292	EDUCATION	KY	501(C)(3)	11	UNIVERSITY OF LOUISVILLE		✓
(4)	UNIVERSITY PHYSICIANS GROUP, INC. (61-1346817) 323 EAST CHESTNUT STREET, LOUISVILLE, KY 40202-1823	MEDICAL CARE	KY	501(C)(3)	9	UNIVERSITY OF LOUISVILLE		✓
(5)	UNIVERSITY OF LOUISVILLE MEDICAL SCHOOL PRACTICE ASSOC. (61-1250153) 550 SOUTH JACKSON STREET, LOUISVILLE, KY 40202	MEDICAL CARE	KY	501(C)(3)	7	UNIVERSITY OF LOUISVILLE		✓
(6)								
(7)								

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Cat. No. 50135Y

Schedule R (Form 990) 2015

Part III Identification of Related Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.

(1) Name, address, and EIN of related organization	(2) Primary activity	(3) Legal domicile (state or foreign country)	(4) Direct controlling entity	(5) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(6) Share of total income	(7) Share of end-of-year assets	(8) Disproportionate allocations?		(9) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(10) General or managing partner?		(11) Percentage ownership
							Yes	No		Yes	No	
(1) _____												
(2) _____												
(3) _____												
(4) _____												
(5) _____												
(6) _____												
(7) _____												

Part IV Identification of Related Organizations Taxable as a Corporation or Trust Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(1) Name, address, and EIN of related organization	(2) Primary activity	(3) Legal domicile (state or foreign country)	(4) Direct controlling entity	(5) Type of entity (C corp, S corp, or trust)	(6) Share of total income	(7) Share of end-of-year assets	(8) Percentage ownership	(9) Section 512(b)(13) controlled entity?	
								Yes	No
(1) _____									
(2) _____									
(3) _____									
(4) _____									
(5) _____									
(6) _____									
(7) _____									

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
a Receipt of (i) interest, (ii) annuities, (iii) royalties, or (iv) rent from a controlled entity		✓
b Gift, grant, or capital contribution to related organization(s)		✓
c Gift, grant, or capital contribution from related organization(s)		✓
d Loans or loan guarantees to or for related organization(s)		✓
e Loans or loan guarantees by related organization(s)		✓
f Dividends from related organization(s)		✓
g Sale of assets to related organization(s)		✓
h Purchase of assets from related organization(s)		✓
i Exchange of assets with related organization(s)		✓
j Lease of facilities, equipment, or other assets to related organization(s)		✓
k Lease of facilities, equipment, or other assets from related organization(s)	✓	
l Performance of services or membership or fundraising solicitations for related organization(s)		✓
m Performance of services or membership or fundraising solicitations by related organization(s)		✓
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	✓	
o Sharing of paid employees with related organization(s)	✓	
p Reimbursement paid to related organization(s) for expenses	✓	
q Reimbursement paid by related organization(s) for expenses		✓
r Other transfer of cash or property to related organization(s)		✓
s Other transfer of cash or property from related organization(s)		✓

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
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

Part VI Unrelated Organizations Taxable as a Partnership Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(1) Name, address, and EIN of entity	(2) Primary activity	(3) Legal domicile (state or foreign country)	(4) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(5) Are all partners section 501(c)(3) organizations?		(6) Share of total income	(7) Share of end-of-year assets	(8) Disproportionate allocations?		(9) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(10) General or managing partner?		(11) Percentage ownership
				Yes	No			Yes	No		Yes	No	
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													
(8)													
(9)													
(10)													
(11)													
(12)													
(13)													
(14)													
(15)													
(16)													

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE
SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS**
Year Ended June 30, 2017

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
Louisville, Kentucky

**SINGLE AUDIT REPORTS AND THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**
Year Ended June 30, 2017

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UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
STUDENT FINANCIAL AID CLUSTER				
UNITED STATES DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 777,206	\$ -
Federal Work Study Program	84.033		788,587	-
Federal Perkins Loan Program	84.038		8,761,505	-
Federal Pell Grant Program	84.063		17,947,377	-
William D. Ford Federal Direct Loan Program	84.268		139,981,318	-
Teacher Education Assistance for College and Higher Education Grants (TEACH Grants)	84.379		88,368	-
			<u>168,344,361</u>	<u>-</u>
SUBTOTAL UNITED STATES DEPARTMENT OF EDUCATION				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Health Professions Student Loans, Including Primary Care Loans and Loans for Disadvantaged Students	93.342		9,705,756	-
Nursing Student Loans	93.364		52,886	-
			<u>9,758,642</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
TOTAL STUDENT FINANCIAL AID CLUSTER				
			<u>178,103,003</u>	<u>-</u>
RESEARCH AND DEVELOPMENT CLUSTER				
DEPARTMENT OF AGRICULTURE				
Agricultural Research-Basic and Applied Research	10.001		84,236	7,228
Agriculture and Food Research Initiative (AFRI)	10.310		66,442	-
Wood Education and Resource Center (WERK)	10.681		108,008	-
			<u>258,686</u>	<u>7,228</u>
SUBTOTAL DEPARTMENT OF AGRICULTURE				

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF COMMERCE				
ARRA- Measurements and Engineering Research and Standards Through National Center for Defense Manufacturing and Machining	11.609	20140098	\$ 33,466	\$ -
Through National Center for Defense Manufacturing and Machining	11.609	20140262	39,000	39,000
			15,328	-
SUBTOTAL DEPARTMENT OF COMMERCE			<u>87,794</u>	<u>39,000</u>
DEPARTMENT OF DEFENSE				
Department of Defense Contracts Through 3DSIM, LLC	12.000	FA8650-15-M-5025	(22)	-
Through InfoBeyond Technology LLC	12.000	Estreaming: Dynamic	26,590	-
Through Mound Laser & Photonics Center, Inc.	12.000	FA8650-13-C-5021	(189)	-
Through QuesTek Innovations LLC	12.000	PO 1400	34,499	-
Through Raytheon Company	12.000	PO 4201376716	23,222	-
Through Spectral Sciences, Inc.	12.000	3368-001-47	417	-
Through Spectral Sciences, Inc.	12.000	SVBRATION DETECTION	20,310	-
Through Spectral Sciences, Inc.	12.000	3442-001-47 COMPOSITEBOND	111,390	-
Through Spectral Sciences, Inc.	12.000	3392-012-47	24,610	-
Basic and Applied Scientific Research Through Texas Research Institute Austin, Inc.	12.300	A7301-300-SC1651	181,565	-
Through Scientific Research - Combating Weapons of Mass Destruction Through Omm Scientific, Inc.	12.351	HDTRA1-14-1-0043	66,290	-
Military Medical Research and Development Through Christine Kleiner Institute	12.351	W81XWH-13-2-0057	289,787	92,200
Through Christopher & Dana Reeve Foundation	12.420	CTN1.8.9.10	(142)	-
Through Feinstein Institute of Medical Research Through Jewish Hospital	12.420	500717JUL CTA-09	1,729,768	3,664
Through Kessler Med Rehab Research and Edu Corp	12.420	435-01	114,754	-
Through Kessler Med Rehab Research and Edu Corp	12.420	W81XWH-14-2-0190	128,350	-
Through Owensboro Medical Health System Through University of Pittsburgh Through University of Pittsburgh	12.420	W81XWH-10-2-0082 0027150 (408007-2) 9010895(410257)	88,029	-
	12.420		135,107	-
	12.420		23,648	-
	12.420		3,359	-
	12.420		26,678	-
	12.420		69,789	-
	12.420		13,590	-

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF DEFENSE (Continued)				
Through University of Pittsburgh	12.420	9010895(410257)	\$ 13,590	-
Basic Scientific Research	12.431		285,905	-
Through Ceramics Composites and Coatings Company	12.431	PORCELAIN COATINGS	34,165	-
Through University of Kentucky	12.431	3200000546-16-226	24,701	-
Basic, Applied, and Advanced Research in Science and Engineering				
Through Academy of Applied Science	12.630	FY17 KY Jr. Science & Hum	6,881	-
Mathematical Sciences Grants Program	12.901		12,424	-
			<u>3,475,475</u>	<u>95,864</u>
SUBTOTAL DEPARTMENT OF DEFENSE				
DEPARTMENT OF INTERIOR				
Research Grants	15.660		2,200	-
Department of the Interior Fish and Wildlife Service Coastal Impact				
Through North Slope Borough	15.668	20171209-000 OP	6,232	-
Assistance to State Water Resources Research Institutes				
Through University of Kentucky	15.805	3200000437-16-193	4,502	-
			<u>12,934</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF INTERIOR				
DEPARTMENT OF JUSTICE				
National Institute of Justice Research, Evaluation, and Development Project				
Grants	16.560		371,661	44,041
Through University of Maryland	16.560	0000018580	55,183	-
Through Vanderbilt University	16.560	UNIV59385	4,900	-
Criminal Justice Research and Development_ Graduate Research				
Fellowships	16.562		30,185	-
			<u>461,929</u>	<u>44,041</u>
SUBTOTAL DEPARTMENT OF JUSTICE				

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF TRANSPORTATION				
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research Through University of Kentucky Research Foundation	20.505	3049025467-15-041	\$ 83,716	\$ -
DEPARTMENT OF TREASURY				
Department of Treasury Contract	21.000		(3,124)	-
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
NASA Contracts	43.000		18,377	1,393
Through CFD Research Corporation	43.000	20160362	78,513	-
Through Kentucky EPScoR	43.000	3048112736-16-199	5,059	-
Through Techshot	43.000	Sintered Inductive Metal	26,613	-
Through University of Kentucky Research Foundation	43.000	3210000183-16-119	1,556	-
Through University of Kentucky Research Foundation	43.000	3048107708-11-351	(586)	-
Through University of Kentucky Research Foundation	43.000	3048110296-13-192	106,770	7,909
Through University of Kentucky Research Foundation	43.000	304109993-13-189	(246)	-
Through University of Kentucky Research Foundation	43.000	3048110213-15-251	3,495	-
Aerospace Education Services Program	43.001		158,836	29,549
Through Aetos Systems, Inc.	43.001	SC-2019-003	(3,143)	-
Through Aetos Systems, Inc.	43.001	SC-2019-004	1,761	-
Education				
Through University of Kentucky Research Foundation	43.008	3210000183-16-120	4,119	-
Through University of Kentucky Research Foundation	43.008	3048111831-15-029	98,481	40,009
Through University of Kentucky Research Foundation	43.008	3200000161-16-112	13,512	-
Through University of Kentucky Research Foundation	43.008	3200000161-16-230	16,244	3,318
Through University of Kentucky Research Foundation	43.008	3210000163-17-139	6,977	-
Through University of Kentucky Research Foundation	43.008	3210000183-17-138	17,418	-
Cross Agency Support	43.009		9,905	-
SUBTOTAL NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			563,661	82,178

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
NATIONAL ENDOWMENT FOR THE ARTS				
Promotion of the Arts-Grants to Organizations and Individuals	45.024		\$ 8,722	\$ -
NATIONAL SCIENCE FOUNDATION				
National Science Foundation Contract Engineering Grants	47.000		107,765	170,583
Through Bert Thin Films, LLC	47.041	1448883	1,767,829	-
Through Spirituality Network, Inc.	47.041	NSF 12-548	2,200	-
Mathematical and Physical Sciences	47.049		189,628	-
Through Eastern Illinois University	47.049		811,848	163,112
Through University of California, Riverside	47.049	FY2017-02	49,336	-
Geosciences	47.050	S000717	786	-
Computer and Information Science and Engineering	47.070		85,037	-
Through Oak Ridge Associated Universities	47.070		187,336	18,994
Through Rutgers University	47.070	Transforming Math 5894	642	-
Biological Sciences	47.074		(536)	-
Social, Behavioral, and Economic Sciences	47.075		635,251	-
Education and Human Resources	47.076		120,735	18,244
Through Biological Sciences Curriculum Study	47.076	1503280	516,053	-
Through Tennessee Tech University	47.076	5-31289	44,815	-
Through University of Kentucky Research Foundation	47.076	304811054-14-127	23,842	-
Office of International Science and Engineering through University of Kentucky Research Foundation	47.076		34,419	-
Office of Integrative Activities	47.079		(13,105)	-
Through Kentucky EPScoR	47.083		8,217	-
Through University of Kentucky Research Foundation	47.083	3200000271-17-025	426,728	-
Through University of Kentucky Research Foundation	47.083	3200000271-16-155	73,744	-
Through University of Kentucky Research Foundation	47.083	3200000271-16-071	138,327	-
Through University of Kentucky Research Foundation	47.083	3200000271-16-074	381,327	-
Through University of Kentucky Research Foundation	47.083	3200000271-16-070	-	-
SUBTOTAL NATIONAL SCIENCE FOUNDATION			5,592,224	370,933

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF VETERANS AFFAIRS				
Department of Veterans Affairs Contracts	64.000		\$ 44,038	-
Sharing Specialized Medical Resources	64.018		283,282	-
SUBTOTAL DEPARTMENT OF VETERANS AFFAIRS			327,320	-
ENVIRONMENTAL PROTECTION AGENCY				
Regional Wetland Program Development Grants	66.461		178,519	12,587
Source Reduction Assistance through State of Kentucky	66.717	P02 129 1600002017 1	788	-
Brownfields Training	66.814		98,815	18,160
Through Virginia Polytech Institute	66.814	451357-19111	(1,802)	-
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY			276,320	30,757
DEPARTMENT OF ENERGY				
U.S. Department of Energy Contract through Los Alamos National Laboratory	81.000		28,496	-
Inventions and Innovations through Technova Corporation	81.036	420099 Fusion Energy	(28)	-
Basic Energy Sciences	81.049		(48)	-
Regional Biomass Energy Programs through University of Kentucky	81.079		(2,272)	-
Research Foundation	81.087	3046991100-07-218	1,596	-
Renewable Energy Research and Development			-	-
SUBTOTAL DEPARTMENT OF ENERGY			28,744	-
DEPARTMENT OF EDUCATION				
National Institute on Disability and Rehabilitation Research	84.133		(11,105)	-
Education Research				-
Through State of Kentucky	84.206	PON2 540 1600000996 1	25,680	-
Through State of Kentucky	84.206	PON2 540 1700000254 1	83,413	-
Through University of Connecticut	84.206	RSA# 68614 KFS# 5631600	57,731	-

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF EDUCATION (Continued)				
Education Research, Development and Dissemination Through Development Services Group, Inc.	84.305		\$ 77,215	\$ 26,110
Through Development Services Group, Inc.	84.305	ED-IES-12-C-0084	23,450	-
Through Development Services Group, Inc.	84.305	2015-01 ED-IES-15-D-0003	39,056	-
Through Virginia Commonwealth University	84.305	FP00002959_SA002	20,126	-
Research in Special Education	84.324	708778.490	708,778	265,664
Through Oregon Research Institute	84.324	R324A150221	244,014	-
SUBTOTAL DEPARTMENT OF EDUCATION			1,268,358	291,774
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Department of Health and Human Services Contracts Through AtoxBio Ltd.	93.000	ATB-202	66,095	-
Through Duke Clinical Research Institute	93.000	CE 01-120	985	-
Through Duke Clinical Research Institute	93.000	NICHD-2011-POPS	6,087	-
Through Duke Clinical Research Institute	93.000	203-8012	43	-
Through Duke Clinical Research Institute	93.000	203-8391	23,191	-
Through Duke Clinical Research Institute	93.000		10,409	-
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Through Duke Clinical Research Institute	93.000	NICHD-2012-01-SIL01	315	-
Through Duke University	93.000	203-8816	(1,190)	-
Through Espira, Inc.	93.000	Exosome and Oncosome	45,400	-
Through NRG Oncology Foundation, Inc.	93.000	NRG HN002	109	-
Through NRG Oncology Foundation, Inc.	93.000	EAY131 MATCH	6,117	-
Family Smoking Prevention and Tobacco Control Act Regulatory Research Through Cleveland Clinic Lerner College of Medicine	93.077		1,652,193	-
Through National American Heart Association	93.077	668-SUB	29,489	-
Blood Disorder Program: Prevention, Surveillance, and Research Through University of North Carolina	93.077	FX-ATRAC-JUL1	2,038,825	-
Healthy Marriage Promotion and Responsible Fatherhood Grants Through Fatherhood Research & Practice Network	93.080	5103566	3	-
Through Fatherhood Research & Practice Network	93.086	GB170637	11,874	-

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse	93.087	453058-16-137	\$ (117)	\$ -
Through Eastern Kentucky University	93.087	453243-17-130	61,570	-
Through Eastern Kentucky University				
Food and Drug Administration Research	93.103	CTTI-001	82,589	-
Through Duke University	93.111	THI-2016-01	36,223	-
Adolescent Family Life Research Grants through Texas Health Institute	93.113		2,352,592	256,112
Biological Response to Environmental Health Hazards	93.113		100,005	-
Through University of Kentucky Research Foundation	93.113	304811486-14-173	22,489	-
Through University of Kentucky Research Foundation	93.121	3049025688-15-105	4,596,913	357,781
Oral Disease and Disorders Research	93.121	ORCA 61045	140,134	-
Through University of Bristol	93.121	UTA13-000775	123,446	-
Through University of Texas at Austin				
Injury Prevention and Control Research and State and Community Based Programs	93.136		1,251,521	587,001
NIEHS Hazardous Waste Worker Health and Safety Training	93.142	2035506	11,760	-
Through Duke University	93.142	T657459	51,943	-
Through Emory University	93.172		277,594	172,562
Human Genome Research	93.172		18,631	-
Through HudsonAlpha Institute for Biotechnology	93.172	1UM1HG0007301	1,475	-
Through Vanderbilt University	93.173	VUMC59997	807,429	133,475
Research Related to Deafness and Communication Disorders	93.173		(3,663)	-
Through University of Virginia	93.213	GC11990-136407	292,783	-
Research and Training in Complementary and Alternative Medicine	93.213		315,316	30,688
Research on Healthcare Costs	93.226			
Mental Health Research Grants	93.242	R42MH091997	41,507	-
Through Biomedical Development Corporation	93.242	4500001597	842	-
Through Boston University	93.242	8491SC	6,534	-
Through University of California, San Francisco	93.262		165,250	102,588
Occupational Safety and Health Research Grants	93.273		3,927,117	-
Alcohol Research Programs	93.273		211,421	-
Through Cleveland Clinic Lerner College of Medicine	93.273	589, 728-SUB	124,100	-
Through EndoProtech Inc.	93.273	LNER DIS R44AA021331	94,241	-
Through University of California, San Diego	93.273	156449095/S9000837	-	-

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Drug Abuse Research Programs	93.279	20150048.1	\$ 59,129	\$ -
Through University of North Carolina				50,175
Discovery and Applied Research for Technological Innovations to Improve Human Health	93.286			
Through University of California, Los Angeles	93.286	0845 G SB763	347,003	
Trans-NIH Research Support	93.310		127,556	
Through Massachusetts General Hospital	93.310	229365	1,010,020	218,464
Through University of Florida	93.310	UFDSP00011499	50,655	
Through Vanderbilt University	93.310	VJMC 42921	30,874	
Early Hearing Detection and Intervention Information System (EHDHS) Surveillance Program			106	
Through State of Kentucky	93.314	PO2 767 17000048521	6,534	
Paralysis Resource Center B - Cooperative Agreements (Discretionary Grants)				
Through Christopher and Dana Reeve Foundation	93.325	NRN-2015.2016(SH)	1,419,754	899,913
Research Infrastructure Programs through Noveratech, LLC	93.351	UNI-CHRONIC CARE MOD	17,002	
Nursing Research	93.361		346	
Research Infrastructure	93.389		110,721	
Cancer Cause and Prevention Research	93.393		583,155	74,189
Through Georgia Regents Augusta State University	93.393	Educational Program	7,761	
Through University of Kansas Medical Center	93.394	QU8666910	24,261	
Cancer Detection and Diagnosis Research	93.394		118,605	
Through University of Massachusetts	93.394	WA00397957/OSP121615	18,584	5,293
Through University of Massachusetts	93.394	OSP2016157 /WA00522492	20,414	
Through Wake Forest University	93.394	WFUHS 113201	2,656	
Cancer Treatment Research	93.395		1,284,846	109,329
Through Alliance for Clinical Trials in Oncology	93.395	Z11102	73	
Through 3P Biotechnologies, Inc.	93.395	1R41CA189517-01	(470)	
Through Brigham & Women's Hospital	93.395	Alliance A151216	247	
Through Children's Hospital of Philadelphia	93.395	U10C095861	(695)	
Through Children's Hospital of Philadelphia	93.395	U10CA180886	46,344	
Through Children's Oncology Group	93.395	CTSU PHASE II	30	
Through Duke Clinical Research Institute	93.395	ACOSOG Z4051	(1,906)	
Through FasCure Therapeutics LLC	93.395	NOVEL ADJUVANT SYSTE	56,900	
Through NRG Oncology Foundation, Inc.	93.395	RTOG0920	35	

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Through NRG Oncology Foundation, Inc.	93.395	NSABP PROTOCOL B-49	\$ 1	\$ -
Through NRG Oncology Foundation, Inc.	93.395	RTOG 1106	299	-
Through Southwest Oncology Group	93.395	ECOG 1505	70	-
Through Southwest Oncology Group	93.395	ECOG E5103	91	-
Cancer Biology Research	93.396		1,636,863	121,869
Through University of Kentucky Research Foundation	93.396	3049025772-15-059	438,499	-
Through University of Nebraska Medical Center	93.396	34-5140-2063-001	84,608	-
Cancer Research Manpower	93.398		261,677	-
ACL National Institute on Disability, Independent Living, and Rehabilitation Research	93.433		91,484	-
Refugee and Entrant Assistance Discretionary Grants				
Through Catholic Charities, Inc.	93.576	252-10-8080-2016_2017	42,689	-
Child Welfare Services Training Grants	93.648	24-0520-0227-004	81,539	-
ARRA Trans-NIH Recovery Act Research Support Trans-NIH Recovery Act Research				
Through Emmes Corporation, EPP (NCI) - ARRA	93.701	1U01NS026835-01A1	756	-
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.733		513	-
Medical Assistance Program through State of Kentucky	93.778	PO2 746 1600005254 1	348,995	-
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations				
Through State of Kentucky	93.779	PO2 723 1500002217 2	(149)	-
Heart and Vascular Diseases Research	93.837		4,673,695	116,202
Through APK Advanced Medical Technologies Inc.	93.837	1R44HL117426-01	26,501	-
Through Children's Hospital of Philadelphia	93.837	FP11498A1-SUB16-07	25	-
Through Cincinnati Children's Hospital Medical Center	93.837	109317	387	-
Through EndoProtech, Inc.	93.837	A NOVEL LIPO THERAPY	70,607	-
Through Enson, Inc.	93.837	PED LIFE SUPPORT	9,474	-
Through HeartWare, Inc.	93.837	5R44HL103014-03	100,934	-
Through Massachusetts General Hospital	93.837	5U01HL123336-02	22,065	-
Through National Marrow Donor Program	93.837	1R01HL085707	22	-
Through New York University Medical School	93.837	PV-10-EA-02	1,853	-
Through University of Florida	93.837	UFDSP00011610	3,554	-
Through University of South Florida	93.837	6382-1000-00-A	13,507	-
Through University of Texas at Houston	93.837	CONCERT-HF	13,877	-

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Through University of Texas at Houston	93.837	5UMIHL087318-09	6,848	-
Through University of Texas at Houston	93.837	0008802Q	300	-
Through University of Utah	93.837	10041797 - LOUISVILLE	126,839	-
Through Yale University	93.837	EXERCISE IN GENETIC	61	-
Lung Diseases Research	93.838		610,223	-
Through Children's Hospital of Boston	93.838	5U01HL107681-04	8	-
Through Johns Hopkins Medical Center	93.838	2003043501	27,462	-
Through University of Maryland	93.838	14000032	76,565	-
Blood Diseases and Resources Research	93.839		313,026	-
Through Noveratech, LLC	93.839	1R43HL114235-01 -SUB	(15,002)	-
Arthritis, Musculoskeletal and Skin Diseases Research	93.846		1,388,415	-
Through Cincinnati Children's Hospital Medical Center	93.846	105514	624	-
Through Oklahoma Medical Research Foundation	93.846	0246-05LOUJS1610478	45,689	-
Through University of Chicago	93.846	FP050821	48,749	-
Through Washington University	93.846	1 R01 AR055176-01A2	(2,669)	-
Diabetes, Endocrinology, and Metabolism Research	93.847		1,991,870	131,693
Through Johns Hopkins University	93.847	JHU 2003172574	151	-
Through Johns Hopkins University	93.847	5U01DK062431142001774057	3,024	-
Through Nationwide Children's Hospital	93.847	952616/WX00277790	15,074	-
Through Nationwide Children's Hospital	93.847	82137416	70,572	-
Through Noveratech, LLC	93.847	DIABETIC FOOT ULCERS	22,597	-
Through Noveratech, LLC	93.847	2R44DK105692-02	51,561	-
Through Ohio State University	93.847	60051721/PO RF01424134	51,016	-
Through Ohio State University	93.847	60056720 / RF01466576	63,012	-
Through Rush University Medical Center	93.847	13032902-Sub3	27,792	-
Through Techshot	93.847	2R44DK072647-04A1	29,665	-
Through University of South Florida	93.847	TN-18	110	-
Through University of South Florida	93.847	TN-20	4,199	-
Through University of South Florida	93.847	TN01 TYPE 1 UDK097835A	55,240	-
Through University of South Florida	93.847	TN-07, ORAL INSULIN	11,358	-
Through University of South Florida	93.847	nbvgv TYPE 1 TN-16	11,846	-
Extramural Research Programs in the Neurosciences and Neurological Disorders	93.853		1,344,655	48,275
Through Johns Hopkins Medical Center	93.853	PO 2002201516 U01NS080824	3,097	-
Through Massachusetts General Hospital	93.853	INO-PD-P3-2014	16,796	-
Through Mayo Clinic	93.853	5U01NS080168-03	632	-

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Through University of Minnesota	93.853	ATACH-II SubawdN000936941	8,926	-
Through University of Washington	93.853	UWSC7771	3,155	-
Allergy, Immunology and Transplantation Research	93.855		5,760,596	2,084,302
Through FasCure Therapeutics, LLC	93.855	VACC PLAGUE R41A120353	29,699	-
Through Indiana University	93.855	BL-4624260-UJLRF	7,032	-
Through Massachusetts General Hospital	93.855	Subaward # 219473	697	-
Through Massachusetts General Hospital	93.855	225488	3,024	-
Through Massachusetts General Hospital	93.855	229712	4,093	-
Through Medigen, Inc.	93.855	2R44A094863-03A1	90,175	-
Through Rosalind Franklin University of Medicine	93.855	212221UL	53,907	-
Through University of California-Berkeley	93.855	00009352	14,376	-
Through University of Minnesota	93.855	UMN CON#52525 /N004761501	6,815	-
Microbiology and Infectious Diseases Research	93.856		565,397	-
Pharmacology, Physiology, and Biological Chemistry Research	93.859		9,228,988	1,964,999
Through Research Foundation for SUNY at Buffalo	93.859	R1059229	65,088	-
Through University of Kentucky Research Foundation	93.859	3200000086-16-014	37,885	-
Through University of Utah	93.859	10030565-LOU	22,041	-
Center for Research for Mothers and Children	93.865		639,856	-
Through Ann & Robert Lurie Children's Memorial Hospital	93.865	901461-Louisville	9,474	-
Through Ann & Robert Lurie Children's Memorial Hospital	93.865	5R01HD060997-02	(5,013)	-
Through Stanford University	93.865	61281978-105015	278	-
Aging Research	93.866		973,244	98,084
Through University of California - Davis	93.866	201121619-05	36,710	-
Through University of Kentucky Research Foundation	93.866	320000011-14-174	25,136	-
Through University of Virginia	93.866	GB10087 147150	20,809	-
Vision Research - Retinal and Choroidal Diseases Research	93.867		3,105,203	224,873
Through Children's Hospital of Philadelphia	93.867	3209850813,15	10,976	-
Through Ohio State University	93.867	60047172	24,927	-
Through Washington University St. Louis School of Medicine	93.867	WUJ-16-123	36,618	-
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918		63,415	-
Maternal and Child Health Services Block Grant to the States			354,816	-
Through State of Kentucky	93.994	PO2 728 1600004752 1	59,866,314	7,787,867
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				

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DEPARTMENT OF HOMELAND SECURITY				
Homeland Security Advanced Research Projects Agency Through EWA Government Systems, Inc.	97.065	HSHQDC-11-C-00001	\$ (836)	\$ -
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT				
United States Agency for International Development Contract Through National Academy of Sciences	98.000	2000007145	17,554	-
TOTAL RESEARCH AND DEVELOPMENT CLUSTER			<u>72,325,791</u>	<u>8,749,642</u>
SPECIAL EDUCATION (IDEA) CLUSTER				
DEPARTMENT OF EDUCATION				
Special Education Grants to States Through State of Kentucky	84.027	PON2 54015000019851	3,369	-
Through State of Kentucky	84.027	PON2 540 1500002368 1	11,799	-
Through State of Kentucky	84.027	PON2 540 1600002173 1	76,942	-
Through State of Kentucky	84.027	PON2 540 16000026151	676,787	258,972
Through State of Kentucky	84.027	PON2 540 16000002548 1	366,155	186,393
SUBTOTAL DEPARTMENT OF EDUCATION			<u>1,135,052</u>	<u>445,365</u>
TOTAL SPECIAL EDUCATION (IDEA) CLUSTER			<u>1,135,052</u>	<u>445,365</u>

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TRIO CLUSTER				
DEPARTMENT OF EDUCATION				
TRIO - Student Support Services	84.042		\$ 221,136	\$ -
TRIO - Talent Search	84.044		230,549	-
TRIO - Upward Bound	84.047		690,617	-
SUBTOTAL DEPARTMENT OF EDUCATION			<u>1,142,302</u>	<u>-</u>
TOTAL TRIO CLUSTER			<u>1,142,302</u>	<u>-</u>
MEDICAID CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medical Assistance Program				
Through Eastern Kentucky University	93.778	453237-17-123	97,779	-
Through State of Kentucky	93.778	PO2 746 1600000464 1	12,333	-
Through State of Kentucky	93.778	PON2 746 1600003893 1	75,720	-
Through State of Kentucky	93.778	PON2 1400002206 1	(17,200)	-
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>168,632</u>	<u>-</u>
TOTAL MEDICAID CLUSTER			<u>168,632</u>	<u>-</u>
TOTAL SPECIAL CLUSTERS			<u>2,445,986</u>	<u>445,365</u>

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OTHER PROGRAMS				
DEPARTMENT OF AGRICULTURE				
Farmers Market and Local Food Promotion Program Through Louisville/Jefferson County Metro Government	10.168	14-FMPPX-KY-0073	\$ 7,548	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) Through State of Kentucky	10.557	PO2 728 1600004675 1	298,474	-
SUBTOTAL DEPARTMENT OF AGRICULTURE				
DEPARTMENT OF DEFENSE				
Department of Defense Contracts Through Techshot	12.000		55,349	-
ROTC Language and Culture Training Grants	12.357	TISSUE ENG VASCULAR	101,772	-
			473,796	-
SUBTOTAL DEPARTMENT OF DEFENSE				
DEPARTMENT OF JUSTICE				
Legal Assistance for Victims Through Legal Aid Society, Inc.	16.524	2010-wl-ax-0050	635	-
Through Legal Aid Society, Inc.	16.524	OWW LAV 2014-2017	39,754	-
Public Safety Partnership and Community Policing Grants	16.710		90,068	-
SUBTOTAL DEPARTMENT OF JUSTICE				
DEPARTMENT OF STATE				
Academic Exchange Programs - Scholars	19.401		112,324	-
Criminal Justice Systems	19.703		155,068	-
SUBTOTAL DEPARTMENT OF STATE				
			267,392	-

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			\$ 39,969	\$ -
NATIONAL AERONAUTICAL AND SPACE AGENCY				
Education through University of Kentucky Research Foundation	43.008	3200000722-17-004		
ENVIRONMENTAL PROTECTION AGENCY				
Surveys through University of North Carolina at Chapel Hill	66.424	5102460	9,126	-
Pollution Prevention Grants Program	66.708		105,408	-
Through State of Kentucky	66.708	PO2 129 1400002256 1	(274)	-
Through State of Kentucky	66.708	PO2 129 1500002655 1	3,780	3,000
Through State of Kentucky	66.708	PON2 129 1600002019 1	4,195	-
Through State of Kentucky	66.708	PO2 129 1600002546 1	96	-
Through State of Kentucky	66.708	PON2 129 1600001930 1	12,538	-
Through State of Kentucky	66.708	PON2 129 1700001134 1	17,310	-
Source Reduction Assistance	66.717		33,753	-
			<u>185,932</u>	<u>3,000</u>
SUBTOTAL ENVIRONMENTAL PROTECTION AGENCY				
DEPARTMENT OF ENERGY				
State Energy Program	81.041			-
Through State of Kentucky	81.041	PON2 127 1500002364 1	(22)	-
Through State of Kentucky	81.041	PON212716000003830	88,587	-
Through State of Kentucky	81.041	M-03280346	25	-
			<u>88,590</u>	<u>-</u>
SUBTOTAL DEPARTMENT OF ENERGY				
DEPARTMENT OF EDUCATION				
Department of Education contract through University of Florida	84.000	1700517025	6,854	-
Career and Technical Education-Basic Grants to States	84.048			-
Through State of Kentucky	84.048	PON2 540 1500002517 1	2,697	-
Through State of Kentucky	84.048	PON2 540 1500002674 1	173	-
Through State of Kentucky	84.048	PON2 540 1600002696 1	11,966	-

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DEPARTMENT OF EDUCATION (Continued)				
Special Education_Grants for Infants and Families with Disabilities Through State of Kentucky	84.181	PO2 748 1600005840 1	\$ 71,677	\$
Safe and Drug-Free Schools and Communities_State Grants Through Jefferson County Public Schools	84.186	FEDERAL JCPS	11,909	
Special Education - State Program Improvement Grants for Children with Disabilities				
Through State of Kentucky	84.323	PON2 540 1600000488 1	150,242	
Through State of Kentucky	84.323	PON2 540 1700000388 1	270,161	
Special Education - Personnel Development to Improve Services and Results for Children with Disabilities				
Gaining Early Awareness and Readiness for Undergraduate Programs	84.325		462,963	
Through State of Kentucky	84.334	PO2 415 16000034151	103,446	
Through State of Kentucky	84.334	PO2 41517000037391	1,304	
Mathematics and Science Partnerships				
Through Carroll County Schools	84.366	PON2 540 1600000520 1	42,242	
Through Jefferson County Public Schools	84.366	PO 1703244	24,643	
Through State of Arizona	84.366	ADED14-000011	1,865	
Through State of Kentucky	84.366	PON2 540 160000519 1	31,601	
Through State of Kentucky	84.366	PON2 540 1700000622 1	126,403	
Through State of Kentucky	84.366	PON2 540 1700000620 1	124,715	52,242
Improving Teacher Quality State Grants				
Through National Writing Project	84.367	92-KY03-SEED2012	1,376	
Through National Writing Project	84.367	92-KY03-SEED2016	50,397	950
ARRA - Investing in Innovation (i3) Fund				
Through Council for Opportunity in Education	84.411	AN04	2,814	
Through National Writing Project	84.411	92-KY03-2017I3AI	485	
SUBTOTAL DEPARTMENT OF EDUCATION			1,499,933	53,192
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Department of Health and Human Services Contracts				
Through National Fragile X Foundation	93.000	FORWARD REGISTRY	4	
Public Health Emergency Preparedness through State of Kentucky	93.069	PO2 728 160000050531	118,753	
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086		1,112,843	

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse				
Through University of Maine	93.087	UMS-1091	\$ 8,567	-
Through University of Maine	93.087	UMS1033	3,086	-
Model State Supported Area Health Education Centers	93.107		870,771	655,913
Maternal and Child Health Federal Consolidated Programs				
Through Michigan Public Health Institute	93.110	K-38829-115-504200	22,679	-
Emergency Medical Services for Children	93.127		76,089	13,641
Coordinated Services and Access to Research to Women, Infants, Children & Youth	93.153		382,018	-
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243		436,461	67,174
Through Volunteers of America	93.243	1H79T1025542-01	49,683	-
Centers for Disease Control & Prevention: Investigations and Technical Assistance				
Through Catholic Charities	93.283	261-10-8080-2016	15,475	-
Through State of Kentucky	93.283	PO2 728 1400004663 2	4,476	3,798
Through State of Kentucky	93.283	PO2 728 1600005012 1	65,437	-
Through State of Kentucky	93.283	PON272814000010722	1,581	-
Through State of Kentucky	93.283	PON2 728 1600002294 1	51,703	-
Through State of Kentucky	93.283	PO2 728 1600005011 1	106,649	-
Through State of Kentucky	93.283	PO272814000038531	490	-
Through University of Kentucky Research Foundation	93.283	3210000027-16-101	(20)	-
Through University of Kentucky Research Foundation	93.283	3210000398-17-062	53	-
Through University of Kentucky Research Foundation	93.283	3200000469-16-245	39,350	-
Through University of Kentucky Research Foundation	93.283	3200001003-17-126	7,581	-
Teenage Pregnancy Prevention Program	93.297		5,435	-
National State Based Tobacco Control Programs through State of Kentucky	93.305	PON2 7281600002074 1	(1,846)	-
Advanced Education Nursing Traineeships Support	93.358		37,612	-
Through Emory University	93.516	T460585	6,011	-
Through Emory University	93.516	T657440	23,777	-
Family Violence Prevention and Services	93.592		35,818	-
			177,247	89,541

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Head Start through Ohio Valley Education Cooperative Assistance for Torture Victims	93.600	UofL OVEC MOA	\$ 5,293	\$ -
Children's Justice Grants to States through State of Kentucky Adoption Opportunities	93.604		300,637	
Foster Care Title IV-E	93.643	PO2 736 1600004590 1	199,389	
Through Eastern Kentucky University	93.652		486,969	123,177
Through Eastern Kentucky University	93.658	4530408-16-135	(150)	
Through Eastern Kentucky University	93.658	453224-17-122	163,776	
Through Eastern Kentucky University	93.658	453227-17-121	157,620	
Through Eastern Kentucky University	93.658	453226-17-131	212,953	
Through Eastern Kentucky University	93.658	453229-17-129	8,658	
Through Eastern Kentucky University	93.658	453234-17-128	137,558	
Surveillance for Diseases Among Immigrants and Refugees Financed in Part by Prevention and Public Health Funds (PPHF) through Catholic Charities	93.755	268-108080-2016	11,949	
Organized Approaches to Increase Colorectal Cancer Screening Through State of Kentucky	93.800	KCP Small Media for West	(7,954)	
Through State of Kentucky	93.800	PO2 728 160005050 1	26,216	
Through State of Kentucky for Infectious Diseases (ELC).	93.800	PO2 72814000038431-4	8,424	
Through State of Kentucky	93.815	PO2 728 1600006176 1	96,182	
HIV Care Formula Grants	93.917	PON2 728 1600002326 1	748,436	
Through State of Kentucky	93.917	PO2 728 1600005009 1	1,051,191	
Disease	93.918		517,314	
Ryan White HIV/AIDS Dental Reimbursements	93.924		413,017	
HIV Prevention Activities_Health Department Based Through State of Kentucky	93.940	PON2 72815000004181	(5,652)	
Through State of Kentucky	93.940	PO2 728 1500002365 1	(113,770)	

(Continued)

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 Year ended June 30, 2017

<u>Federal Grant or Program Title</u>	<u>CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Fiscal Year Expenditures</u>	<u>Amount Provided to Subrecipients</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Geriatric Education Centers Maternal and Child Health Services Block Grant	93.969		\$ 1,001,371	\$ 134,458
Through State of Kentucky	93.994	PO2 728 1600004795 1	291,642	-
Through State of Kentucky	93.994	PO2 728 100004087	356	-
Through State of Kentucky	93.994	PO2 728 1600004432 1	22,896	-
Through State of Kentucky	93.994	PO2 728 1600004738 1	44,577	-
Through State of Kentucky	93.994	PO2 767 1600005577 1	10,544	-
SUBTOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			9,447,225	1,087,703
TOTAL OTHER PROGRAMS			12,596,437	1,143,895
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 265,471,217	\$ 10,338,901

See accompanying notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2017

Subtotals of Multiple Awards

The subtotals below represent expenditures by CFDA number that are not otherwise part of a cluster:

<u>Program Name</u>	<u>CFDA</u>	<u>Subtotal</u>
Department of Defense Contracts	12.000	\$ 157,121
Legal Assistance for Victims	16.524	40,389
Pollution Prevention Grants Program	66.708	143,053
Career and Technical Education-Basic Grants to States	84.048	14,836
Special Education - State Personnel Development	84.323	420,403
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	104,750
Mathematics and Science Partnerships	84.366	351,469
Improving Teacher Quality State Grants	84.367	51,773
Education Innovation and Research	84.411	3,299
Enhance Safety of Children Affected by Substance Abuse	93.087	11,653
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	486,144
Centers for Disease Control & Prevention: Investigations and Technical Assistance	93.283	298,210
Affordable Care Act (ACA) Public Health Training Centers Program through Emory University	93.516	59,595
Foster Care Title IV-E	93.658	680,415
Organized Approaches to Increase Colorectal Cancer Screening	93.800	26,686
HIV Care Formula Grants	93.917	1,799,627
HIV Prevention Activities-Health Department Based	93.940	(119,422)
Maternal and Child Health Services Block Grant	93.994	370,015

See accompanying notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (Schedule) of the University of Louisville (University) has been prepared in the format as set forth in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The purpose of the Schedule is to present a consolidated summary of those expenditures of the University for the year ended June 30, 2017, which has been financed by the U.S. Government (Federal awards). For purposes of the Schedule, Federal awards include all Federal assistance and procurement relationships entered into directly and indirectly between the University and the Federal government and sub-awards from non-federal organizations made under federally sponsored agreements.

The accounting principles followed by the University and used in preparing the Schedule are as follows:

The schedule of expenditures of federal awards includes amounts expended by the University and its affiliated corporation, the University of Louisville Research Foundation, Inc.

Deductions (expenditures) for direct costs are recognized as incurred using the cash method of accounting and the cost accounting principles contained in Uniform Guidance. Under those cost principles, certain types of expenditures are not allowable or are limited as to reimbursement. Moreover, expenditures include a portion of costs associated with general University activities (facilities and administrative costs) which are allocated to awards under negotiated formulas commonly referred to as indirect cost rates. The University has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 2 - NON-CASH FINANCIAL ASSISTANCE

Outstanding loan balances at June 30, 2017 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Perkins Loan Program	84.038	\$ 7,545,409
Health Professions Student - Medical	93.342	(34)
Health Professions Primary Care - Medical	93.342	4,153,430
Health Professions Student Loans - Dental	93.342	3,949,916
Nursing Student Loans	93.364	37,834
Loans to Disadvantaged Students - Medical	93.342	495,844
Loans to Disadvantaged Students - Dental	93.342	<u>41,615</u>
Total student loans outstanding		<u>\$ 16,224,014</u>

See accompanying notes to the schedule of expenditures of federal awards.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2017

NOTE 2 - NON-CASH FINANCIAL ASSISTANCE (Continued)

Loans received by students for the period ending June 30, 2017 were as follows:

	<u>CFDA #</u>	<u>Total</u>
Federal Perkins Loan Program	84.038	\$ 1,271,539
William D. Ford Federal Direct Loan Program	84.268	139,981,318
Health Professions Primary Care - Medical	93.342	838,643
Health Professions Student Loans - Dental	93.342	772,500
Loans to Disadvantaged Students - Medical	93.342	<u>225,627</u>
 Total non-cash financial assistance		 <u>\$ 143,089,627</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Board of Trustees
University of Louisville
Louisville, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and aggregate discretely presented component units of the University of Louisville and Affiliated Corporations ("University") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements, and have issued our report thereon dated October 19, 2017. Our report includes a reference to other auditors who audited the financial statements of the University of Louisville Physicians, Inc., the University of Louisville Real Estate Foundation, Inc. and University of Louisville Foundation, Inc. and Affiliates, as described in our report on the University's financial statements. The financial statements of the University of Louisville Physician's, Inc., the University of Louisville Real Estate Foundation, Inc. and University of Louisville Foundation, Inc. and Affiliates were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Crowe Horwath LLP

Crowe Horwath LLP

Louisville, Kentucky
October 19, 2017

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 THE UNIFORM GUIDANCE

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 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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2017.

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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2017-001 that we consider to be a significant deficiency.

The University's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The University's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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, 2017, and the related notes to the financial statements, which collectively comprise the University's basic financial statements. We issued our report thereon dated October 19, 2017, 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 Uniform Guidance 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 expenditures 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

Louisville, Kentucky
October 19, 2017

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

Section I: Summary of Auditor's Results

1. The opinion(s) expressed in the independent auditors' report was: Unmodified

2. The independent auditors' report on internal control over financial reporting described:
 - Significant deficiency(ies)? Yes None reported
 - Material weakness(es)? Yes No

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

4. The independent auditors' 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)? Yes None reported
 - Material weakness(es)? Yes No

5. The opinion(s) expressed in the independent auditors' 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 2 CFR 200.516(a)? Yes No

7. The University's major programs were:

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

The threshold used to distinguish between Type A and Type B programs as those terms are defined in the Uniform Guidance was \$3,000,000

8. The University qualified as a low-risk auditee as that term is defined in the Uniform Guidance? Yes No

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2017

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

There were no findings for the year ended June 30, 2017.

Section III: Findings and Questioned Costs for Federal Awards Required to be Reported by Uniform Guidance

FINDING 2017-001 – Perkins Exit Counseling (Significant Deficiency/No questioned costs)

Federal Program: CFDA No. 84.038 Department of Education Federal Perkins Loan Program

Criteria: 34 CFR 674.42(b) - Exit counseling - An institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

Condition: 24 of the 25 students who entered repayment during the fiscal year selected for testing did not receive exit counseling communications within the 30 day timeframe required.

Effect: Exit counseling communications with students entering Perkins repayment were not conducted timely.

Cause: University management has indicated that staff turnover in the Bursar's office contributed to the noncompliance.

Questioned Costs: \$0

Recommendation: We recommend that the Bursar's office implement internal control improvements in order to ensure compliance with this requirement. Separation dates must be updated in a timely manner to allow for communication to occur with the students within 30 days.

Views of Responsible Officials: University management has indicated that staff turnover in the Bursar's office contributed to the noncompliance.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2017

Schedule of Prior Year Auditing Findings and Questioned Costs

There were no findings for the year ended June 30, 2016.

A-133 Audit Report: Corrective Action Plan

Year ended June 30, 2017

Federal Perkins Loan

Requirement: *Federal Perkins Loan*. 34 CFR 674.42 - Contact with the borrower states that an institution must ensure that exit counseling is conducted with each borrower either in person, by audiovisual presentation, or by interactive electronic means. The institution must ensure that exit counseling is conducted shortly before the borrower ceases at least half-time study at the institution. As an alternative, in the case of a student enrolled in a correspondence program or a study-abroad program that the institution approves for credit, the borrower may be provided with written counseling material by mail within 30 days after the borrower completes the program. If a borrower withdraws from the institution without the institution's prior knowledge or fails to complete an exit counseling session as required, the institution must ensure that exit counseling is provided through either interactive electronic means or by mailing counseling materials to the borrower at the borrower's last known address within 30 days after learning that the borrower has withdrawn from the institution or failed to complete exit counseling as required.

Finding: The University could not provide documented evidence of supplying the exit counseling documents to the selected individuals within 30 days of exit the University.

Corrective Action Plan

The University of Louisville Bursar's Office identified that lack of staffing created an undue hardship in the Loan unit. Immediately upon identifying that issues existed within the area, we adjusted our organizational chart. The changes included moving a full-time staff member to the position of "Loan Collections" on a temporary basis until we can fill the position. We have conducted an internal review to ensure we are up to date with the most recent regulations. We have also conducted an audit of the separation dates on our Federal Perkins Loan borrower. The previous written procedure for processing the exit interviews was reviewed and updated for efficiency.

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

A Component Unit of the University of Louisville

**Auditor's Report and Financial Statements
June 30, 2017 and 2016**

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, 2017 and 2016, 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 audits. We conducted our audits 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, 2017 and 2016, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 30, 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 19, 2017

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, 2017, 2016, and 2015. 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 maintained progress towards the goals established by the Kentucky Council on Postsecondary Education. During the fiscal year ended June 30, 2017, total awards were \$147.8 million, an increase of \$13.2 million or 9.8%, as compared to fiscal year 2016. Some of the funding highlights include:

- \$4.1 million from the Ky. Counsel on Postsecondary Ed. for Tobacco Tax Funding-Cancer Research
- \$3.9 million from Regenerex for FCRx Manufacturing and R & D
- \$3.7 million from the Ky. Counsel on Postsecondary Ed. for the Kentucky Lung Cancer Research Program
- \$3.6 million from the National Institutes of Health (NIH) for Kentucky IDeA Networks of Biomedical Research Excellence

The Research Foundation faculty continued to receive national recognition. Doctor Aruni Bhatnagar was named Research Exemplar in Biomedical Sector. Dr. Bhatnagar is a leading environmental health scientist who led the creation of the field of environmental cardiology. Through multidisciplinary approaches, he has identified the influence of environmental factors that contribute to systemic inflammation and cardiovascular disease risk. His work has extended from basic bench research to national and global policy.

Financial Highlights

- The Research Foundation's financial position remains strong at June 30, 2017, with total assets of \$105.9 million and liabilities of \$56.0 million as compared to June 30, 2016 at \$116.5 million of total assets and \$54.5 million of liabilities. Net position, which represent the residual interest in the Research Foundation's assets after liabilities are deducted, was \$49.8 million and \$62.0 million for the years ended June 30, 2017 and 2016, respectively.
- The Research Foundation's total liabilities of \$56.0 million contain grant advances. Grant advances represent the unearned portion of grants and sponsored programs and comprise \$2.6 million or 4.7% of total liabilities.

- Operating revenues amounted to \$363.1 million and \$365.6 million and operating expenditures were \$415.6 million and \$409.6 million resulting in a net operating loss of \$52.5 million and \$44.0 million for the years ended June 30, 2017 and 2016, respectively. When adjusted for net nonoperating revenues of \$40.4 million and \$33.2 million, net position of the Research Foundation decreased by \$12.1 million and \$10.8 million for the years ended June 30, 2017, and 2016, respectively.

Using the Financial Statements

The Research Foundation's financial report includes 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 \$44.6 million and \$43.4 million in nonexchange grants and contract revenue for the years ended June 30, 2017 and 2016, 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 advance balances totaled \$2.6 million and \$2.0 million as of June 30, 2017 and 2016, respectively.
- Capital assets are depreciated and reported net of accumulated depreciation. The Research Foundation's capital assets as of June 30, 2017 and 2016 consist primarily of buildings, equipment and library materials with a net position value of \$61.7 million and \$66.0 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 Research Foundation accumulated or consumed resources 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, 2017, 2016, and 2015 is summarized on the following page:

Condensed Statements of Net Position
June 30, 2017, 2016, and 2015
(In Thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2017 - 2016</u> Change	<u>2016 - 2015</u> Change
ASSETS					
Current assets	\$ 37,763	\$ 49,750	\$ 41,899	\$ (11,987)	\$ 7,851
Capital assets	61,726	65,989	70,132	(4,263)	(4,143)
Other noncurrent assets	6,374	719	735	5,655	(16)
Total assets	<u>105,863</u>	<u>116,458</u>	<u>112,766</u>	<u>(10,595)</u>	<u>3,692</u>
LIABILITIES					
Current liabilities	40,527	41,822	28,926	(1,295)	12,896
Noncurrent liabilities	15,514	12,684	11,120	2,830	1,564
Total liabilities	<u>56,041</u>	<u>54,506</u>	<u>40,046</u>	<u>1,535</u>	<u>14,460</u>
NET POSITION					
Net investment in capital assets	61,726	65,989	70,132	(4,263)	(4,143)
Restricted - expendable	24,465	21,791	7,490	2,674	14,301
Unrestricted	<u>(36,369)</u>	<u>(25,828)</u>	<u>(4,902)</u>	<u>(10,541)</u>	<u>(20,926)</u>
Total net position	<u>\$ 49,822</u>	<u>\$ 61,952</u>	<u>\$ 72,720</u>	<u>\$ (12,130)</u>	<u>\$ (10,768)</u>

Assets

A review of the Research Foundation's statement of net position at June 30, 2017 indicates that the Research Foundation is liquid with nearly \$37.8 million in current assets. Of the \$37.8 million in current assets, \$36.7 million, or 97%, consists of accounts receivable that are to be collected within the next year.

Noncurrent assets consist mainly of \$61.7 million of capital assets, which decreased due to \$7.1 million in depreciation offset by additional capital assets of \$2.9 million.

Liabilities

The Research Foundation's current liabilities consist of amounts due to the University of \$21.9 million for funding of operational expenses. This amount decreased \$4.7 million from the prior year. Additionally, current liabilities include \$2.6 million of unexpended cash advances for sponsored research activities, an increase of \$.7 million compared to June 30, 2016. 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. The remaining \$16.0 million of current liabilities relates to trade accounts payable and other accrued liabilities. The Research Foundation's allocated portion of other post-employment benefits totals \$17.2 million, with the \$1.7 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, 2017 and 2016 was \$49.8 million and \$62.0 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

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 \$4.3 million from 2016. This decrease reflects \$7.1 million of depreciation and additions of \$2.9 million.

Restricted expendable net position

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, 2017. The amounts remain restricted until the contract is completed.

Restricted expendable net position increased \$2.7 million, or 12%. The overall increase is due mainly to an increase in nongovernmental grants.

Unrestricted net position

Unrestricted net position decreased by \$10.5 million. The decrease in unrestricted net position results primarily from actual operating expenses exceeding clinical services and fixed contract revenues.

Fiscal Year 2016

The Research Foundation's financial position as of the fiscal year ended June 30, 2016 shows an increase in assets and an increase in liabilities with an overall decrease in net position. Assets increased during the fiscal year ended June 30, 2016 by \$3.7 million, or 3%, as compared to the fiscal year ended June 30, 2015. This increase was due mainly to the \$7.9 million increase in current accounts receivable and \$4.1 million decrease in capital assets. The increase in liabilities mainly resulted from the increase in amount due to the University, which increased \$20.6 million from the fiscal year ended June 30, 2015.

Net position decreased \$10.8 million, or 14.8%, compared to net position at June 30, 2015 due mainly to the \$20.9 million decrease in unrestricted net position for operating expenses exceeding revenues.

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, 2017, 2016, and 2015 is shown on the following page:

Condensed Statements of Revenues, Expenses and Changes in Net Position
Years ended June 30, 2017, 2016, and 2015
(In Thousands)

	2017	2016	2015	2017 - 2016 Change	2016 - 2015 Change
OPERATING REVENUES					
Clinical services	\$ 245,135	\$ 233,981	\$ 222,445	\$ 11,154	\$ 11,536
Grants and contracts	89,728	103,121	89,924	(13,393)	13,197
Facilities and administrative cost recoveries	25,064	24,611	22,596	453	2,015
Other operating revenues	3,214	3,897	2,160	(683)	1,737
Total operating revenues	<u>363,141</u>	<u>365,610</u>	<u>337,125</u>	<u>(2,469)</u>	<u>28,485</u>
OPERATING EXPENSES					
Depreciation	7,072	7,914	8,470	(842)	(556)
Other operating expenses	408,596	401,675	388,139	6,921	13,536
Total operating expenses	<u>415,668</u>	<u>409,589</u>	<u>396,609</u>	<u>6,079</u>	<u>12,980</u>
Operating loss	<u>(52,527)</u>	<u>(43,979)</u>	<u>(59,484)</u>	<u>(8,548)</u>	<u>15,505</u>
NONOPERATING REVENUES (EXPENSES)					
Nonexchange grants and contracts	44,629	43,417	43,313	1,212	104
Other nonoperating revenues	(4,232)	(7,118)	11,108	2,886	(18,226)
Total nonoperating revenues	<u>40,397</u>	<u>33,211</u>	<u>54,421</u>	<u>7,186</u>	<u>(21,210)</u>
Decrease in net position	<u>(12,130)</u>	<u>(10,768)</u>	<u>(5,063)</u>	<u>(1,362)</u>	<u>(5,705)</u>
NET POSITION					
Net position, beginning of year	61,952	72,720	77,783	(10,768)	(5,063)
Net position, end of year	<u>\$ 49,822</u>	<u>\$ 61,952</u>	<u>\$ 72,720</u>	<u>\$ (12,130)</u>	<u>\$ (10,768)</u>

Operating Revenues

The Research Foundation recognized \$363.1 million in operating revenues for the year ended June 30, 2017. This represents a minimal decrease in revenues from the \$365.6 million reported for the year ended June 30, 2016.

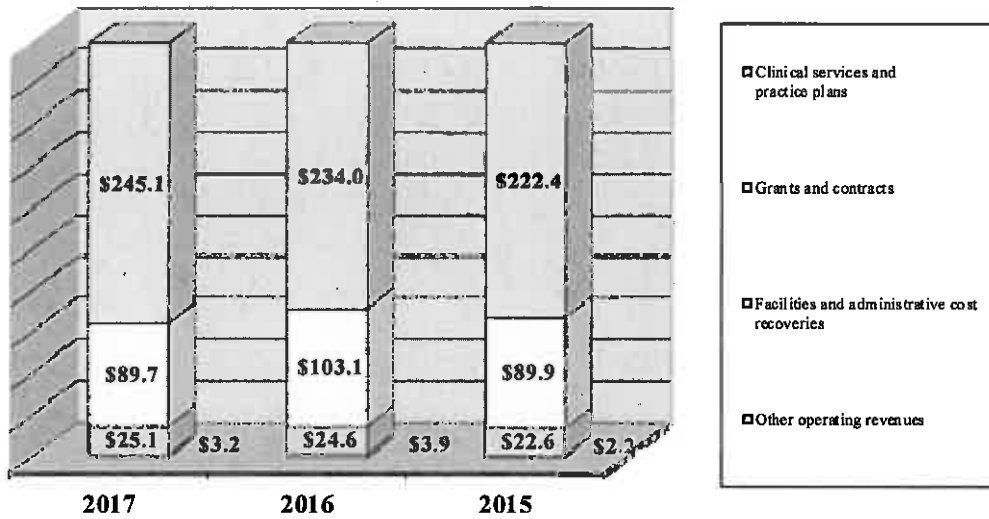
Revenues from clinical services were \$245.1 million for the year ended June 30, 2017. This is an increase of approximately \$11.1 million, or 5%, compared to \$234.0 million in similar revenues reported for the year ended June 30, 2016. The majority of the increase is attributed to increases in Medicaid related patient and intergovernmental transfers.

Revenues from grants and contracts were \$89.7 million for the year ended June 30, 2017 as compared to \$103.1 million in revenues reported in the previous year. This includes a decrease of \$12.1 million in nongovernmental grants and contracts and a decrease of \$1.5 million in federal grants and contracts. The decrease was partially offset by a \$0.1 million increase in state and local grants for the year ended June 30, 2017, as compared to the previous year.

Revenue from facilities and administrative cost recoveries were \$25.1 million and \$24.6 million for the years ended June 30, 2017 and 2016, respectively. The Research Foundation, compensates the University for a portion of the cost recoveries in support of University expenditures. For the years ended June 30, 2017 and 2016, approximately \$10.9 million and \$10.0 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, 2017, 2016, and 2015 (in millions).

Operating Revenues
Years Ended June 30, 2017, 2016, and 2015

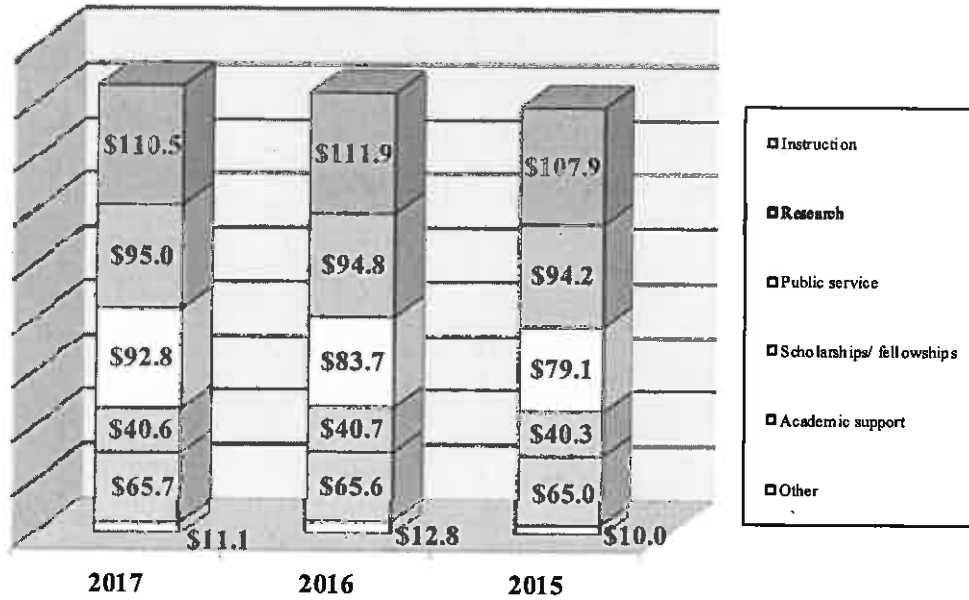


Operating Expenses by Functional and Natural Class

Total operating expenses were \$415.7 million and \$409.6 million for the fiscal years ended June 30, 2017 and 2016, respectively. The primary reason for the increase of \$6.1 million, or 1%, is an increase of \$5.6 million in salary expense as shown in the operating expenses by natural classification chart on the following page. Expenses in functional classification for instruction, research and public service all increased due to the increases in salaries.

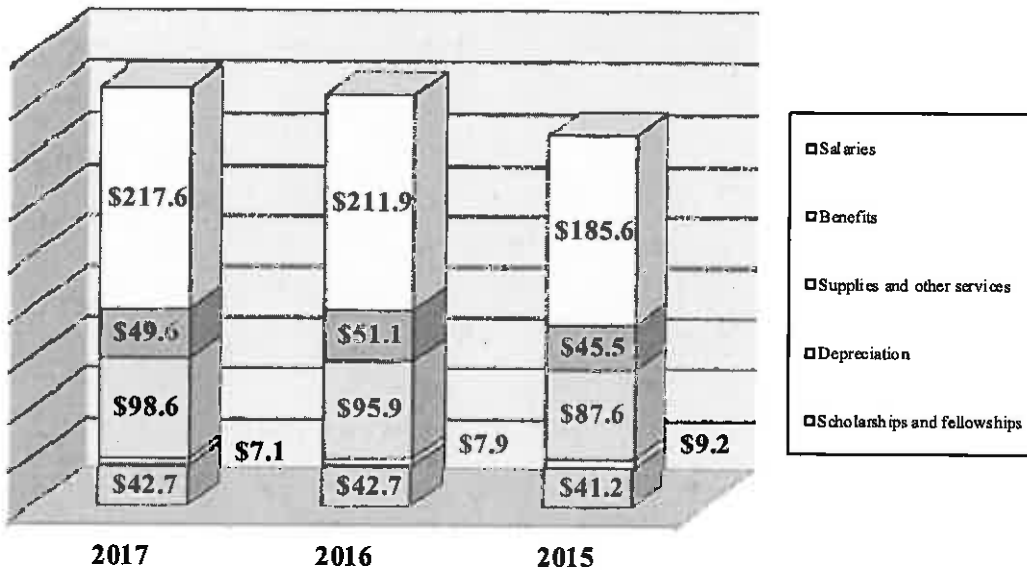
The following is a graphic illustration of total operating expenses by function for the years ended June 30, 2017, 2016 and 2015 (in millions):

**Operating Expenses by Functional Classification
Years ended June 30, 2017, 2016, and 2015**



The following is a graphic illustration of total operating expenses by natural classification for the years ended June 30, 2017, 2016 and 2015 (in millions):

**Operating Expenses by Natural Classification
Years ended June 30, 2017, 2016, and 2015**



Nonoperating Revenues (Expenses)

The Research Foundation's total nonoperating revenues of \$40.4 million for fiscal year ended June 30, 2017, was mostly comprised of nonexchange grants and contract revenues of \$44.6 million and transfer expenses of \$(7.1) million. Total nonoperating revenues increased by \$7.2 million as compared to fiscal year ended June 30, 2016. The increase is attributed to an increase in other nonoperating income of \$1.7 million, an increase in nonexchange grants and contracts of \$1.2 million and a reduction of contributions to related entities of \$4.2 million in fiscal year ending June 30, 2017.

Fiscal Year 2016

For the year ended June 30, 2016, Research Foundation reported \$365.6 million in operating revenues, an increase of 8% compared to the \$337.1 million reported for the year ended June 30, 2015.

Revenues from clinical services were \$234.0 million for fiscal year 2016, an increase of 5% from the fiscal year ended June 30, 2015. The majority of the increase is attributed to increases in Medicaid related patient and intergovernmental transfers.

Revenue from facilities and administrative cost recoveries were \$24.6 million and \$22.6 million for the years ended June 30, 2016 and 2015, respectively. The Research Foundation transferred approximately \$10.0 million and \$9.0 million during the years ended June 30, 2016 and 2015, respectively, in recognition of indirect support provided by the University.

Total operating expenses were \$409.6 million and \$396.6 million for the fiscal years ended June 30, 2016 and 2015, respectively. The increase of \$13.0 million, or 3%, was an increase in salary expense in the operating expenses by natural classification.

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, 2017, 2016, and 2015, are summarized on the following page:

Condensed Statements of Cash Flows Years ended June 30, 2017, 2016, and 2015 (In Thousands)

	2017	2016	2015	2017 - 2016 Change	2016 - 2015 Change
Cash (used)/provided by:					
Operating activities	\$ (26,890)	\$ (49,994)	\$ (47,088)	\$ 23,104	\$ (2,906)
Noncapital and related financing activities	29,710	53,750	50,527	(24,040)	3,223
Capital financing activities	(2,877)	(3,809)	(4,247)	932	438
Investing activities	57	53	808	4	(755)
Net decrease in cash	-	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

Operating Activities

The Research Foundation's operating activities used approximately \$26.9 million of cash during the fiscal year ended June 30, 2017, representing a decrease of \$23.1 million compared to the prior year. While overall operating activities experienced a decrease in cash activities, the most significant were the decrease in cash outflow from payments for suppliers of \$2.2 million and the increase in cash inflow for clinical services of \$11.8 million from operations during the fiscal year ended June 30, 2017.

Other Activities

The \$29.7 million cash provided by noncapital and related financing activities relates mainly to the \$44.6 million provided by nonexchange grants and contracts and offset by a decrease in due to the University of \$10.6 million. It also includes the Research Foundation's transfer of \$7.1 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 \$24.0 million from the fiscal year ended June 30, 2016.

Cash used for capital financing activities decreased \$0.9 million to \$2.9 million during the fiscal year ended June 30, 2017, due to a decrease in capital assets purchased.

Fiscal Year 2016

The Research Foundation operating activities used approximately \$50.0 million of cash during the fiscal year ended June 30, 2016, representing an increase of \$2.9 million compared to the prior year. While all categories of operating activities experienced an increase in cash activities the most significant were the increase in cash inflow from grants and contracts of \$6.9 million and the increase in cash outflow for payments to employees of \$10.1 million from operations during the fiscal year ended June 30, 2016.

The \$53.8 million cash provided by noncapital and related financing activities relates mainly to the \$43.4 million provided by nonexchange grants and contracts and an increase in funding from the University of \$20.6 million. It also includes the Research Foundation's transfer of \$10.0 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 \$3.2 million from the fiscal year ended June 30, 2015.

Economic Factors that May Affect the Future

The University is committed to achieving preeminence as a nationally recognized metropolitan research university. Senior leadership continues to believe the University is financially well-positioned to educate and serve its community through:

- Teaching diverse undergraduate, graduate, and professional students in order to develop engaged citizens, leaders, and scholars,
- Practicing and applying research, scholarship and creative activity, and
- Providing engaged service and outreach that improve the quality of life for local and global communities.

The following is a brief discussion of economic and other factors that could have an impact on the University in the future:

- At the national level, moderate growth in gross domestic product and a relatively improved unemployment picture suggest a stable near-term economic outlook for the country. However, proposed decreases in funding to the National Institutes of Health, which funds many research projects across the country including at UofL, and the amount of overhead that universities can recover for supporting federally-funded research, could have a negative impact on UofL if approved. The University continues to monitor the situation.
- The economic outlook for the Commonwealth of Kentucky is mixed. Personal income could grow 4.4 percent in FY 2018 compared to an expected 4.2 percent for the nation. Employment, though, continues to lag the country following the Great Recession. While national unemployment rates have dropped below 4.5 percent after peaking at 10 percent in 2009, Kentucky's unemployment rate was 5.1 percent in June 2017.
- The state ended FY 2017 with a \$138 million revenue shortfall. Although the state balanced its books using a variety of short-term mechanisms, uncertainty exists about state finances for FY 2018 and beyond. In order to avoid further reductions in spending, state revenues will have to increase at a higher-than-anticipated pace. Persistent pressure to increase funding to the state's public pension system—which remains one of the lowest funded in the nation—could affect state appropriations to public universities, even if revenues increase. The University does not participate in these pension plans and is subject only to indirect effects of their funding shortfall.
- To help reduce the state's pension liability, Governor Matt Bevin has expressed a strong desire to modernize the state's tax code and increase tax revenues. Expected legislative action could occur as early as this fall. Approved changes could influence the development of the state's 2018-2020 biennial budget. The legislature must adopt a biennial budget by April 2018.
- Relatedly, a performance-funding model for public universities and colleges, first implemented in FY 2017, remains in place. Under existing statute, FY 2019 is a hold-harmless year; public universities and colleges will not lose state funds based on performance. In FY 2020 and beyond, a portion of each university's state appropriation will depend upon how it performs on several student and operational metrics relative to the other universities.
- Despite continued funding challenges at both the state and federal levels, the University has made significant progress in meeting its 2020 goals. Student enrollment remains steady. Demand, as measured by student applications, is strong.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the University's finances and to show the University'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, 2017 and 2016
(In Thousands)

	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets:		
Accounts receivable, net	\$ 36,730	\$ 49,049
Due from Affiliate	296	-
Inventories	455	395
Other assets	282	306
Total current assets	<u>37,763</u>	<u>49,750</u>
Noncurrent Assets:		
Accounts receivable, net	742	717
Other long-term assets	2	2
Due from Affiliate	5,630	-
Capital assets, net	61,726	65,989
Total noncurrent assets	<u>68,100</u>	<u>66,708</u>
Total assets	<u>105,863</u>	<u>116,458</u>
LIABILITIES		
Current Liabilities:		
Accounts payable and accrued liabilities	16,014	13,275
Due to University of Louisville	21,904	26,610
Grant advances	2,609	1,937
Total current liabilities	<u>40,527</u>	<u>41,822</u>
Noncurrent Liabilities:		
Other long-term liabilities	15,514	12,684
Total noncurrent liabilities	<u>15,514</u>	<u>12,684</u>
Total liabilities	<u>56,041</u>	<u>54,506</u>
NET POSITION		
Net investment in capital assets	61,726	65,989
Restricted - expendable for:		
Research	16,799	14,888
Instruction	7	223
Public service	3,981	5,669
Scholarships and fellowships	3	-
Academic support	6	6
Institutional Support	3,669	1,005
Unrestricted	(36,369)	(25,828)
Total net position	<u>\$ 49,822</u>	<u>\$ 61,952</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, 2017 and 2016
(In Thousands)

	2017	2016
OPERATING REVENUES		
Clinical services, net of contractual allowances of \$93,200 in 2017 and \$88,870 in 2016	\$ 245,135	\$ 233,981
Federal grants and contracts	68,161	69,613
State and local grants and contracts	8,881	8,734
Nongovernmental grants and contracts	12,686	24,774
Other operating revenue	3,214	3,897
Facilities and administrative cost recoveries	25,064	24,611
Total operating revenues	363,141	365,610
OPERATING EXPENSES		
Instruction	110,507	111,859
Research	94,950	94,815
Public service	92,794	83,701
Scholarships and fellowships	40,553	40,739
Academic support	65,717	65,583
Institutional support	3,598	4,897
Operation and maintenance of plant	464	67
Depreciation	7,072	7,914
Student services	8	9
Service centers	5	5
Total operating expenses	415,668	409,589
Operating loss	(52,527)	(43,979)
NONOPERATING REVENUES (EXPENSES)		
Gifts	886	1,491
Nonexchange grants and contracts	44,629	43,417
Investment income	8	10
Net realized and unrealized gain on investments	57	53
Other nonoperating income	1,902	161
Net nonoperating revenues	47,482	45,132
Contributions to related entities	(4,594)	(8,833)
Contributions to Affiliate	(2,491)	(3,088)
Total other revenues	40,397	33,211
Decrease in net position	(12,130)	(10,768)
NET POSITION		
Net position - beginning of year	61,952	72,720
Net position - end of year	\$ 49,822	\$ 61,952

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, 2017 and 2016
(In Thousands)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Clinical services	\$ 240,755	\$ 228,962
Grants and contracts	101,386	93,990
Facilities and administrative cost recoveries	25,064	24,611
Other operating revenue	3,212	4,234
Payments to employees	(212,169)	(211,528)
Payments for benefits	(46,774)	(49,644)
Payments for scholarships and fellowships	(42,707)	(42,716)
Payments to suppliers	(95,657)	(97,903)
Net cash used by operating activities	(26,890)	(49,994)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions to/from related entities	(7,085)	(11,921)
Gifts	886	1,491
Nonexchange grants and contracts	44,628	43,417
Due to (due from) University of Louisville	(10,630)	20,595
Other noncapital financing activity	1,911	168
Net cash provided by noncapital and related financing activities	29,710	53,750
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(2,877)	(3,809)
Net cash used by capital and related financing activities	(2,877)	(3,809)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sales of investments	57	53
Net cash provided by investing activities	57	53
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents - beginning of year	-	-
Cash and cash equivalents - end of year	-	-
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating loss	(52,527)	(43,979)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	7,072	7,914
Loss on disposal of equipment	67	39
Changes in assets and liabilities:		
Accounts receivable, net	12,294	(7,944)
Inventories	(60)	(21)
Other assets	24	132
Accounts payable and accrued liabilities	2,739	(1,856)
Grant advances	673	(5,845)
Other long-term liabilities	2,828	1,566
Net cash used by operating activities	\$ (26,890)	\$ (49,994)

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, 2017 and 2016

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 consolidated into 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, 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 online at the following:
<http://louisville.edu/finance/controller/univacct/finst-1>

b. Cash and Cash Equivalents

The Research Foundation considers all investments 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. Healthcare entities are charged for contracted 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 acquisition 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 or componentized using 15-50 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 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 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, *Basic Financial Statements-And Managements Discussion and Analysis-For State and Local Governments*.

g. Deferred Inflows of Resources and Net Position

In addition to assets, GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, 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 \$2.6 million and \$1.9 million as of June 30, 2017 and 2016, respectively, are recorded as a liability in the Research Foundation's financial statements as grant advances and recognized as revenue as reimbursable cost are incurred.

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 2016 amounts have been reclassified to conform to the 2017 presentation. The reclassifications more accurately represent revenue and expense activities in the categories presented on the statement of revenues, expense and changes in net position. 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

a. Contributions 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 \$10.9 million and \$10.0 million for the years ended June 30, 2017 and 2016, respectively. Additional research support transfers to the University totaled \$6.2 million for the year ending June 30, 2017.

The Research Foundation transferred \$0.5 million and \$5.2 million related to capital projects and debt service payments during the years ended June 30, 2017 and 2016, 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, 2017 and 2016, the Research Foundation was the recipient of \$6.3 million and \$5.0 million, respectively, from related entities to assist in funding cost share required by certain sponsored programs and grants.

Additionally, the Research Foundation transferred of \$0.3 million and received transfers of \$1.4 million from related entities for the years ended June 30, 2017 and 2016, respectively.

The Research Foundation transferred \$2.5 million and \$3.1 million for the years ended June 30, 2017 and 2016, respectively, to the PMOB, Inc. an affiliate entity, to fund shared construction cost of a pediatric building.

b. Receivables With Related Entities

In June 2016, the Research Foundation received a \$5.9 million unsecured, noninterest bearing note from University of Louisville Physicians, Inc., an affiliate entity, for past due fees owed the Research Foundation. The outstanding note balance is \$5.9 million as of June 2017.

c. Guarantees

A memorandum of understanding dated April 2017 between the Research Foundation and ULP establishes obligations of the Research Foundation in the event ULP does not meet certain requirements under a lease agreement with PMOB, Inc. PMOB, Inc. has a \$48.6 million loan with a financial institution to construct a medical office building. ULP entered into a lease with PMOB, Inc. for a majority of the space within the medical office building and to provide \$9.5 million of furniture, fixtures and equipment for the leased space. For as long as the loan agreement between PMOB, Inc. and the financial institution remains in effect, the Research Foundation has provided assurance through a guarantee that all of ULP's obligations due to PMOB, Inc. under the lease and any unfunded portion of the leased premise furniture, fixture and equipment will be paid. The Research Foundation's obligation shall not exceed funds received by the Research Foundation for services provided by ULP for clinical services as of the date of the memorandum of understanding.

A memorandum of understanding dated March 2017 between the Research Foundation and ULP establishes the obligation for the Research Foundation to make annual lump sum payments through July 2020 to a lending institution holding debt of ULP for the servicing of ULP scheduled debt payments. The payments made by the Research Foundation are for services rendered by ULP.

4. **Accounts Receivable, net**

Accounts receivable, net as of June 30, 2017 and 2016, are summarized as follows (in thousands):

	2017		Net Receivable
	Gross Receivable	Allowance	
Patient care	\$ 69,073	\$ (48,148)	\$ 20,925
Sponsored agreements	18,310	(1,763)	16,547
Total	<u>\$ 87,383</u>	<u>\$ (49,911)</u>	37,472
Current portion			36,730
Noncurrent portion			<u>\$ 742</u>

	2016		Net Receivable
	Gross Receivable	Allowance	
Patient care	\$ 72,045	\$ (42,072)	\$ 29,973
Sponsored agreements	22,533	(2,740)	19,793
Total	<u>\$ 94,578</u>	<u>\$ (44,812)</u>	49,766
Current portion			49,049
Noncurrent portion			<u>\$ 717</u>

5. **Capital Assets, net**

Capital assets at historical cost as of June 30, 2017 and 2016 are summarized as follows (in thousands):

					2017							
					Beginning			Retire-			Ending	
					Balance	Additions			ments	Transfers	Balance	
Cost - Non depreciable												
Land	\$	352	\$	-	\$	-	\$	-	\$	-	\$	352
Construction in progress	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Subtotal		352		-		-		-		-		352
Cost - Depreciable												
Building		70,727		-		-		-		-		70,727
Infrastructure		929		-		-		-		-		929
Land improvements		237		-		-		-		-		237
Equipment		84,493		2,877		(1,892)		-		-		85,478
Leasehold improvements		818		-		-		-		-		818
Library materials		44		-		-		-		-		44
Subtotal		157,248		2,877		(1,892)		-		-		158,233
Total capital assets - cost		157,600		2,877		(1,892)		-		-		158,585
Accumulated depreciation												
Buildings		17,231		2,877		-		-		-		20,107
Infrastructure		39		15		-		-		-		55
Land improvements		40		6		-		-		-		46
Equipment		73,547		4,167		(1,825)		-		-		75,888
Leasehold improvements		714		6		-		-		-		720
Library materials		40		2		-		-		-		41
Subtotal		91,611		7,072		(1,825)		-		-		96,859
Capital assets, net	\$	65,989	\$	(4,195)	\$	(67)	\$	-	\$	-	\$	61,726
2016												
					Beginning			Retire-			Ending	
					Balance	Additions			ments	Transfers (to)/ from Affiliates	Balance	
Cost - Non depreciable												
Land	\$	352	\$	-	\$	-	\$	-	\$	-	\$	352
Construction in progress		-		-		-		-		-		-
Subtotal		352		-		-		-		-		352
Cost - Depreciable												
Building		70,727		-		-		-		-		70,727
Infrastructure		929		-		-		-		-		929
Land improvements		237		-		-		-		-		237
Equipment		82,525		3,809		(1,841)		-		-		84,493
Leasehold improvements		818		-		-		-		-		818
Library materials		44		-		-		-		-		44
Subtotal		155,280		3,809		(1,841)		-		-		157,248
Total capital assets - cost		155,632		3,809		(1,841)		-		-		157,600
Accumulated depreciation												
Buildings		14,357		2,874		-		-		-		17,231
Infrastructure		24		15		-		-		-		39
Land improvements		34		6		-		-		-		40
Equipment		70,340		5,009		(1,802)		-		-		73,547
Leasehold improvements		708		6		-		-		-		714
Library materials		37		3		-		-		-		40
Subtotal		85,500		7,913		(1,802)		-		-		91,611
Capital assets, net	\$	70,132	\$	(4,104)	\$	(39)	\$	-	\$	-	\$	65,989

6. Other Liabilities

Other liabilities of the Research Foundation consisted of the following at June 30, 2017 and 2016 (in thousands):

	2017					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retire-ments</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Other postemployment benefits	\$ 14,337	\$ 3,887	\$ (1,015)	\$ 17,209	\$ 1,695	\$ 15,514
Total	<u>\$ 14,337</u>	<u>\$ 3,887</u>	<u>\$ (1,015)</u>	<u>\$ 17,209</u>	<u>\$ 1,695</u>	<u>\$ 15,514</u>

	2016					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retire-ments</u>	<u>Ending Balance</u>	<u>Current Portion</u>	<u>Noncurrent Portion</u>
Other postemployment benefits	\$ 12,884	\$ 2,294	\$ (841)	\$ 14,337	\$ 1,653	\$ 12,684
Total	<u>\$ 12,884</u>	<u>\$ 2,294</u>	<u>\$ (841)</u>	<u>\$ 14,337</u>	<u>\$ 1,653</u>	<u>\$ 12,684</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, 2017 and 2016.

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 \$119.1 million and \$118.2 million for the years ended June 30, 2017 and 2016, 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 \$7.0 million and \$1.1 million for the years ended June 30, 2017 and 2016, 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. Starting in fiscal year 2017, the departments remit the Dean's Fund directly to the Research Foundation. Amounts

remitted to the Research Foundation by the Medical School Fund totaled approximately \$7.0 million and \$1.2 million for the years ended June 30, 2017 and 2016, 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 was be a budget item annually determined and took 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 continued to be provided by University Medical Center, Inc. (UMC). Funding from the affiliation agreements for the years ended June 30, 2017 and 2016 was approximately \$65.6 million and \$60.7 million, respectively. This agreement addresses the patient care needs of the Hospital's inpatients. The agreement ended June 30, 2017. Refer to Note 13 Subsequent Event for additional information.

d. Norton Healthcare

In December 17, 2015, Norton Healthcare, Inc., (Norton) and the University of Louisville and the Commonwealth of Kentucky agreed to a Settlement Agreement, a First Amendment to Lease and a First Amendment to Master Affiliation Agreement. These agreements provide for \$30.0 million annual support payments from Norton to the University and its affiliates through Individual Agreements for research, academic support, residences and fellowships and related costs. In addition, the agreement stipulates that Norton provide additional financial support to the University of Louisville Pediatrics Department of \$24.0 million over eight years and expend at least \$35.0 million in facility improvements and other capital expenditures at Kosair Children's Hospital. Payments received by the University and its affiliates are included in clinical services and practice plan revenues in the statements of revenues, expenses, and changes in net position. Funding for the agreement for the years ended June 30, 2017 and 2016 was \$20.0 million and \$35.0 million, respectively. The Settlement Agreement also included a payment of \$8.0 million, received in the year ending June 30, 2016, to the Research Foundation for expenses incurred.

e. 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 \$33.4 million and \$17.6 million for the years ended June 30, 2017 and 2016, respectively.

8. Expenses

Operating expenses by natural classification for the years ended June 30, 2017 and 2016 were approximately (in thousands):

	<u>2017</u>	<u>2016</u>
Salaries and wages	\$ 217,599	\$ 211,954
Employee benefits	\$ 49,645	\$ 51,098
Supplies and services	\$ 98,645	\$ 95,908
Depreciation	\$ 7,072	\$ 7,914
Scholarships and fellowships	\$ 42,707	\$ 42,716
	<u>\$ 415,668</u>	<u>\$ 409,589</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 \$14.0 million and \$13.9 million during the years ended June 30, 2017 and 2016, respectively. As of June 30, 2017 and 2016, 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, 2017 and 2016, the University contributed approximately \$1.3 million and \$1.9 million, approximately 43% and 66% of total premiums, respectively. Retired Plan members under age 65 receiving benefits contributed approximately \$1.7 million and \$1.0 million, approximately 57% and 39% of total premiums for the years ended June 30, 2017 and 2016, respectively, through their required monthly contributions according to the schedules below:

2017					
	<u>PPO</u>	<u>Cardinal Care Plan</u>	<u>EPO</u>	<u>PCA High</u>	<u>PCA Low</u>
Employee	\$ 335	N/A	\$ 353	\$ 281	\$ 248
Employee and Spouse	\$ 811	N/A	\$ 851	\$ 692	\$ 555
2016					
	<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	\$ 871	\$ 851	\$ 692	\$ 555

Medicare-eligible retirees receive a monthly benefit of \$108 per individual covered. For the years ended June 30, 2017 and 2016, the University contributed \$1.7 million and \$1.6 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>2017</u>	<u>2016</u>
Normal cost	\$ 5,423	\$ 5,061
AAL amortization	5,673	5,252
Annual required contribution (ARC)	<u>11,096</u>	<u>10,313</u>
Interest on above	1,497	1,258
Adjustment to ARC	(2,246)	(1,825)
OPEB liability (gain)/loss	311	(3,566)
Annual OPEB cost (AOC)	<u>10,658</u>	<u>6,181</u>
Contributions made	(3,007)	(2,437)
Increase in net OPEB obligation	<u>7,651</u>	<u>3,743</u>
Net OPEB obligation - beginning of year	40,742	36,999
Net OPEB obligation - end of year	<u>\$ 48,393</u>	<u>\$ 40,742</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
2017	\$ 10,658	28%	\$ 48,393
2016	\$ 6,180	39%	\$ 40,742
2015	\$ 9,125	35%	\$ 36,999
2014	\$ 6,817	45%	\$ 31,069

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, 2017 and 2016, the Research Foundation's portion of the AOC was \$3.9 million and \$2.3 million, respectively. The Research Foundation's net OPEB obligation for the years ended June 30, 2017 and 2016 was \$17.2 million and \$14.3 million, of which \$15.5 million and \$12.7 million was recorded in other long-term liabilities and \$1.7 million and \$1.7 million was recorded in accounts payable and accrued liabilities as of June 30, 2017 and 2016, respectively.

d. Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$95.5 million and \$89.7 million and there were no assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$95.5 million and \$89.7 million as of June 30, 2017 and 2016, respectively. The covered payroll (annual payroll of active employees covered by the Plan) was \$499.0 million and \$478.2 million, and the ratio of the UAAL to the covered payroll was 19% for each of the years ended June 30, 2017 and 2016.

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, 2016, 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 8.3 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after 11 years. The gains or losses on the benefit obligation recognized during the fiscal years ended June 30, 2017 and 2016 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, 2016 was 20 years.

11. Commitments and Contingencies

a. Commitments

At June 30, 2017 and 2016, respectively, the Research Foundation had approximately \$4.4 million and \$5.2 million in encumbrance's outstanding related mainly to operational expenses 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, 2017, the following GASB statements were implemented which did not have a financial or disclosure impact on the financial statements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. This statement improves the usefulness of information about post-employment benefits other than pensions and is applicable to plans that are administered through trusts.

GASB Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments to provide additional disclosures about tax abatement agreements.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension plans*. This statement addresses a practice issue regarding the scope and applicability of

GASB Statement 68, *Accounting and Reporting for Pensions*, to certain multiple- employer defined benefit pension plans.

GASB Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*. This statement amends the blending requirement for certain component units incorporated as a not-for-profit corporation which the primary government is the sole corporate member.

GASB Statement No. 82, *Pension Issues— An Amendment of GASB Statements No. 67, No. 68 and No. 73*. This statement addresses certain issues that had been raised regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the classification of payments made by employers.

As of June 30, 2017, the GASB has issued the following statements that could be applicable to the University.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 83, *Certain Asset Retirement Obligations*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 84, *Fiduciary Activities*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 85, *Omnibus 2017*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 87, *Leases*. The University has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

13. Subsequent Event

Effective June 30, 2017, the academic affiliate agreement between the University and KentuckyOne and the joint operating agreement between University Medical Center, Inc. (UMC) and KentuckyOne were mutually terminated, ending KentuckyOne's operational responsibilities for the University of Louisville Hospital (Hospital). As of the termination date, University Medical Center, Inc. (UMC) assumed operational responsibilities for the Hospital. The University has entered into an academic affiliate agreement with UMC that resumes the same level of funding for academic program support as they were stated in the agreement between the University and KentuckyOne.

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

Actuarial Value Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
7/1/2016	-	\$ 95,461	\$ 95,461	0%	\$ 498,962	19%
7/1/2015	-	\$ 89,683	\$ 89,683	0%	\$ 478,201	19%
7/1/2014	-	\$ 89,098	\$ 89,098	0%	\$ 459,588	19%

OPERATING BUDGET

2017-2018

UNIVERSITY OF LOUISVILLE

UNIVERSITY OF LOUISVILLE

**UNIVERSITY OF
LOUISVILLE**

**FY 2018
OPERATING BUDGET**

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May 12, 2017

To the Board of Trustees:

I am pleased to submit this recommendation for the University of Louisville's Fiscal Year (FY) 2018 Operating Budget.

This budget was developed in a harsh fiscal environment in which the University of Louisville is facing continuing state budget cuts and a significant loss of revenue from the UofL Foundation. The university also must deal with a structural imbalance that necessitated immediate, dramatic action this spring. We have taken this deficit head-on, with sacrifices being made in every unit on our campuses. These actions will allow us to put the recent past behind us and move ahead in our state-mandated efforts to become one of the nation's leading metropolitan research universities.

A year-end projection of FY 2017 revenues and expenses conducted in January concluded that the university stood on unstable financial ground. Net income for the university was forecast to be close to zero. The financial condition for FY 2018 appeared gloomier. Without budgetary changes, FY 2018 would end in a deficit. To improve its financial condition, the university immediately reduced its FY 2017 general fund budget, redoubled efforts to grow student enrollment, expanded financial monitoring activities, and imposed a hiring frost. To ensure a balanced bottom-line in FY 2018, we will reduce operational costs, leverage the size of the university with respect to procurement contracts and purchases to reduce spending, and through attrition fill fewer positions.

Despite these necessary actions and underlying financial challenges, the University of Louisville continues to provide a strong educational experience and serve its students well. The university graduated a record 5,152 students in 2016-17. More than 18 percent of our graduates were minority students, and 14.3 percent were first-generation college students. Our graduation rate is on track to be among our highest ever. UofL also continues to serve our community both on and off campus and to conduct groundbreaking research that will enhance the lives of future generations.

In 2017, we have shown that commitment in many ways. Here are a few highlights:

- Opening the Teaching Innovation Learning Lab in Ekstrom Library - a state-of-the-art space for faculty and students to collaborate and learn outside the traditional classroom.

- Establishing the “3+3 Accelerated Law Program,” a partnership between the Brandeis School of Law, the College of Arts and Sciences, Kentucky Wesleyan, Murray State and Campbellsville University, that counts eligible undergraduates’ senior year of college as their first year of law school.
- Producing 15 Fulbright Students, raising UofL’s total to 104 since 2003, which is more than all other Kentucky public universities combined over that period.
- Securing prestigious appointments and grants. For instance, Tara Schapmire, PhD, an assistant professor at the School of Medicine and the Kent School of Social Work, was voted president-elect of the Association of Oncology Social Work. Janice Sullivan, MD, and colleagues in the Department of Pediatrics received a \$1.6 million National Institutes of Health grant to study environmental influences on child health outcomes.
- Working together, the schools of Music and Medicine, the Kent School and the Speed School provided tutoring, counseling and other support to the West End School in Louisville, a free, private college preparatory elementary and middle school for boys from disadvantaged backgrounds.

While fulfilling our commitments we continue to emphasize affordability. The University of Louisville will hold firm on its commitment not to raise tuition rates in fall 2017, making us the only public university in Kentucky to keep tuition flat.

We also continue to offer programs and aid that help students afford college. This budget increases our general financial aid pool by \$800,000, plus an additional \$500,000 in financial aid for the Brandeis School of Law. It also includes funding for the innovative Credit for Credits program, which incents eligible students to graduate in four years by offering tuition credits for those who complete at least 30 hours in one academic year. A student who maintains eligibility in this program will actually see a decrease in tuition in FY 2017-18.

We are also offering a summer tuition grant program that, once a student has taken three hours at the regular tuition rate, provides a 25 percent discount on most undergraduate courses.

This budget also focuses on growing the university. We have included strategic allocations for faculty promotions and for enrollment growth. We also have included funding to add faculty to our Speed School of Engineering, which is experiencing record-setting demand.

This has been a trying time for the university community. Our current financial situation demands that we set priorities and refocus our efforts on those areas most critical to our students' success and on our core functions of teaching, research and community service. This budget lays the groundwork to address those priorities, helping us meet our mandate of becoming a premier metropolitan research university.

A handwritten signature in black ink, appearing to read "Greg Postel".

Greg Postel, M.D.
Interim President

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HIGHLIGHTS

UNIVERSITY OF LOUISVILLE

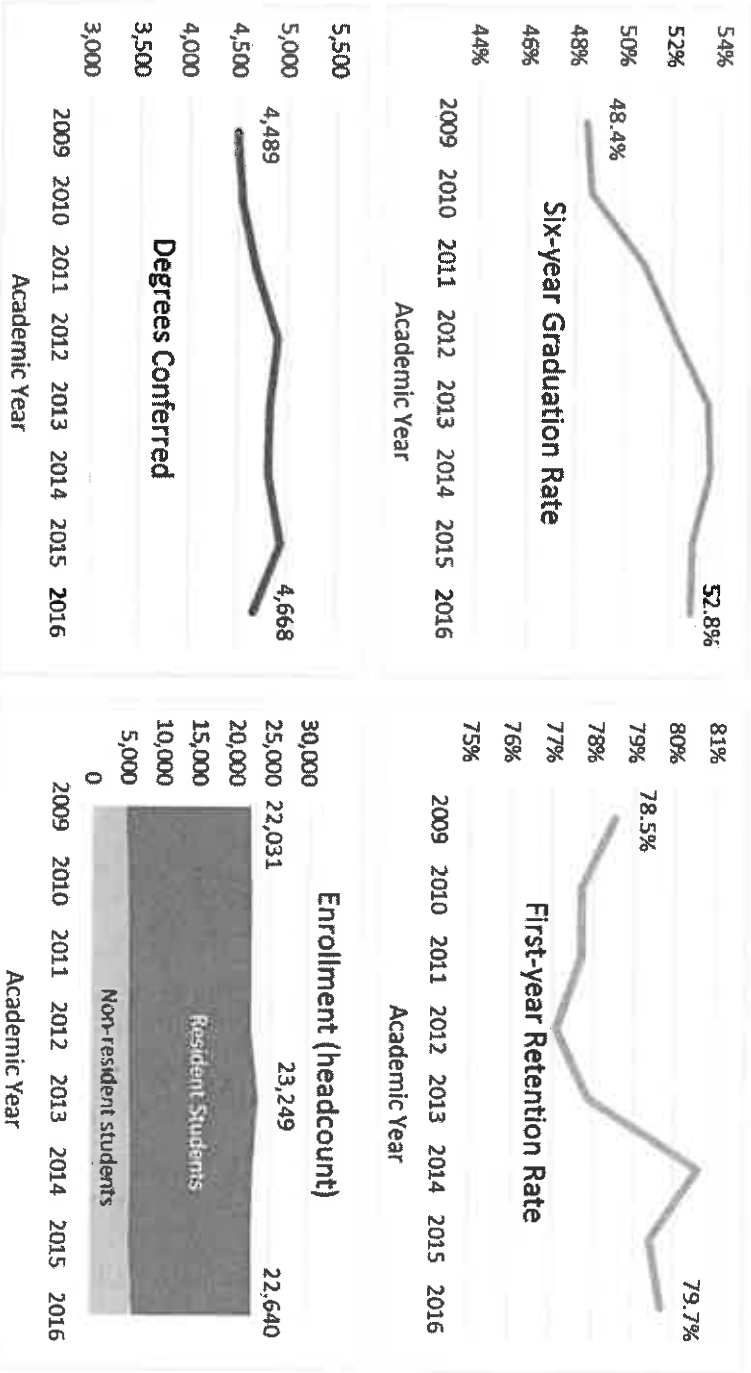


INTRODUCTION

The University of Louisville is a state-supported metropolitan research university located in Kentucky's largest city. The university has three campuses. The Belknap Campus, located near Old Louisville, includes the College of Arts & Sciences, College of Business, College of Education and Human Development, Kent School of Social Work, School of Interdisciplinary and Graduate Studies, School of Law, School of Music, and the Speed School. Located in downtown Louisville, the Health Sciences Campus is home to the university's health related programs, including the School of Medicine, School of Dentistry, School of Nursing, and the School of Public Health and Information Sciences. The Shelby Campus is located in eastern Jefferson County and houses the Delphi Center, home to the university's online and continuing education offices. The university offers undergraduate, graduate, and professional degrees in more than 200 programs. Full-time equivalent enrollment in fall 2016 was 18,814.

Figure A displays several important student metrics. Starting at the top left and moving clockwise, the first figure shows that UofL's 6-year graduation rate increased from 48.4 percent in Academic Year (AY) 2009 to 52.8 percent in AY 2016 for first-time, full-time baccalaureate degree-seeking students. The next shows that most freshmen students continue at UofL into their second year. Enrollment by residency status follows. The last figure shows the number of degrees conferred at UofL.

Figure A: Key UofL Student Metrics¹



Source: Office of Institutional Research, "Just the Facts."

The university maintains a strong commitment to instruction, research, and community service. Below are a few notable achievements in these areas during FY 2017. Many more accomplishments—some routine, some extraordinary—are unheralded here, but contributed immensely to the success of the university.

Instruction

- The Law School, in collaboration with the College of Arts and Sciences, Kentucky Wesleyan, Murray State and Campbellsville University, established a "3+3 Accelerated Law Program" that allows eligible undergraduate students to make their senior year of college count as their first year of law school.

- The Delphi Center opened the Teaching Innovation Learning Lab (TILL) in Ekstrom Library, a state-of-the-art space, for faculty and students to collaborate and learn outside of the traditional classroom. ²

Scholarly Activity and Research

- For the 2016-17 academic year, 15 Fulbright Students were named from the university raising the total number from Uofl to 104 since 2003. Over this period, there have been more Fulbright Students from Uofl than from all other postsecondary institutions in Kentucky combined. ³
- For the third year in a row, a Uofl student has won the Truman Scholarship, the only one in Kentucky. The 2017 Truman Scholar, Judson Alan, is a political science major from the College of Arts & Sciences. ⁴
- Tara Schapmire, Ph.D., an assistant professor at the School of Medicine and at the Kent School of Social Work, was elected president-elect of the Association of Oncology Social Work.
- Janice Sullivan, M.D., chief and medical director of the Kosair Charities Pediatric Clinical Research Unit in Uofl's Department of Pediatrics, leads a team that was awarded \$1.6 million by the National Institutes of Health to study environmental influences on child health outcomes. ⁵

Community Service

- In partnership with several external groups, the School of Medicine aided the launch of the Autism Friendly Business Initiative that helps families look for autism-friendly businesses. ⁶
- Undergraduate students in the School of Nursing helped administer chicken pox, hepatitis B, and other vaccines to adults and children at Kentucky Refugee Ministries. ⁷

- Faculty and staff from the School of Music, Kent School, Speed School, and School of Medicine provide tutoring, counseling, and other support to the West End School in Louisville, a free, private college preparatory elementary and middle school for boys from challenging backgrounds.⁸
- The Speed School opened its third “maker space” at Central High School in 2016. These spaces are equipped with machinery and 3-D printers to help increase awareness of STEM fields.⁹
- UofL was named “Most Beautiful Campus” in Kentucky by *Travel + Leisure* magazine.¹⁰

OVERVIEW OF HIGHER EDUCATION IN THE UNITED STATES

Higher education in the US is evolving. Changes in demographics and education delivery to an increasingly diverse and technologically shrewd population are rapidly occurring. Addressing these issues has important implications for the University of Louisville. In order to advance the mission of the university, successfully educate students, and become model centers of research and community service, our board members, donors, legislators, faculty, staff, and students should have a fundamental understanding of this environment. The following sections highlight several important characteristics or trends in higher education today.

Value

The value of a postsecondary education is well established. Evidence consistently shows that a postsecondary education increases human capital and creates positive spillover impacts.¹¹ People with a postsecondary education degree earn, on average, more than their non-degree counterparts, are more likely to volunteer, and have higher job satisfaction, to name a few advantages.¹²

Even though the benefits of a higher education are clear, postsecondary institutions, particularly public colleges and universities, have been buffeted by a variety of external and internal forces in recent years. These challenges include changes in demographics, a push to tie state financial support to academic performance, small rates of return on endowments, and growing concerns about tuition rates, particularly in regards to the amount of student debt.

Enrollment

Undergraduate enrollment at 4-year public institutions in the US has grown from approximately 5.9 million students in Fall 1998 to 8.3 million students in Fall 2014.¹³ Of the total number of students enrolled in public 4-year institutions in the Fall of 2014, 54.5 percent were women.¹⁴ Non-white students represent a growing share of undergraduate student populations. In 1980, non-white enrollment represented 17 percent of total undergraduate enrollment; in 2013 it was 42 percent.¹⁵

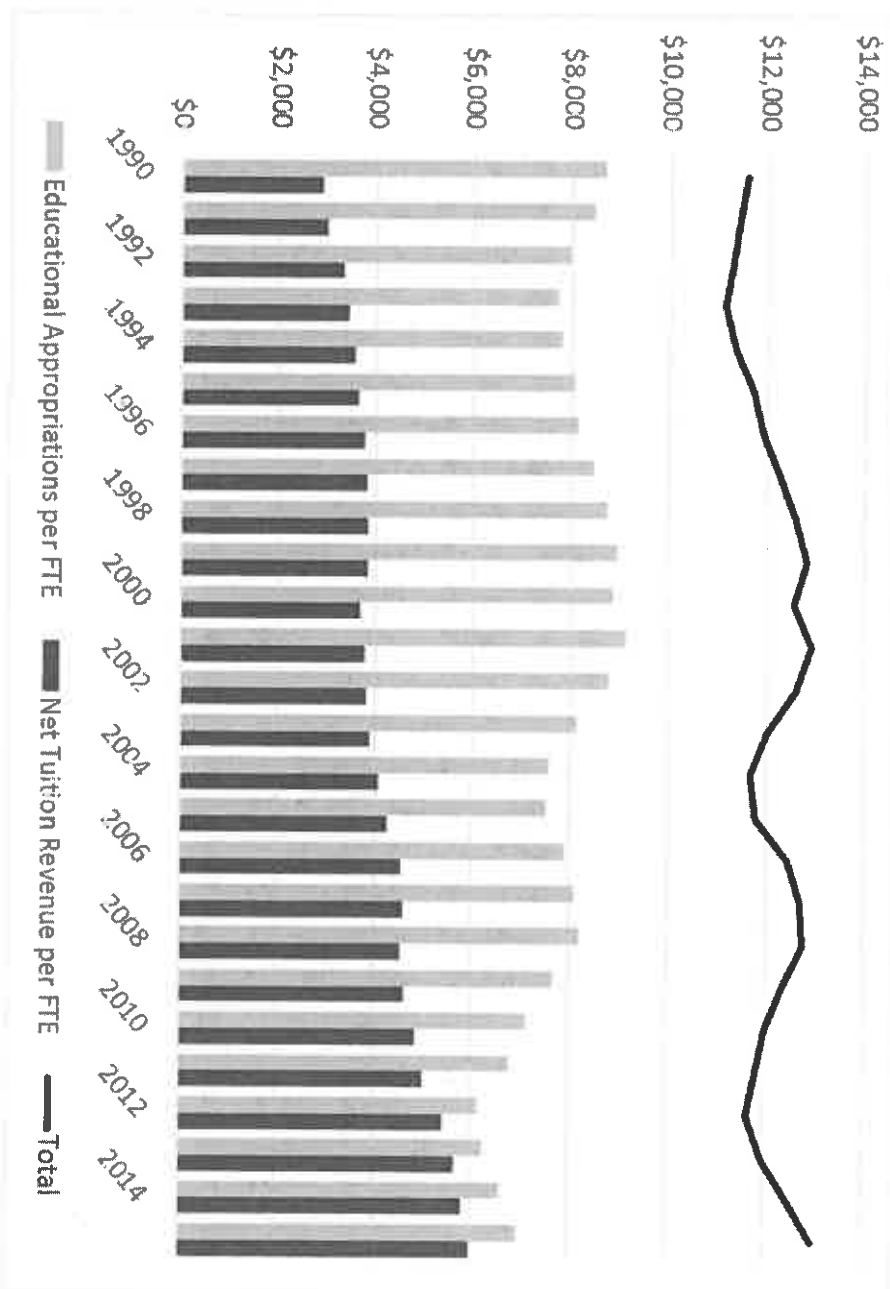
Although enrollment in higher education has grown, it is largely influenced by the number of high school graduates. While more than 85 percent of high school graduates enroll in college within eight years,¹⁶ projections from the National Center for Education Statistics suggest that the number of high school students in the US will grow by less than 1.5 percent between 2015 and 2025. This will place greater pressure on colleges and universities to attract and retain students. In this environment, some evidence suggests that public institutions with large student populations and a significant research component will fare better than smaller, regional colleges and universities.¹⁷

State support

Total state funding for higher education declined by nearly \$10 billion since the Great Recession in 2008 and 2009.¹⁸ Between FY 2012 and FY 2017, however, state support for higher education across the US increased by 14 percent.¹⁹ Regrettably, Kentucky has continued to reduce funding to postsecondary institutions. Since FY 2007, the Commonwealth of Kentucky has reduced state appropriations to colleges and universities by 17 percent, or \$179.9 million.

When state funding dips, tuition rates and tuition revenue typically increase to offset the decline. Figure B shows the linkage between states' financial support for postsecondary institutions and tuition revenues.

Figure B: Public Educational Appropriations and Net Tuition Revenues per FTE, US, FY 1990-2015



Source: SHEEO, State Tuition, Fees, and Financial Assistance Policies: Initial Findings. March 2017

In addition to diminished state financial support, some states have implemented funding models that allocate state appropriations according to an institution’s performance on graduation, retention, and job placement. According to a 2015 report by the National Council of State Legislatures, 32 states allocated at least a portion of state funding to colleges and universities according to performance.²⁰ Regionally, Tennessee employs the most aggressive performance funding model; all state funding, less a base amount for operational support, is allocated

on the basis of student progression, number of degrees and degrees per full-time equivalent student, research/grant funding, transfers, and six-year graduation rate.²¹ Indiana, by comparison, allocates only 6 percent of state appropriations according to performance.²²

Student Debt

Student debt is a significant concern. Over the past decade, US student debt has more than tripled to \$1.3 trillion.²³ Part of the increase is due to more people attending college. Rising tuition rates is the other main factor. From 2010-11 to 2015-16, average tuition and fees at public 4-year institutions increased by 13 percent.²⁴

Despite the increase in tuition rates, average undergraduate student debt at UofL compared to the average at other institutions in Kentucky remains relatively low. UofL students graduate, on average, with almost \$4,000 less student loan debt than students at other institutions in Kentucky. Further, a smaller percentage of UofL graduates carry any debt upon graduation relative to other institutions in Kentucky.²⁵ According to the Council on Postsecondary Education (CPE), a smaller percentage of UofL undergraduate students default on their federal student loans compared to students from most other 4-year institutions in Kentucky.²⁶ Moreover, the default rate for UofL students has declined from 9.7 percent for the 2010 cohort to 7.2 percent for the 2013 cohort.²⁷

Table 1 shows that a smaller percentage of UofL graduates carry student loan debt and for those that carry debt, it is less than the amount carried by graduates of other four-year institutions in Kentucky.

Table 1: Undergraduate Student Debt at UofL Compared to Kentucky State Average
(2015 graduates)

	State Average	UofL
Student Debt	\$27,225	\$23,488
Proportion with Debt	64%	52%

Source: The Institute for College Access & Success

Endowments

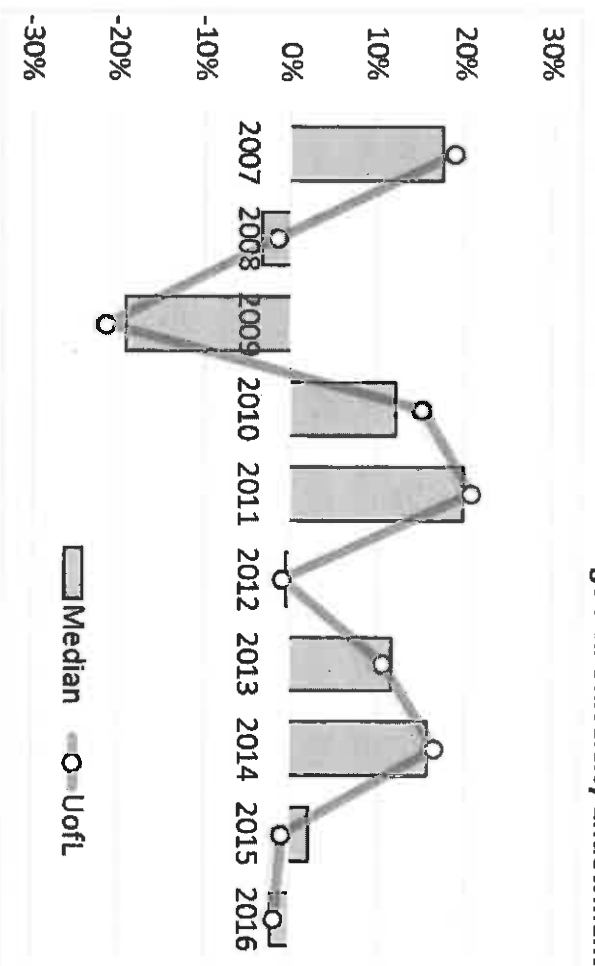
Significant financial support for postsecondary education institutions comes from individuals and corporations who donate money, property, or other assets. These charitable donations take the form of a gift (which typically is completely spent in a relatively short period), or an endowment (which protects the corpus of the donation but allows investment returns to be spent in perpetuity).

Endowment spending funds almost 16 percent of operating expenses, on average, at institutions with endowment assets of more than \$1 billion. By comparison, UofL's endowment spending is about 8 percent of total general fund expenses. For institutions with endowment assets of less than \$25 million, endowment spending funds 5 percent of operating expenses.²⁸

Higher rates of return, all else equal, allows for higher endowment spending. As recently as 2016, however, investment rates of return across postsecondary institution endowments lost, on average, 1.9 percent. Even institutions such as Yale, with a large staff of investment professionals, had low returns, and Harvard University laid off half of its investment fund staff following declining investment performance.

Figure C shows average and median investment rates of return for college and university endowments from 2007 through 2016. Although annual investment rates of returns exceeded 10 percent five times in the past 10 years, overall returns during that period were reduced by the large losses in 2008 and 2009 during the Great Recession and then slow-growth years in three of the past five years.

Figure C: Median Investment Rates of Return for College and University Endowments, 2007-2016



Source: NACUBO and UofL Foundation.

Moody's Investor Services, a rating agency that evaluates the financial stability of postsecondary institutions, recently announced that poor investment performance across the industry represented a potential downside risk.²⁹ Because endowments are an important source of funds in higher education, Moody's cautionary note requires close attention in the near-term.

BUDGET PLANNING OVERVIEW

OVERARCHING BUDGET PRINCIPLE

The university's overarching budget principle guides budget decision-making, helps ensure a transparent process that prioritizes competing initiatives, and positions the university for success.

The University of Louisville is first and foremost an academic institution committed to excellence. The education of its students in undergraduate, graduate and professional programs is founded on a teacher-scholar model with a strong experiential component. The success and well-being of current and future students of the University of Louisville is of singular importance in all budgetary decisions.

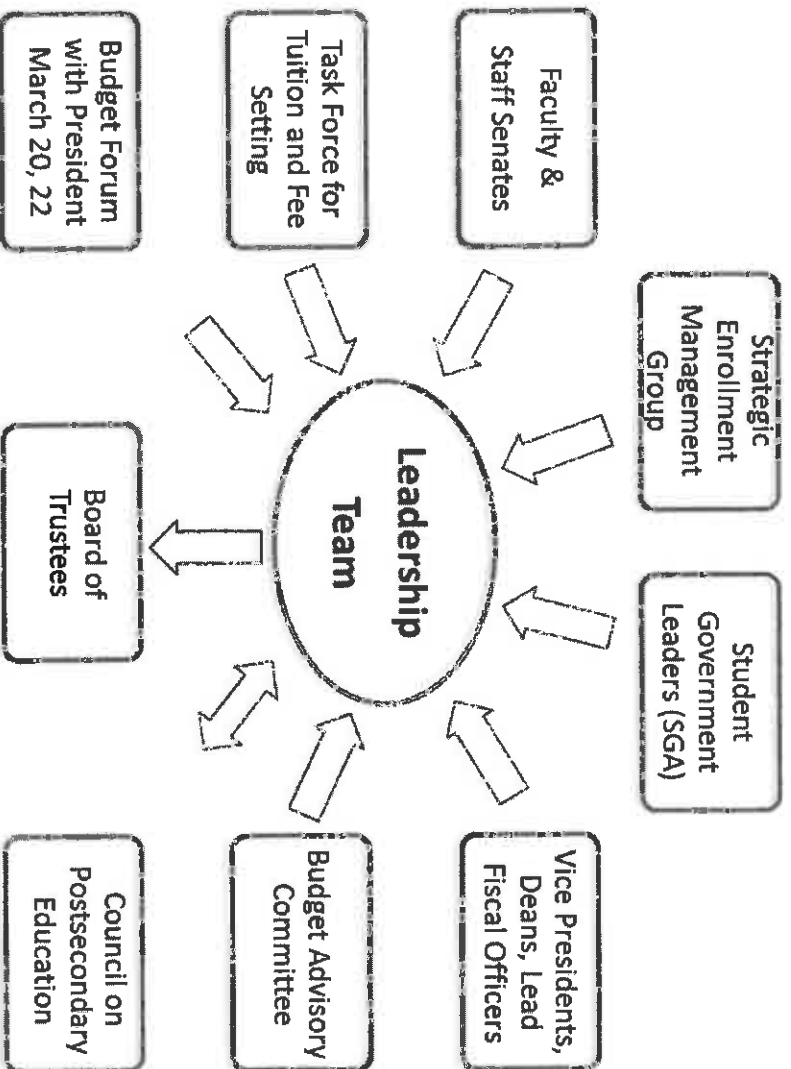
COLLABORATIVE INPUT INTO BUDGET PLANNING

Input from the campus community is an important part in planning the university's budget. Although operating under a significantly condensed timeline due to the efforts involved in resetting the FY 2017 budget mid-year, many opportunities for input into the development of the FY 2018 budget existed. These included two university-wide budget forums hosted by the president, one on the Belknap campus and one on the Health Sciences campus. Finance and administration officials also met multiple times with deans, vice presidents, faculty and staff, and representatives from the Student Government Association.

Development of the FY 2018 operating budget also included, for the first time, a reshaped advisory committee. Known as the "Budget Advisory Committee", this representative group of academic leaders, staff, and students met multiple times during March and April to review, discuss, and advise the provost about how to strategically allocate limited resources. These meetings provided valuable feedback. While decision-making rests with the president and provost, in large measure, the FY 2018 operating budget reflects the input of members of the Budget Development Committee.

Figure D highlights the opportunities for campus input into the budget development process. The timeline for the comprehensive consultation with the campus community is shown in Figure E.

Figure D: Collaborative Input into Budget Planning



Source: UofL Budget Office



Figure E: Timeline for the Budget Development Process

Time Period	Activity
July – February	Tuition setting and fee recommendation development
January – March	Revenue and expense forecast / development of pro forma
January – April	Budget discussions with campus constituencies
April – May	Budget decisions by Leadership
Ongoing	Actively reviewing and monitoring budget versus actuals at both university and unit levels

Source: UofL Budget Office

STRATEGIC BUDGET AND FINANCIAL PLANNING

The university’s strategic plan is rooted in its goal of becoming a “premier metropolitan university” by 2020 as mandated by the state’s Postsecondary Education Reform Act of 1997, a seminal event in the life of UofL. In 2012, the university began work on a supplement to our existing strategic plan aimed at re-shaping and re-engineering the university. Called the *21st Century University Initiative: Powering the 2020 Plan*, this plan intends to help the university meet its goals and better serve students and the community.

The core component of the plan is Academic and Research Priorities. Academic units are the engines for accomplishment of the 21st Century University Initiative. Critical to their success is the Financial Health of the university and a Culture of Excellence across campus; initiatives in these two plan components provide critical, foundational support for success. Through coordinated partnerships, thoughtful enrollment growth, strategic investments, and reallocations of resources, the university can successfully implement the *21st Century University Initiative: Powering the 2020 Plan* and accomplish the goals of the 2020 Plan.

Synergistic to the financial plan in development for the *21st Century University Initiative: Powering the 2020 Plan*, and in alignment with the planning for the FY 2018 budget, a new academic “Strategic Planning and Implementation” process has been initiated. Led by the university provost in collaboration with the Executive Vice President for Health Affairs (EVPHA) and the Executive Vice President for Research

& Innovation (EVPRI), the purpose was to communicate and align strategic objectives across all academic units. It also ensured that the provost and the deans had a shared understanding of each unit's short- and long-range goals, particularly within the context of the *21st Century University Initiative: Powering the 2020 Plan*.

BUDGET PRIORITIES

The FY 2018 Operating Budget has four priorities:

1. Resolving a structural imbalance in the university's operating budget;
2. Keeping college affordable for our students by adding \$1.3 million in financial aid and scholarships;
3. Making strategic allocations that advance the mission of the university in FY 2018; and
4. Establishing a firm financial foundation for FY 2019 and beyond.

Structurally Balanced Budget

An analysis of anticipated revenues and expenses for FY 2018 indicated a structural imbalance. To help ensure the university's short- and long-term success, the FY 2018 budget emphasizes efficient and cost-conscious administrative operations, trimming travel expenses, consolidating purchasing decisions in order to leverage buying power, and scrutinizing the need to refill vacant positions. In addition, a university-wide campaign for suggestions to reduce expenses or increase revenues has received more than 200 responses through April. The university will likely implement many of these recommendations.

Keeping College Affordable

To help thousands of undergraduate and graduate students meet the financial costs of obtaining a college degree, the FY 2018 budget holds tuition rates constant and increases overall financial aid by \$1.3 million. The budget also maintains \$2.5 million for the innovative Credit for Credits program, which financially rewards undergraduate students who earn at least 30 credit hours each academic year. In addition to saving students money, this program could also improve student retention and graduation rates. The university will continue to monitor the effectiveness of the program; Fall 2017 marks the first anniversary of the program.



Strategic Allocations

Using a \$12 million reallocation pool from a three percent across-the-board general fund budget cut, the FY 2018 Operating Budget makes several important strategic allocations. Academic quality and support, recruitment of superior students, decanal start-ups and unit program development highlight a few of the targeted areas. Funding for strategic initiatives and prior commitments will be monitored and must be used as approved unless the Budget Advisory Committee and the senior leadership agree to redirect the funds. Funds are held in reserve to address emergent needs and initiatives during the fiscal year, but units and divisions are advised not to request or expect any additional funding to cover projected expenses, reductions or other adjustments to the FY 2018 budget.

Sound Financial Footing

The FY 2018 Operating Budget for the University of Louisville represents a structurally sound budget that will allow the university to grow and thrive in future years. The platform for the budget is a reset of the FY 2017 general fund budget, which included a revised forecast of revenues and expenses. In addition, the FY 2018 budget includes expenditure constraints affected through service efficiency and administrative economy and capture of salary lines vacated through attrition during the year. Additional constraints may be imposed mid-year if actual savings or increased revenue fall short of projections.

OPERATING BUDGET OVERVIEW

The University of Louisville's Fiscal Year (FY) 2018 Operating Budget is \$1.2 billion. This represents a \$48 million, or 3.8 percent, decrease compared to the FY 2017 Operating Budget. Sound financial models provide the basis for the budget. To avoid any delayed recognition of fiscal challenges, senior staff will regularly monitor the budget throughout the fiscal year. Analyses of budget-to-actual revenues and spending will form a cornerstone of these efforts. In addition, scrutiny of the university's cash balance will continue.

The university's budget has two primary groupings: general funds and non-general funds. The general fund budget encompasses most all-purpose activities of the university, including, for example, instruction and operational expenditures. General fund revenues primarily come from tuition, state appropriations, and various fees.

Non-general funds include activities tied to specific purposes such as grants, clinical revenues, and athletics, and flow through the university's affiliated corporations: University of Louisville Research Foundation, Inc. (ULRF); the University of Louisville Athletic Association, Inc. (ULAA); and the University of Louisville Foundation, Inc. (ULFI), which is a component unit of the university. The governing board for each corporation approves the respective budget for each entity at their respective board meetings.

Table 2 shows the university's total operating budget.

Table 2: UofL Operating Budget FY 2018

	FY 2017 Budget	FY 2018 Budget	FY 17-18 Change	
			Amount	Percent
General Funds	\$548,339,500	\$504,858,900	(\$43,480,600)	-7.9%
UofL Corporations	730,955,300	725,976,200	(4,979,100)	-0.7%
Total Operating Budget	\$1,279,294,800	\$1,230,835,100	(\$48,459,700)	-3.8%

Source: UofL Budget Office

Table 3 shows the primary fund sources for the university's operating budget and changes over time.

Table 3: Operating Budget by Primary Funding Source, FY 2018

General Fund and Corporations <i>(in millions)</i>	Budget		Change	
	FY 2017	FY 2018	Amount	Percent
Uofl Research Foundation, Inc.	\$482.8	\$539.0	\$56.2	11.6%
Tuition and Fees	323.7	304.2	(19.5)	-6.0%
Net State Appropriation	132.8	132.8	0.0	0.0%
Uofl Athletic Association, Inc.	96.4	104.5	8.1	8.4%
Uofl Foundation, Inc.	149.3	82.4	(66.9)	-44.8%
Other General Funds	94.3	67.9	(26.4)	-28.0%
Total	\$1,279.3	\$1,230.8	(\$48.5)	-3.8%

Source: Uofl Budget Office, ULRF, Inc.; ULF, Inc.; and ULAA, Inc.



GENERAL FUND REVENUES

UNIVERSITY OF LOUISVILLE



GENERAL FUND REVENUE

OVERVIEW

The total general fund revenue budget for FY 2018 is \$504.9 million. This is \$43 million, or 7.9 percent, less than FY 2017. Re-categorizing one-time funds from hospital affiliation to non-general funds and an adjustment to tuition revenue projections account for most of the year-over-year change.

The largest source of general fund revenue is tuition and fees, which total \$304.2 million and represent 60.2 percent of the total general fund revenue budget. The FY 2018 budget does not include any proposed increases in tuition rates. State appropriations, the second largest source of funds, total \$133.6 million in FY 2018.

Table 4 shows all major revenue categories in the university's general fund budget. The following sections provide more detail about each revenue category.

General Fund Revenues
2018 Operating Budget



Table 4: General Fund Revenues by Source for FY 2018

Description	FY 2017 Budget	FY 2018 Budget	Percent of Total	FY 17-18 Change Dollars	Change Percent
Tuition and Fees	\$323,722,800	\$304,165,200	60.2%	(\$19,557,600)	-6.0%
State Appropriation and Other State Funds	133,638,400	133,638,000	26.5%	(400)	-0.0%
Transfers In	28,165,200	26,467,800	5.2%	(1,697,400)	-6.0%
Auxiliary Enterprises	13,653,400	23,323,200	4.6%	9,669,800	70.8%
Hospital-Related Revenue*	37,470,200	6,573,000	1.3%	(30,897,200)	-82.5%
Other Revenues**	11,689,500	10,691,700	2.1%	(997,800)	-8.5%
Total	\$548,339,500	\$504,858,900	100.0%	(\$43,480,600)	-7.9%

* Prior to FY 2018, revenues and expenses were budgeted as general funds. In FY 2018, they are budgeted as non-general funds to reflect the limitations on how those funds can be spent.

** Includes other non-educational revenue, interest income related programs, organized activities related to instruction, and sales and services of educational activities.

Source: Uofl Budget Office

TUITION AND FEES

Tuition and fee revenues total \$304.2 million for FY 2018. This is \$19.6 million less than FY 2017.

The tuition and fee budget does not raise tuition rates. The overall FY 2018 tuition and fee budget decreases due to a deliberate university-wide effort to realign tuition budgets according to an analysis of past enrollment. Three factors in particular account for most of that change.

First, in recent years, declining enrollments in the Brandeis School of Law and the College of Arts and Sciences have failed to meet planned increases in total university enrollment. Both changes mirror national trends. Law school enrollment in the US, for example, declined by 25 percent between 2010 and 2016.³⁰ Similarly, across the period between 2011 and 2016, the number of law school students at UofL declined by 24.9 percent. For Fall 2017, enrollment in UofL's law school breaks this pattern and is expected to realize a year-over-year increase.

Second, enrollment in summer courses continues to fall short of expectations. Multiple efforts each of the past two summers to increase the number of courses offered have had limited success in attracting more students. Consequently, tuition revenues in summer have consistently fallen short of budget. For the summer of 2017, another incentive plan has been implemented. Instead of focusing solely on increasing the number of courses, this option essentially provides a 25 percent tuition discount to undergraduate students who enroll in more than three credit hours during the summer. It is too early to evaluate the effectiveness of this effort, but it will be closely monitored.

Third, as students increasingly want the flexibility and ease associated with online courses, the university has recognized a significant shift in the composition of its tuition revenues. Instead of growth in face-to-face tuition revenues, online tuition revenues have increased more. Total online credit hours have increased from 31,430 in AY 2010-11 to 61,161 in AY 2016-17, which is an increase of 95 percent. The consequence from this shift resides with the way in which the university allocates online versus face-to-face tuition revenues. Face-to-face tuition revenues represent general university resources that can be allocated to any activity. Online tuition revenues follow university policy from 2000 and allocate 50 percent of revenues directly to the academic unit providing the online course. As a result, the growth in online courses and tuition revenue has benefited academic units to the detriment of central university funds. Instead of centrally deciding how to allocate face-to-face tuition revenues, the existing model, without review, allocates these revenues to academic units.

Tuition Rates and the Council on Postsecondary Education

The Council on Postsecondary Education (CPE) is the state coordinating agency for the eight public universities and the community college system in the Commonwealth of Kentucky. One of its statutory responsibilities is to set tuition guidelines and then approve resident undergraduate tuition rates at all public higher education institutions.

For FY 2018, CPE capped resident undergraduate tuition rate increases at 4 percent for the University of Kentucky. Tuition rate increases cannot exceed 5 percent at Morehead State, Murray State, Kentucky State, and Eastern Kentucky universities. The cap is 4 percent at Northern Kentucky University and 3.9 percent at Western Kentucky University because each university will receive additional state funds in FY 2018 to address funding equity. UofL's tuition rates for FY 2018 will not change. In 2016, the university adopted a biennial approach to tuition setting and the Board of Trustees voted to hold tuition rates constant in FY 2018.

Table 5 shows the proposed Academic Year (AY) 2018 tuition rates for undergraduate, graduate, and professional programs. Undergraduate students enrolled in 12 or more credits hours in a semester are considered "full-time" and pay the semester rates listed in the table. For graduate students, full-time status is 9 credit hours.

Table 5: Regular Tuition Schedule

	AY		Change Amount	Percent
	2017	2018		
<i>(amounts in dollars)</i>				
Undergraduate	Semester Rates			
Resident	5,534	5,534	0	0.0%
Nonresident	13,045	13,045	0	0.0%
Active Duty Military*	250	250	0	0.0%
Graduate				
Resident	6,123	6,123	0	0.0%
Nonresident	12,743	12,743	0	0.0%
Active Duty Military*	250	250	0	0.0%
Law (Full-time Program)				
Resident	10,548	10,548	0	0.0%
Nonresident	19,651	19,651	0	0.0%
Medicine	Annual Rates			
Resident	38,286	38,286	0	0.0%
Nonresident	58,196	58,196	0	0.0%
Dentistry				
Resident	32,412	32,412	0	0.0%
Nonresident	67,564	67,564	0	0.0%

* per credit hour

Source: UofL Budget Office

Table 6 shows proposed special tuition rates. They remain unchanged from FY 2017.

Table 6: Special Tuition Schedule

	AY		Change Amount	Percent
	2017	2018		
Urban Planning and Public Admin. Programs				
Resident	7,023	7,023	0	0.0%
Nonresident	13,643	13,643	0	0.0%
Online Education (per credit hour)				
Undergraduate	497	497	0	0.0%
Graduate	714	714	0	0.0%
Graduate - Urban Planning & Public Admin	855	855	0	0.0%
Law, full-time	1,098	1,098	0	0.0%
Law, part-time	914	914	0	0.0%
Active Duty Military*	250	250	0	0.0%

Source: UofL Budget Office

Table 6: Special Tuition Schedule (Cont.)

	AY		Change Amount Percent
	2017	2018	
(amounts in dollars)			
	<u>Fixed Price, Multi-Year</u>		
Professional MBA Cohort Program			
Resident & Nonresident	32,000	32,000	0 0.0%
Full-time MBA Cohort Program			
Resident & Nonresident	32,000	32,000	0 0.0%
IMBA Cohort Program			
Resident & Nonresident	32,000	32,000	0 0.0%
Executive MBA Program			
Resident & Nonresident	67,500	67,500	0 0.0%
Masters in Accountancy Program			
Resident & Nonresident	21,000	21,000	0 0.0%
Ed.D. Practitioner			
Resident & Nonresident	16,200	16,200	0 0.0%
Certificate Program in Accountancy			
Resident & Nonresident	12,900	12,900	0 0.0%
M.S. in Human Resources and Organization Development			
Resident & Nonresident	16,500	16,500	0 0.0%
Active Duty Military (per credit hour)	250	250	0 0.0%

* Excludes Master's of Engineering in Engineering Management Online fixed price program

Source: UofL Budget Office

New or Modified Tuition and Fees

The Task Force on Tuition and Fee Setting—a committee appointed by the provost that consists of deans, faculty, staff, and students—reviews all tuition and fee requests from academic and support units and recommends a course of action to leadership. The Task Force met from July 2016 through February 2017. The initial meetings focused on the overall costs borne by UofL students including tuition, academic

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fees, housing, dining and other related educational costs. The Task Force also examined college affordability, regional changes to tuition rates, and state appropriations to higher education in contiguous states. Tuition rate comparisons between UofL and its benchmark institutions and state and regional competitors was also reviewed. Table 7 lists the fee requests recommended by leadership. Detailed descriptions about each recommendation follow the table.

Table 7: Summary of Proposed Changes to Course and Unit Fees for AY 2018

Unit / Fee Name	Fee Amount	Fee Description
College of Arts and Sciences		
1. A&S Technology Fee	\$0.50 per credit	Up to \$6 per semester; for technology upgrades
2. Theater Arts Fee	\$0	Rescind existing fee
College of Business		
3. UK/UofL Executive MBA Program	\$20,000	Classify \$20,000 of existing \$67,500 as fee.
School of Nursing		
4. Certified Nursing Assistant	\$500	Fee to cover non-credit course fee for clinical compliance requirement
Kent School of Social Work		
5. Kent School Fee	\$25	Course fee to support purchase and maintenance of student placement software
School of Medicine		
6. Technology Fee	\$700 / \$1,250	Fee to support the purchase of tech support of preconfigured laptops for each student
Speed School of Engineering		
7. Bioengineering Course Fee	\$100	Course fee for BE 605 to cover costs of supplies, chemicals and equipment used
Office of Enrollment Management		
8. Undergraduate Application Fee	\$25	Decrease to undergraduate application fee

Unit / Fee Name	Fee Amount	Fee Description
School of Interdisciplinary & Graduate Studies		
9. Graduate Application Fee	\$65	Request increase to graduate application fee
Office of Chief Operating Officer		
10. University Parking	Various	Parking rate increase for all university permits
Vice Provost for Student Affairs		
11. University Housing	Various	3% increase in room rates for AY 2018

Source: UofL Budget Office

College of Arts & Sciences

1. A new \$0.50 per credit hour fee for all Arts & Sciences courses will support technology upgrades within the school. The fee will enable the College of Arts & Sciences to upgrade technology in 74 classrooms, including funding for additional smartboards, replacement computers, projectors and screens.

The A&S Dean's office currently shares the responsibility for maintaining and upgrading equipment in academic departments. However, the college does not have a dedicated technology budget. The A&S Dean's office annually reserves about \$75,000 to fund all equipment expenses of the faculty, including start up for new hires, staff, and classrooms. Seven departments have course fees but use those funds for equipment and supplies in labs and studios (Biology, Chemistry, Classical and Modern Languages, Mathematics, Fine Arts, Physical Astronomy and Theatre Arts). The other 15 departments do not have a dedicated budget or revenue stream for technology needs. All current A&S funding sources combined are inadequate to sustain recurring equipment maintenance or upgrades.

Other units (Business, Engineering, Law, Medicine, and Public Health) assess a technology fee that ranges from \$25 to \$250 per student. The intent, when determining the technology fee amount for A&S students, was to maximize the benefits on the college's technology needs while minimizing the cost to students. The proposed fee expects to generate \$75,000 to \$80,000 per academic

year. The college anticipates that this technology fee will go beyond basic maintenance and upgrades in the near future and allow the college to upgrade all 74 classrooms currently maintained by A&S.

After three years, the College of Arts & Sciences will audit the expenditures of the technology fee to (1) assure that the funds were used as proposed for classroom technology; (2) assess the current state of technology; and (3) to reassess the need for the fee to continue at the level of \$0.50 per credit up to \$6 per semester.

2. The College of Arts and Sciences will rescind a \$20 Theater Arts fee because it is no longer needed.

College of Business

3. The Executive MBA Program currently receives 100% of all tuition (less mandatory fees). Costs that are traditionally associated with program fees are currently funded from the tuition element of the program charge. Now, the College of Business will assess a \$20,000 fee to all students in the UK/UofL Executive MBA program. The total program cost of \$67,500 will remain unchanged, which includes mandatory UK/UofL student fees of \$1,998. The purpose of this change is to specify that \$20,000 of the total program cost is a program fee. The remaining \$45,512 will be classified as tuition and \$1,998 for mandatory UK/UofL student fees. Currently, the program operates very close to the break-even point.

School of Nursing

4. The School of Nursing \$500 non-credit course fee is required to remain in compliance with its clinical compliance requirement. Beginning in Fall 2017, upper-division nursing students will be required to complete a Certified Nursing Assistant Program (CNA). By adding this component, the School will remain in alignment with other nursing programs in the Louisville area. The course will be open to any student interested in becoming a CNA. Only students electing to take this non-credit course will pay the \$500 program fee.

Kent School of Social Work

5. The Kent School \$25 per course fee for Social Work courses 470, 471, 670, 671, 672, and 673 will support the purchase and maintenance of student placement software called *Sonia*, which automates the practicum placement process. It includes the ability

to show available placements, record practicum hours, manage submission of assignments, and allows the School to interface more easily between students, faculty, and community social workers who are supervising students.

The Kent School currently uses an outdated system that forces students and field supervisors to hand-deliver or fax/mail copies of documents from assignments and assessments. The new software will improve the management of data and paperwork for practicum courses. Information about licensure and education, as well as career opportunities, will be able to be stored in *Sonia*.

The fee will not cover the initial cost of purchase, support, and customization required for implementation of the new software system. The school estimates a shortfall of approximately \$1,150 in the first year of implementation, which the Kent School will cover. The school estimates that there may be a surplus of \$1,850 in the second year, and by the fourth year the net will be approximately zero. The school plans to use any unspent funds to offset other practicum related expenses, such as travel reimbursement for practicum liaisons who provide face-to-face visits with students and agency supervisors. This type of face-to-face interaction is a valuable part of the student experience at the Kent School and gives the school an ability to better supervise the quality of experiences students have in the agencies.

School of Medicine

6. The School of Medicine is raising the technology fee from \$500 to \$700 per year for current students. The fee is being increased due to a greater reliance on technology in the curriculum coupled with demands of LCME Accreditation (Liaison Committee on Medical Education is the US Department of Education recognized accrediting body for M.D. degrees.)

All new students beginning in the fall of 2017 will pay \$1,250 per year; the standard \$700 base technology fee plus an additional \$550 to cover the cost of university-provided laptops, associated support costs for the provided laptops, and anticipated costs of management software.

Speed School of Engineering

7. The Department of Bioengineering \$100 course fee for BE 605 will cover the costs of purchasing consumable supplies, chemicals and safety equipment costs. The current cost of consumables per student is approximately \$200. The \$100 course fee is anticipated to generate up to \$1,000 per year. Enrollment for this elective course is limited to 10 students.

Office of Enrollment Management

8. The Office of Enrollment Management will decrease the undergraduate application fee from \$50 to \$25. By reducing the application fee, an increase in the number of applications, admissions, and enrollment is expected. There are no plans to change the mechanics of how the fee will be assessed.

School of Interdisciplinary and Graduate Studies

9. The School of Interdisciplinary and Graduate Studies will increase the graduate application fee from \$60 to \$65. The fee is assessed to students seeking admission to a graduate program, and will support the costs of processing applications. Increasing the application fee to \$65 places UofL in line with the university's benchmark institutions. An estimated \$32,000 to \$37,000 will be collected from the fee increase.

Parking

10. University parking rates will increase for the first time in six years. Table 8 summarizes the parking rate changes for FY 2018. The proposed increases will generate \$157,400 if the same number of each permit is purchased. In addition to the parking rate increases, the Parking Office is renegotiating parking lot leases, increasing visitor parking rates, and creating additional visitor and patient parking spaces to generate more revenues.

Table 8: Proposed Annual Parking Fees

Permit	(amounts in dollars)		Proposed Change	
	FY 2017	FY 2018	Dollars	Percent
Red	590	620	30	5.1%
Magenta, White, & Jewish Hospital	379	399	20	5.3%
Blue	281	296	15	5.3%
Yellow, Orange, Minardi, & Brown	150	169	19	12.7%
Green	132	149	17	12.9%
Purple	98	100	2	2.0%

Source: Office of the Chief Operating Officer

University Housing

- The Director of Student Housing, endorsed by the Dean of Students, requests a 3 percent increase in housing rates caused by anticipated increases in utilities expenses, maintenance and operations costs, and other related programmatic costs. Table 9 summarizes the housing rate changes.

Table 9: Academic Year 2018 Proposed Housing Rate Schedule

(amounts in dollars)	AY		Change Amount Percent
	2017	2018	
Traditional Halls (Miller, Threlkeld, Unitas)	<u>Semester Rates</u>		
Unitas triple	1,938	1,996	58 3.0%
Double	2,515	2,590	75 3.0%
Single	3,005	3,095	90 3.0%
Resident Assistant, all halls			
Live-in rate	2,000	2,000	0 0.0%

Table 9: Academic Year 2018 Proposed Housing Rate Schedule (Cont.)

	AY		Change Amount Percent
	2017	2018	
<i>(amounts in dollars)</i>			
Louisville Hall suites			
6th Floor double with bath	2,667	2,747	80 3.0%
4th/5th Floor single room	3,005	3,095	90 3.0%
4th/5th Floor double room	2,565	2,642	77 3.0%
3 Bedroom Suite	2,616	2,694	78 3.0%
2 Bedroom Suite	2,657	2,737	80 3.0%
University Tower Apartments (UTA)			
2 Bedroom, single	3,065	3,157	92 3.0%
2 Bedroom, double	2,718	2,800	82 3.0%
1 Bedroom, double	2,728	2,810	82 3.0%
Large studio, double	2,718	2,800	82 3.0%
Standard studio, double	2,692	2,773	81 3.0%
UTA Family Apts and Medical-Dental Apts			
	<u>Monthly Rates, per unit</u>		
2 Bedroom	963	992	29 3.0%
1 Bedroom	852	877	26 3.0%
Large studio	785	808	24 3.0%
Standard studio	754	777	23 3.0%

Source: Office of Housing and Residence Life

STATE APPROPRIATIONS

State appropriations, including state-mandated programs, total \$133.6 million in FY 2018, almost unchanged from FY 2017. Over the past year, though, state funding of higher education has undergone a significant transformation in Kentucky.

The first change happened in April 2016. The state's biennial budget reduced appropriations to public postsecondary institutions in FY 2017 by 4.5 percent. For the University of Louisville, the reduction totaled \$6.3 million.

The second important change occurred in March 2017 when the General Assembly passed and the Governor signed legislation to align state appropriations to colleges and universities with specific performance metrics. The bill represented the culmination of almost two years of dialogue and debate among legislators, representatives from the governor's office, university and KCTCS presidents, CPE, and other higher education advocates.

CPE initially submitted a performance-funding model to the governor and the legislature in 2015. Carefully developed over 18 months, the plan called for restoring one-half of all state budget cuts since 2008 if universities and colleges met certain performance objectives. Under the plan, institutions would only compete against themselves. Unearned funds would represent a loss to the institution that failed to achieve its metrics but not a gain to another institution.

The 2016-18 enacted state budget did not include CPE's proposed performance-funding plan. Instead of restoring prior year budget reductions, the budget bill reduced each institution's FY 2018 net state appropriation by 5 percent (for a total of \$42.9 million) and placed that amount in a separate "at-risk" pool that universities would compete against each other to earn. To determine how those funds would be allocated among universities, the budget bill established a Working Group – a team that included each public university president, the president of KCTCS, two state legislators, the president of CPE, and two officials from the governor's office. The Working Group met many times from August through November in 2016 and issued its final report on December 1, 2016.

Legislation (Senate Bill 153) introduced in January 2017 incorporated most of the Working Group's recommendations. The final bill, signed by the Governor in April, included the following provisions:

- Exclude Kentucky State University from the performance-funding model to acknowledge that institution's current precarious financial condition;
- Separate KCTCS from the universities (the two sectors will not compete for the same resources), in part because of differences in each sector's mission; and
- Exclude state-mandated programs (e.g., Equine Research at UofL) from the funding formula because those programs have specific revenue sources and purposes defined in state statutes.

Beginning with FY 2018, a portion of the state's allocation to public universities and colleges will be based on how well each institution performs on several metrics. Tables 10 and 11 display the student success metrics used in the performance-funding model to determine how state funds would be allocated among universities. From academic years 2014 to 2016, UofL, on average, produced the most underrepresented minority bachelor's degrees among public universities in Kentucky. UofL trailed only the University of Kentucky in all other student success metrics.

35% for Student Success

- number of baccalaureate degrees;
- number of STEM+H degrees;
- degrees earned by low- and moderate-income students;
- number of degrees earned by underrepresented minorities; and
- student credit hour progression.

Table 10 shows the three-year average of student success metrics for public universities in Kentucky from academic years 2014 to 2016.

Table 10: Three-year Average of Student Success Metrics for Public Universities in Kentucky from Academic Years 2014 to 2016

Institution	Bachelor's Degrees			Student Progression			
	Total Degrees	STEM+H Degrees	Low Income Degrees	URM Degrees	30 Credit Hours	60 Credit Hours	90 Credit Hours
University of Kentucky	4,255	1,464	1,353	469	3,726	3,846	4,303
University of Louisville	2,786	805	1,188	488	2,159	2,428	2,799
Eastern Kentucky University	2,533	703	1,364	219	1,710	1,867	2,380
Morehead State University	1,205	312	728	61	1,087	1,069	1,214
Murray State University	1,559	649	722	136	1,065	1,186	1,555
Northern Kentucky University	2,184	636	1,023	192	1,624	1,669	1,996
Western Kentucky University	2,757	813	1,375	296	2,290	2,263	2,648
Total	17,280	5,382	7,755	1,861	13,660	14,328	16,895

* Under Represented Minorities (URM)

Source: Council on Postsecondary Education; UofL Budget Office

35% for course completion (i.e., credit hours earned)

Table 11 shows the three-year average of credit hours earned for public universities in Kentucky from academic years 2014 to 2016.

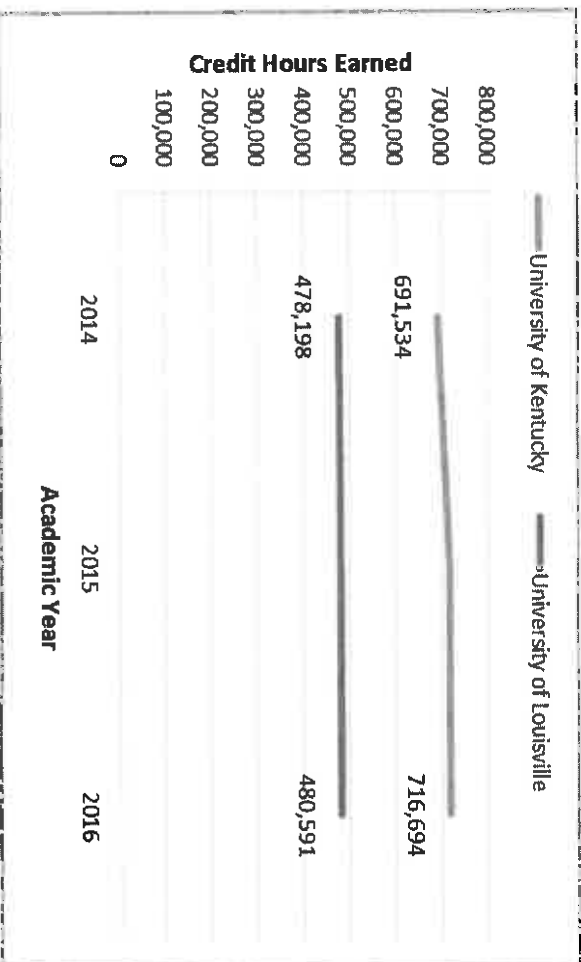
Table 11: Average Credit Hours Earned for 2014 to 2016 Academic Years

Institution	Credit Hours
University of Kentucky	708,724
University of Louisville	479,586
Western Kentucky University	409,622
Eastern Kentucky University	356,747
Northern Kentucky University	304,145
Murray State University	225,403
Morehead State University	180,383
Total	2,664,610

Source: Council on Postsecondary Education; UofL Budget Office

Figure F shows credit hours earned in academic years 2014 to 2016. UofL's credit hours earned have remained relatively flat over this period, increasing by less than 0.5 percent. The number of credit hours earned by students at the University of Kentucky, meanwhile, increased by 3.6 percent.

Figure F: Credit Hours Earned from 2014 to 2016



Source: Council on Postsecondary Education; UofL Budget Office

30% for maintenance and operating expenses, institutional support, and academic support.

Increasing maintenance and operating expenses, relative to the other postsecondary institutions in Kentucky, will increase a university's share of funds from the state performance funding pool.

Using those parameters, the performance-funding model allocated \$42.9 million in FY 2018. Table 12 summarizes the distribution of the performance funding pool in FY 2018. State appropriations to UofL will decline by \$60,400 in FY 2018. This initial adjustment will purportedly establish state funding equity among the two research universities as well as among the comprehensive universities (excluding Kentucky State University). The minimal decrease in UofL's state appropriation for FY 2018, mirrored by the minimal increase in the University of Kentucky's

appropriation, reflects CPE's determination that state funds were already fairly equitably distributed between Uofl and UK. Beginning in FY 2019, Uofl and UK will compete for state performance funding with each of the comprehensive universities, excluding Kentucky State University.

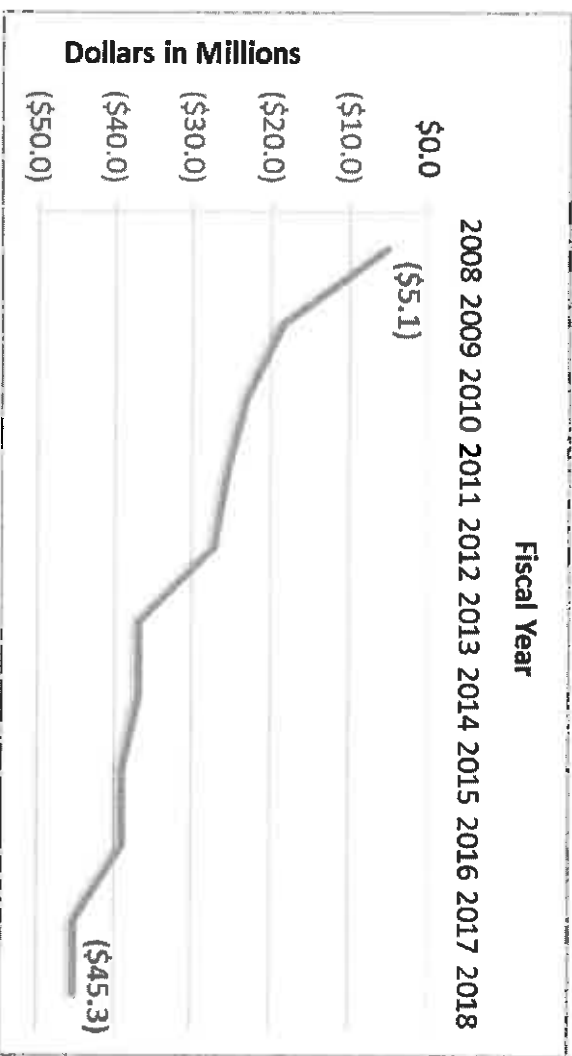
Table 12: Distribution of State Appropriation Performance Funding Pool in FY 2018

University	Amounts Contributed	Amounts Distributed	Change
University of Kentucky	\$13,351,400	\$13,411,800	60,400
University of Louisville	6,640,900	6,580,500	(60,400)
Eastern Kentucky University	3,248,600	3,321,500	72,900
Morehead State University	2,069,500	1,742,800	(326,700)
Murray State University	2,293,200	2,231,300	(61,900)
Northern Kentucky University	2,572,400	2,745,900	173,500
Western Kentucky University	3,688,100	3,830,200	142,100
Total (excluding KSU and KCTCS)	\$33,864,100	\$33,864,000	

Source: Council on Postsecondary Education; Uofl Budget Office

Figure G shows that net annual state appropriations to Uofl have declined by \$45.3 million from FY 2008 through FY 2018.

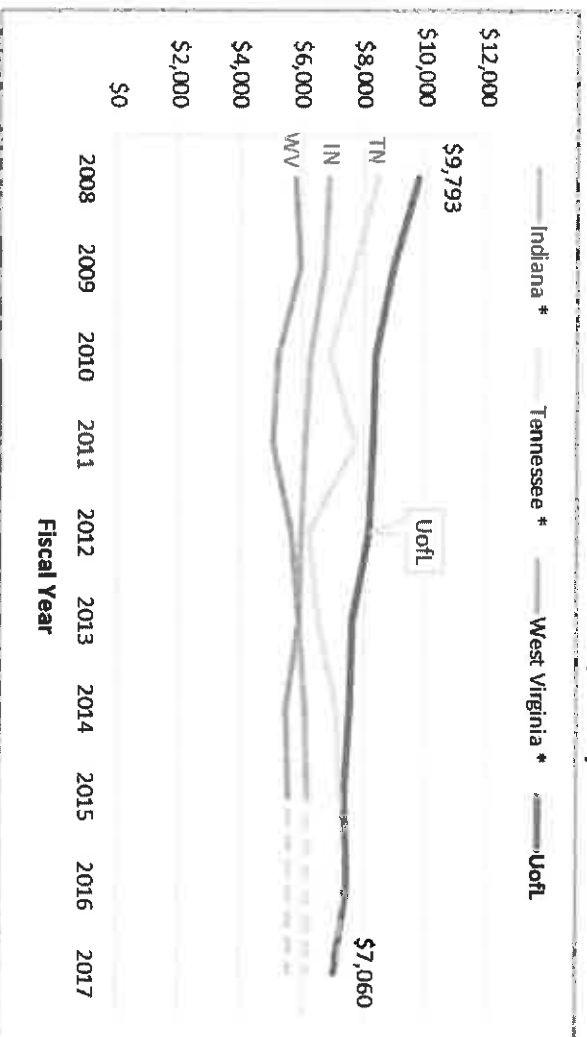
Figure G: Change in Annual State Appropriations to Uofl since FY 2007



Source: Uofl budget documents; Council on Postsecondary Education

Figure H shows state appropriations per full-time equivalent student at Uofl, as well as public, four-year institutions in Indiana, Tennessee, and West Virginia. Since FY 2008, state appropriations for Uofl have declined by \$2,733, or 27.9 percent, per full-time equivalent student. From FY 2008 to FY 2015, state appropriations per full-time equivalent student at public, four-year institutions in Indiana, Tennessee, and West Virginia declined by 9.3 percent, 14.5 percent, and 3.8 percent, respectively.

Figure H: State Appropriation per FTE Student at Uofl and Public, Four-year Institutions in Contiguous States



* FY 2016 and FY 2017 state appropriation per FTE data not available for public institutions in Indiana, Tennessee, and West Virginia at time of publication; dashed lines indicate no change from FY 2014.

Source: Council on Postsecondary Education, US Bureau of Labor Statistics, Integrated Postsecondary Education Data System, and Uofl Institutional Research

TRANSFER REVENUES

The university receives revenues from the University of Louisville Research Foundation, University of Louisville Foundation, and the University of Louisville Athletic Association. These sources of funds are identified as “transfers” in the University’s Operating Budget.

University of Louisville Research Foundation

- Each year, university faculty and researchers are awarded numerous sponsored grants and contracts for the purpose of conducting research or providing a service. Administrative overhead costs are funded by a Facilities and Administrative recovery charge. The Research Foundation transfers the university’s portion of these revenues to the university. For FY 2018, total indirect cost recoveries

for the university are expected to provide an estimated \$11 million, a decrease of \$1.1 million from FY 2017, to reflect actual historical revenue generated.

- The UofL Research Foundation contributes to the debt service for research facilities across campus, for example, the Center for Preventive Medicine, Belknap Research Building, and the Clinical and Translational Research (CTR) Building.

University of Louisville Foundation

- In recent years, the University of Louisville Foundation transferred funds associated with the university's three Tax Increment Financing (TIF) districts. These districts, established through ULF and approved by the City of Louisville and the Commonwealth of Kentucky, created areas where new sales and property taxes from investments in the district are redirected from state and local governments to the district. The three TIF districts are located: downtown by the Health Sciences campus; the Shelby Campus; and the engineering and applied sciences research park, adjacent to the Speed School.

- The University of Louisville Foundation is unable to transfer TIF funds to the university for FY 2018 because the Health Science TIF has not spurred the anticipated amount of new economic activity. This is a \$6.6 million reduction in revenue.

University of Louisville Athletic Association

- The UofL Athletic Association pays the debt service, for example, on the Jim Patterson baseball stadium expansion, the Papa John's Cardinal Stadium expansion, and the renovation of the University of Louisville Golf Club.
- The FY 2017 adopted budget included \$2 million from ULAA to help fund general university operations, but that contribution will not continue in FY 2018.

UNIVERSITY AUXILIARIES

Auxiliary units support specific campus activities such as housing and parking. Revenues from these activities pay associated operating expenses. For FY 2018, auxiliary budgets increase by \$9.7 million. The primary change is to the university's housing budget, which increases by \$9.5 million. Table 13 presents a summary of significant auxiliary budget changes in FY 2018.

Table 13: Notable Auxiliary Budget Changes

	Budget		Change	
	FY 2017	FY 2018	Amount	Percent
University housing	\$6,496,341	\$15,980,954	\$9,484,613	146.0%
University parking	5,149,700	5,352,000	202,300	3.9%
Total	\$11,646,041	\$21,332,954	\$9,686,913	83.2%

Source: Office of the Chief Operating Officer

- The University Housing budget increases by \$9.5 million. This is due to six new housing programs that were previously overseen by the University of Louisville Foundation, but are now managed and operated by Campus Housing. These housing units include the recently constructed University Pointe as well as Cardinal Towne, Community Park, and Billy Minardi, Kurz, and Bettie Johnson halls. Transferring the management of the residences from a private contractor to Campus Housing will result in an annual savings to ULF of approximately \$400,000. Additional rent and fee revenues to Campus Housing will cover the costs of managing the new units.
- The FY 2018 budget for University Parking increases by \$202,300, primarily due to a proposed increase in parking rates.

HOSPITAL RELATED REVENUE

Hospital-related revenues include hospital rent, which totals \$6 million in FY 2018. Beginning in FY 2018, hospital affiliation revenues and expenditures will be recognized as non-general funds in the UofL Research Foundation. Prior to that time, those funds had been identified as general funds. The change in accounting classifications explains why revenues decline from FY 2017 to FY 2018.

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OTHER REVENUES

Other revenues total \$10.7 million in FY 2018, a \$997,800 decrease from FY 2017. Other revenues include non-educational revenue, interest income related programs, organized activities related to instruction, and sales and services of educational activities. Non-educational revenues come from non-instructional activities, but provide benefits to the educational mission of the university. Some examples include the Early Learning Campus (daycare), Get Healthy Now!, interest income, and procurement card services. Organized activities related to instruction include the Rauch Planetarium, Family Business Center, and the AP Summer Institute, and sales and services of educational activities include revenue from the International Service Learning program and the non-credit dance program. The primary change in this category for FY 2018 is short-term investments, which decreases to reflect one-time FY 2017 income.

Table 14 shows the main changes from FY 2017 to FY 2018.

Table 14: Notable Other Revenue Changes

Program	Budget		Change	
	FY 2017	FY 2018	Amount	Percent
Short-Term Investments	\$1,637,500	\$637,500	(\$1,000,000)	-61.1%
Rent-General	183,900	347,200	163,300	88.8%
Health Management Admin	514,321	613,700	99,379	19.3%
Total	\$2,335,721	\$1,598,400	(\$737,321)	-31.6%

Source: UofL Budget Office

Table 15 summarizes the general fund revenue changes for the FY 2018 budget.

Table 15: Summary of Revenue Changes

	FY 2017 Budget	FY 2018 Budget	Change 2017 to 2018
Revenue			
Tuition-Regular	\$244,794,300	\$231,690,400	(\$13,103,900)
Tuition-Summer	20,444,500	13,617,000	(6,827,500)
Distance Education	25,881,400	28,542,800	2,661,400
Special Programs	6,122,500	4,185,900	(1,936,600)
Continuing Education	3,481,900	3,711,600	229,700
Total Tuition	300,724,600	281,747,700	(18,976,900)
Fees-Mandatory	10,144,400	9,071,700	(1,072,700)
Fees-Miscellaneous	6,877,700	6,893,700	16,000
Unit Based Fees	5,431,600	5,898,500	466,900
Lab Based Fees	544,500	553,500	9,000
Total Fees	22,998,200	22,417,400	(580,800)
Total Tuition & Fees	323,722,800	304,165,100	(19,557,700)
State Appropriation	132,818,400	132,758,000	(60,400)
Other State Funds	820,000	880,000	60,000
Total State Appropriations	133,638,400	133,638,000	(400)
Transfers In	16,033,100	14,750,000	(1,283,100)
Indirect Cost Transfers	12,132,100	11,717,700	(414,400)
Total Transfers In	28,165,200	26,467,700	(1,697,500)

General Fund Revenues
2018 Operating Budget



Table 15: Summary of Revenue Changes (Cont.)

	FY 2017 Budget	FY 2018 Budget	Change 2017 to 2018
Housing	6,496,300	15,981,000	9,484,700
Auxiliaries	6,092,700	6,260,500	167,800
Service Centers	1,064,400	1,081,800	17,400
Total Auxiliary Enterprises	13,653,400	23,323,300	9,669,900
Hospital	37,470,200	6,573,000	(30,897,200)
Other Non-Educational Revenue	5,977,000	6,075,700	98,700
Interest Income	3,517,700	2,507,400	(1,010,300)
Activities Related to Instruction	1,272,100	1,213,000	(59,100)
Sales & Services of Educ. Act.	922,700	895,700	(27,000)
Total Other Revenues	11,689,500	10,691,800	(997,700)
Total Revenues	\$548,339,500	\$504,858,900	(\$43,480,600)

Source: UofL Budget Office

DETAIL STATEMENT OF UNIVERSITY GENERAL FUND REVENUES

Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
Tuition						
Regular Session Tuition						
01456	Dental Hygiene	726,681	1,099,320	756,485	1,174,000	417,515 55.2%
01471	Law - Full-time	7,667,747	6,933,783	9,058,384	6,844,000	(2,214,384) -24.4%
01472	Law - Part-time	0	0	1,538,575	0	(1,538,575) -100.0%
01490	Continuing Studies	19,675	22,648	0	0	0 0.0%
10001	A&S Dean's Office - Tuition	88,462,161	84,330,566	104,178,300	86,614,000	(17,564,300) -16.9%
10001	College of Business - Tuition	15,988,865	21,394,144	15,359,009	22,507,000	7,147,991 46.5%
10001	Dent - Admin - Tuition	24,887,801	24,972,401	23,225,256	26,252,000	3,026,744 13.0%
10001	ED-Dean Administration - Tuition	18,021,007	18,119,961	22,265,913	19,709,000	(2,556,913) -11.5%
10001	Kent School Admin - Tuition	4,436,991	4,249,250	5,554,359	4,479,000	(1,075,359) -19.4%
10001	Medicine - Dean's Office - Tuition	26,740,486	27,235,928	28,747,391	27,986,000	(761,391) -2.6%
10001	Music Administration - Tuition	4,255,216	4,716,662	5,192,721	4,688,000	(504,721) -9.7%
10001	Nursing Administration - Tuition	5,906,807	6,072,853	5,736,202	7,048,000	1,311,798 22.9%
10001	Sch of Publ Hlth & Info Sci - Tuition	1,797,064	2,105,034	1,815,249	2,182,000	366,751 20.2%
10001	Spd-Speed School of Engr Admin - Tuition	14,639,624	15,052,232	15,030,013	15,986,000	955,987 6.4%
10008	Urban and Pub Affairs Tuition	862,395	952,673	0	0	0 0.0%
10769	Prof MBA Tuition-COB Share	417,477	412,780	500,000	500,000	0 0.0%
10770	IMBA Tuition COB Differential	429,838	376,360	600,000	420,000	(180,000) -30.0%
10771	MAAC Tuition COB Differential	34,878	51,649	80,000	60,000	(20,000) -25.0%
10772	Joint MBA Tuition-COB Share	78,168	241,070	67,500	114,000	46,500 68.9%
10775	FTMBA Tuition-COB	1,119,376	1,219,393	900,000	1,200,000	300,000 33.3%
10778	Certificate in Accounting	45,107	61,545	39,000	127,500	88,500 226.9%
30236	Southern Police Institute	119,702	110,974	0	0	0 0.0%
30487	Prof MBA Tuition-University	1,076,051	1,072,352	2,049,900	1,300,000	(749,900) -36.6%
30488	IMBA Tuition-University	95,169	89,439	0	0	0 0.0%
30489	MAcc Tuition-University	154,359	228,585	0	0	0 0.0%
30490	Prof MBA Tuition-COB Share	0	7,287	0	0	0 0.0%
30496	Joint MBA Tuition-University	34,991	32,616	0	0	0 0.0%
X0005	Bad Debt Expense	2,513,412	2,514,129	2,100,000	2,500,000	400,000 19.0%
Total Regular Session Tuition		220,531,049	223,735,635	244,794,257	231,690,500	(13,103,757) -5.4%

General Fund Revenues

2018 Operating Budget



Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
Summer Session Tuition						
01455	Dental Hygiene - Summer	84,414	84,821	69,624	84,000	14,376 20.6%
01469	Law-Full-time	136,104	64,594	83,928	48,000	(35,928) -42.8%
01470	Law-Part-Time	0	0	88,145	0	(88,145) -100.0%
10002	Fee Waiver Surplus	2,144,761	0	0	0	0 0.0%
10002	A&S Dean's Office - Tuition	4,566,561	3,926,052	8,541,600	3,241,000	(5,300,600) -62.1%
10002	College of Business - Tuition	1,140,506	1,340,435	1,188,235	1,232,000	43,765 3.7%
10002	Dent - Admin - Tuition	1,441	0	4,623	0	(4,623) -100.0%
10002	ED-Dean Administration - Tuition	2,252,670	2,000,209	3,527,530	1,804,000	(1,723,530) -48.9%
10002	Kent School Admin - Tuition	369,551	360,074	662,781	325,000	(337,781) -51.0%
10002	Medicine - Dean's Office - Tuition	466,052	495,367	574,021	453,000	(121,021) -21.1%
10002	Music Administration - Tuition	35,150	29,423	77,767	26,000	(51,767) -66.6%
10002	Nursing Administration - Tuition	820,781	689,732	1,028,630	746,000	(282,630) -27.5%
10002	Sch of Publ Hlth & Info Sci - Tuition	178,087	234,632	217,021	225,000	7,979 3.7%
10002	Spd-Speed School of Engr Admin - Tuition	5,193,845	5,576,991	4,380,600	5,433,000	1,052,400 24.0%
30532	SPHIS MPH Practicum AID	27,044	0	0	0	0 0.0%
	Total Summer Session Tuition	17,416,965	14,802,330	20,444,505	13,617,000	(6,827,505) -33.4%
Distance Education						
10524	Delphi - Online	4,931,949	5,566,308	6,194,521	6,605,000	410,479 6.6%
10585	Dis Ed - Anthropology	218,720	234,171	214,000	225,000	11,000 5.1%
10586	Dis Ed - Communications	1,074,072	1,153,937	950,000	1,097,000	147,000 15.5%
10587	Dis Ed - Geography	123,209	119,198	114,000	114,000	0 0.0%
10588	Dis Ed - Justice Admin	792,316	978,027	792,000	889,000	97,000 12.2%
10589	Dis Ed - Psychology	406,590	488,095	365,000	465,000	100,000 27.4%
10590	Dis Ed - Political Science	122,219	130,031	140,600	135,000	(5,600) -4.0%
10591	Dis Ed - Sociology	392,415	435,525	423,500	423,500	0 0.0%
10592	Dis Ed - A&S Admin	708,320	762,624	600,000	703,000	103,000 17.2%
10593	Dist Ed-EDTL	169,076	259,742	171,000	230,000	59,000 34.5%
10594	Dist Ed-HPES	763,124	966,837	788,000	800,000	12,000 1.5%
10595	DIST ED-ED ADMIN	271,811	318,699	252,000	290,000	38,000 15.1%
10596	Dist Ed-ELFH	1,454,465	1,623,597	1,393,000	1,552,000	159,000 11.4%
10597	Dist Ed-COB	0	0	50,000	200,000	150,000 300.0%
10598	A&S Urban & Public Affairs	44,350	24,874	20,000	20,000	0 0.0%
10599	Dist Ed-Marketing	0	0	15,000	30,800	15,800 105.3%
10600	Dist Ed-Nursing Admin	23,432	29,498	43,000	29,500	(13,500) -31.4%
10601	DIST ED-NURSING	209,161	263,689	378,000	261,077	(116,923) -30.9%
10602	DIST ED-LIBRARY	1,254,256	1,413,805	1,200,000	1,200,000	0 0.0%

General Fund Revenues
2018 Operating Budget

Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
10603	Dis Ed-ECY	41,019	0	44,800	57,440	12,640 28.2%
10617	Dis Ed-Speed Dean's Office	162,005	174,561	160,000	160,000	0 0.0%
10626	Distance Ed. -PAS	285,450	286,303	280,000	280,000	0 0.0%
10628	Dist Ed-Pharmacology	1,495	4,564	900	0	(900) -100.0%
10629	Dist Ed-Med Dean's Office	167	0	0	0	0 0.0%
10630	Dist Ed-Women & Gender Studies	217,288	166,025	180,000	180,000	0 0.0%
10643	Dist Ed-Humanities	402,389	420,103	325,000	325,000	0 0.0%
10644	Dist Ed-Kent Admin	138,455	173,144	180,000	172,360	(7,640) -4.2%
10645	Dist Ed-Kent Instruction	1,238,975	1,550,817	1,500,000	1,626,498	126,498 8.4%
10649	Dist Ed-SPD Comp Engr/Science	253,942	286,307	240,000	240,000	0 0.0%
10651	Dist Ed-English	99,671	117,268	100,000	108,500	8,500 8.5%
10652	Dist. Ed- Philosophy	250,067	266,447	233,440	233,440	0 0.0%
10653	Dist Ed-Fine Arts	208,498	208,008	177,000	194,000	17,000 9.6%
10654	Dist Ed-Class/Mod Languages	585,770	558,981	525,000	559,500	34,500 6.6%
10658	Dist Educ-Civil & Environ Engr	19,868	19,770	53,800	53,800	0 0.0%
10659	Dist Educ-Theatre Arts	104,048	99,317	61,200	95,500	34,300 56.0%
10672	Distance Ed-Social Change	1,240	9,580	5,000	5,000	0 0.0%
10673	Distance Ed-Mathematics	0	10,447	15,000	25,000	10,000 66.7%
10674	Distance Ed-Physics	87,570	90,807	66,000	66,000	0 0.0%
10676	Dist Ed-SIGS Bioethics MA	0	6,675	0	0	0 0.0%
10677	Dist Ed-SIGS Dean's Office	500	745	0	0	0 0.0%
10708	Distance Education-Law	33,361	31,688	15,000	15,000	0 0.0%
10709	Chemistry Distance Edu	192,901	239,778	175,000	181,000	6,000 3.4%
10710	Biology Distance Education	301,106	356,050	250,000	303,000	53,000 21.2%
10714	A&S Urban & Public Affairs	120,162	136,511	122,000	122,000	0 0.0%
10715	Distance Education-History	275,924	293,533	225,000	272,000	47,000 20.9%
10719	Dist Educ-SPD Industrial Engr	350,055	340,600	252,000	252,000	0 0.0%
10723	Paralegal D.E.	51,786	41,291	40,000	40,000	0 0.0%
10727	Dist Ed-Finance	63,383	83,969	120,000	110,000	(10,000) -8.3%
10733	Dist Educ-SPD Mechanical	15,020	15,418	17,000	17,000	0 0.0%
10736	DE for Music History	62,470	75,672	51,400	45,017	(6,383) -12.4%
10737	DE Administration Fee 10%	6,999	8,469	6,730	5,038	(1,692) -25.1%
10738	Dist Ed-SPD ECE	3,302	3,122	5,000	7,000	2,000 40.0%
10741	Dist Educ-CIS	17,417	0	0	84,000	84,000 0.0%
10742	A&S LALS Distance Education	18,270	18,306	0	15,000	15,000 0.0%
10755	Dist Educ-SPD Chemical	13,257	5,079	10,000	10,000	0 0.0%
10758	Dist-Educ-Mgmt	42,431	92,795	110,000	99,000	(11,000) -10.0%
10779	Dist Ed- Dental Admin	695	691	600	600	0 0.0%

General Fund Revenues

2018 Operating Budget



Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
10780	Dist Ed-Dental Hygiene	6,198	6,173	6,000	6,000	0 0.0%
10783	SPD-Eng. Fund Dist Educ	20,808	22,791	47,255	73,556	26,301 55.7%
10784	Dist Ed-Economics	89,896	137,605	170,000	146,000	(24,000) -14.1%
10790	D E Peace, Justice & Conflict	9,490	9,605	9,400	9,400	0 0.0%
10800	Dist Ed-Accountancy	0	36,566	60,000	140,000	80,000 133.3%
10803	Competency Based Educ (CBE)	0	0	78,300	78,300	0 0.0%
10804	Spd-Distance Ed IE Undergrad	0	0	60,000	60,000	0 0.0%
30374	Dist Ed Tuition Rev-University	6,218,413	7,008,926	5,800,000	6,800,000	1,000,000 17.2%
Total Distance Education		24,971,247	28,183,162	25,881,446	28,542,826	2,661,380 10.3%

Special Instructional Programs

10424	IESL-Intnsv Engl as Scnd Lang	309,094	272,897	366,000	0	(366,000) -100.0%
10427	Community Music Program	155,354	166,137	200,000	185,000	(15,000) -7.5%
10435	SPI Special Fees	33,315	31,148	40,000	40,000	0 0.0%
10436	Equine Steward Accreditation	20,624	23,472	20,000	20,000	0 0.0%
10441	ELFH/GE/Off campus program	634,427	713,971	625,000	717,700	92,700 14.8%
10470	UL/WKU & ELOD/ED.D	140,313	191,831	155,000	212,500	57,500 37.1%
10504	Reach Virtual Math Center	13,841	6,221	12,700	12,700	0 0.0%
10610	Miami/Europe	319,910	199,961	400,000	250,000	(150,000) -37.5%
10668	Workforce Complet Degree Prog	582,599	418,693	535,000	375,000	(160,000) -29.9%
10675	Global MBA Program	337,945	81,299	175,000	175,000	0 0.0%
10680	SPD-Panama MEEEM Program	172,121	207,723	172,000	172,000	0 0.0%
10687	Grad Ped Dent Residency Fee	52,054	55,524	56,000	56,000	0 0.0%
10688	Grad Periodontic Residency Fee	62,465	62,465	63,000	63,000	0 0.0%
10689	Grad Endodontic Residency Fee	41,643	41,643	42,000	42,000	0 0.0%
10690	Grad Orthodontic Residency Fee	76,346	90,227	84,000	84,000	0 0.0%
10731	Panama QLU Program	355,160	355,910	382,000	382,000	0 0.0%
10746	SPD-GE Edison Program	317,079	302,400	302,400	302,400	0 0.0%
10751	Grad Prosthodontic Residency F	41,643	41,643	42,000	42,000	0 0.0%
10759	M.S HR/OLL-Ft. Knox	54,691	41,709	54,600	48,600	(6,000) -11.0%
10776	UoFl Grad Post MBA Tuit-COB	0	0	3,000	3,000	0 0.0%
10777	Non UoFl Grad Post MBA Tuit-COB	0	0	3,000	3,000	0 0.0%
10782	UK-UL Joint Executive MBA Prog	367,774	596,275	1,012,500	500,000	(512,500) -50.6%
10792	UK Portion of ExecMBA Program	374,994	607,618	1,012,500	500,000	(512,500) -50.6%
10793	Cardinal Success Prg-Off-Site	0	0	364,799	0	(364,799) -100.0%
30391	Credit For Learning Tuition	870,401	763,604	0	0	0 0.0%
30533	Owensboro Medical HEA Systems	206,536	148,697	0	0	0 0.0%
Total Special Instructional Programs		5,540,327	5,421,068	6,122,499	4,185,900	(1,936,599) -31.6%

Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
Continuing Education						
10417	Delphi-Professional Developmnt	427,131	664,190	1,000,000	850,000	(150,000) -15.0%
10420	Continuing Ed - Dentistry	264,736	225,086	254,800	225,086	(29,714) -11.7%
10421	Justice Admin - Continuing Ed	1,022,370	1,421,809	892,100	1,200,000	307,900 34.5%
10438	Louis A Grief Tax Institute	34,493	0	0	0	0 0.0%
10456	Delphi-Conference & Facilities	917,595	841,265	1,000,000	1,100,000	100,000 10.0%
10519	Labor Law & Estate Planning	34,458	10,511	30,000	0	(30,000) -100.0%
10520	Continuing Education-Medicine	217,563	238,046	160,000	238,000	78,000 48.8%
10529	Kent School Workshops	40,450	106,585	70,000	98,500	28,500 40.7%
10614	Delphi - Options	61,583	37,545	70,000	0	(70,000) -100.0%
10681	CLE Programs School of Law	0	0	5,000	0	(5,000) -100.0%
	Total Continuing Education	3,020,380	3,545,037	3,481,900	3,711,586	229,686 6.6%
	Total Tuition	271,479,968	275,687,233	300,724,607	281,747,812	(18,976,795) -6.3%
Fees						
Mandatory Student Fees						
10147	SGA Student Act Fee	475,385	477,117	465,600	465,600	0 0.0%
10528	Student Service Fee	2,968,277	2,979,920	2,812,900	2,812,900	0 0.0%
10579	Campus Health Services	4,196,387	4,401,976	4,410,200	2,773,484	(1,636,716) -37.1%
10764	ASL Lab Fee	15,261	14,077	14,000	14,000	0 0.0%
10767	Interpreter Training Lab Fee	2,290	2,112	2,200	2,200	0 0.0%
10789	SPHIS CPH exam fee	3,312	1,863	0	0	0 0.0%
10802	HSS Lab Fee	0	18,686	45,000	35,000	(10,000) -22.2%
30304	Student Center Bldg Alloc	528,251	535,850	500,000	500,000	0 0.0%
X0533	Athletic Subsidy Student Fees	1,979,858	1,986,961	1,401,000	1,975,000	574,000 41.0%
X0536	Ath Facility Student Fee	528,224	524,334	493,500	493,500	0 0.0%
	Total Mandatory Student Fees	10,697,245	10,942,895	10,144,400	9,071,684	(1,072,716) -10.6%
Miscellaneous Fees						
01361	University Libraries	16,306	8,767	0	0	0 0.0%
01457	Dental Applicat Fees	181,035	210,263	102,000	102,000	0 0.0%
01459	SIGS Admission Fees	190,143	180,386	186,700	186,700	0 0.0%
01496	Undergraduate Application Fees	449,225	439,568	415,000	435,000	20,000 4.8%
01497	Transcript Fees	133,282	134,569	138,800	138,800	0 0.0%
01680	Law Seat Deposit-Clearing	0	(555)	0	0	0 0.0%
10433	Microscope Rental	23,646	23,944	0	0	0 0.0%
10478	Orientation Fees	477,546	427,392	431,000	431,000	0 0.0%

General Fund Revenues

2018 Operating Budget



Program Number	Description	FY 2015		FY 2016		FY 2017		FY 2018		FY 2017-18 Change
		Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
10479	University Testing	146,900	155,905	155,905	160,800	160,800	0	0	0.0%	
10480	Diploma Replacement	4,132	4,898	4,898	4,000	4,000	0	0	0.0%	
10481	Career Fair	33,167	27,902	27,902	50,000	50,000	0	0	0.0%	
10527	Hope Tax Credit	41,005	50,397	50,397	35,000	35,000	0	0	0.0%	
10700	Music Recital Fees	1,902	1,662	1,662	2,000	0	(2,000)	-100.0%	0.0%	
10747	Student Recreation Center	3,312,283	3,501,073	3,501,073	3,500,000	3,500,000	0	0	0.0%	
10752	Visiting Med Student Fee	1,144	822	822	1,953	0	(1,953)	-100.0%	0.0%	
30125	SIGS Admissions	(99)	0	0	0	0	0	0	0.0%	
30272	International Scholars Fee	0	0	0	14,000	14,000	0	0	0.0%	
30281	Foreign Student Fees	40,521	50,232	50,232	40,000	40,000	0	0	0.0%	
30297	Graduation Fees	20	0	0	0	0	0	0	0.0%	
30298	Candidancy Fees - Doc Prgm	1,332,530	1,376,543	1,376,543	1,143,200	1,143,200	0	0	0.0%	
30299	Candidacy Fees - Masters	264,502	341,723	341,723	240,200	240,200	0	0	0.0%	
30301	Stl Proc & Late Fees	33,091	38,070	38,070	125,000	125,000	0	0	-0.0%	
30302	Late Registration Fee	354,525	633,091	633,091	165,000	165,000	0	0	0.0%	
30303	Medical Application Fee	111,126	114,728	114,728	105,000	105,000	0	0	0.0%	
30340	Law Application Fee	22,420	15,485	15,485	18,000	18,000	0	0	0.0%	
30555	Student Recreation Center Fee	(1,274)	0	0	0	0	0	0	0.0%	
30626	Dist E State Certification Fee	193,855	232,646	232,646	0	0	0	0	0.0%	
	Total Miscellaneous Fees	7,362,935	7,969,422	7,969,422	6,877,653	6,893,700	16,047	0	0.2%	
Unit Based Fees										
10574	Dental Instrument Rental	3,345,495	3,337,265	3,337,265	3,487,000	3,337,265	(149,735)	0	-4.3%	
10696	SPHIS Technology Fee	24,391	21,714	21,714	20,000	20,000	0	0	0.0%	
10697	Medical School Technology Fee	311,820	309,794	309,794	320,000	536,000	216,000	67.5%	0.0%	
10699	Spd-Technology Fee	153,500	159,468	159,468	194,000	194,000	0	0	0.0%	
10701	Music Non-Major Fees	7,139	8,527	8,527	8,700	8,700	0	0	0.0%	
10702	Music Major Fees	110,302	115,983	115,983	109,000	118,500	9,500	8.7%	0.0%	
10703	Law School Technology Fees	35,656	31,644	31,644	40,000	33,000	(7,000)	-17.5%	0.0%	
10706	Technology-Career Managment Fee	345,061	375,557	375,557	360,000	375,000	15,000	4.2%	0.0%	
10711	Law School Orientation Fee	7,680	240	240	9,000	0	(9,000)	-100.0%	0.0%	
10748	NSG Instructional Course Fee	427,622	408,427	408,427	366,500	489,232	122,732	33.5%	0.0%	
10750	Acute Care NP Clin Course Fee	1,388	793	793	1,400	1,372	(28)	-2.0%	0.0%	
10768	Graduate Business Course Fee	1,413	1,363	1,363	6,000	1,500	(4,500)	-75.0%	0.0%	
10774	IMBA/MBA Intl Trip Fund	490,396	522,200	522,200	450,000	450,000	0	0	0.0%	
10788	TEAD field and clinical fee	60,986	18,636	18,636	60,000	60,000	0	0	0.0%	
10807	Spd-Co-op Fee	0	0	0	0	273,900	273,900	0	0.0%	
30383	Graduate Business Course Fee	0	183	183	0	0	0	0	0.0%	
	Total Unit Based Fees	5,322,849	5,311,795	5,311,795	5,431,600	5,898,469	466,869	8.6%		

Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
Laboratory Fees						
10686	NUR U/G Clinical Lab Fee	27,261	24,985	50,000	50,000	0
10691	Mathematics Lab Fees	2,380	2,380	2,400	2,400	0
10693	Chemistry Lab Fees	115,010	112,450	100,000	110,000	10,000
10694	Biology Lab Fees	57,682	57,849	50,000	55,000	5,000
10695	Urban & Pub Affair Lab Fee	14,410	15,889	13,600	13,600	0
10698	Spd-Cleanroom Lab Fee	1,190	1,289	1,500	1,500	0
10705	Graduate Nursing Clinical Fee	15,617	18,844	10,000	10,000	0
10707	HSS Course Fee	106,049	97,008	106,000	100,000	(6,000)
10712	Theatre Arts Lab Fees	198	139	300	300	0
10713	Physics Lab Fees	41,450	38,526	36,000	36,000	0
10729	Dist Ed-SPD Bio	0	0	5,000	5,000	0
10749	Nursing Clinical Course Fee	149,123	146,189	146,000	146,000	0
30237	Lab Fee-Studio Art	42,932	38,490	23,700	23,700	0
	Total Laboratory Fees	573,303	554,038	544,500	553,500	9,000
	Total Tuition and Fees	23,956,330	24,778,150	22,998,153	22,417,353	(580,800)
		295,436,298	300,465,382	323,722,760	304,165,165	(19,557,595)
						-6.0%
State Appropriation and Other State Funds						
State Appropriation						
30305	State Appropriation	139,714,688	139,665,510	137,818,400	132,758,000	(60,400)
	Total State Appropriation	139,714,688	139,665,510	137,818,400	132,758,000	(60,400)
						-0.0%
Other State Funds						
17002	Ky Equine Industry Part-Mutuel	1,050,487	510,085	400,000	400,000	0
17003	Equine Trust Program	120,000	200,000	60,000	120,000	60,000
17004	Partners Pollution Prevention	289,198	359,957	360,000	360,000	0
	Total Other State Funds	1,459,685	1,070,042	820,000	880,000	60,000
						7.3%
	Total State Appropriations	141,174,373	140,735,552	133,638,400	133,638,000	(400)
						-0.0%
Transfers In						
01611	2007 General Receipts Series A	6	0	0	0	0
01621	Debt Service Reserve	0	0	(35,000)	(35,000)	0
01677	2010 Gen Receipts Series A & B	819,506	821,382	885,000	885,000	0
01684	ULH Annual Transfers	0	0	200,000	200,000	0
01704	Gen Receipt 2016D	0	0	0	2,108,050	2,108,050
01705	Gen Receipt 2016E	0	0	0	141,860	141,860
						0.0%

General Fund Revenues 2018 Operating Budget



Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
01706	Gen Receipt 2016F	0	0	0	3,067,000	3,067,000 0.0%
01996	Transfers from Uofl Foundation	4,100,000	6,600,000	6,600,000	0	(6,600,000) -100.0%
10785	PAS International Programs	0	0	30,000	30,000	0 0.0%
30283	RR-CEE Engineering	0	128,686	0	0	0 0.0%
30380	Series N transfer from ULRF	1,130,750	1,132,925	1,733,100	1,733,100	0 0.0%
30495	2007 General Receipts Series A	2,527,741	2,526,894	2,527,700	2,527,700	0 0.0%
30529	2008 General Receipts Series A	4,092,318	4,092,318	4,092,300	4,092,300	0 0.0%
X0601	ULAA Note Rec-Academic Ctr	0	187,500	0	0	0 0.0%
Total Transfers In		12,670,321	15,489,706	16,033,100	14,750,010	(1,283,090) -8.0%
Indirect Cost Transfers						
30323	Overhead Recovery	11,580,700	9,994,688	12,080,700	11,080,000	(1,000,700) -8.3%
55000	Research Council Grant	1,062,899	1,217,449	51,400	637,746	586,346 1140.8%
Total Indirect Cost Transfers		12,643,599	11,212,137	12,132,100	11,717,746	(414,354) -3.4%
Total Transfers In		25,313,920	26,701,842	28,165,200	26,467,756	(1,697,444) -6.0%

Auxiliary Enterprises

University Housing						
40013	Conferences & S-T Housing	234,802	241,381	230,000	200,000	(30,000) -13.0%
40031	RSA & NRRH	7,744	6,758	4,000	4,000	0 0.0%
40033	Housing Administration	7,193,755	6,140,703	6,262,341	6,083,098	(179,243) -2.9%
40046	Housing-Billy Minardi	0	0	0	366,368	366,368 0.0%
40047	Housing-Bettie Johnson	0	0	0	3,638,528	3,638,528 0.0%
40048	Housing - Kurtz Hall	0	0	0	2,499,288	2,499,288 0.0%
40049	Housing - Cardinal Towne	0	0	0	610,663	610,663 0.0%
40051	Housing - Community Park	0	0	0	2,270,788	2,270,788 0.0%
40056	Housing - University Poine	0	0	0	308,221	308,221 0.0%
Total University Housing		7,436,301	6,388,841	6,496,341	15,980,954	9,484,613 146.0%

Auxiliary Enterprises

40002	Food Service Contract	39,319	30,000	0	0	0 0.0%
40004	Contract Vending	115,741	187,792	140,000	175,000	35,000 25.0%
40005	Bookstore Operations	323,873	331,455	450,000	483,500	33,500 7.4%
40007	University Parking	4,619,809	4,552,127	5,149,700	5,352,000	202,300 3.9%
40009	SJA/SPI Dormitory	297,036	308,720	250,000	250,000	0 0.0%
40044	ITECH EXPRESS	107,375	89,968	103,000	0	(103,000) -100.0%
Total Auxiliary Enterprises		5,503,153	5,500,062	6,092,700	6,260,500	167,800 2.8%

Program Number	Description	FY 2015	FY 2016	FY 2017	FY 2018	FY 2017-18 Change
		Actual	Actual	Budget	Budget	
Service Centers						
S0029	SPD-Inst Advanc Mthls-Renew En	108,877	73,322	100,000	100,000	0 0.0%
S0082	Pathology Core Lab	122,558	24,548	68,000	68,000	0 0.0%
S0083	Microtechnology Service Center	73,193	165,429	65,000	100,400	35,400 54.5%
S0085	Central Stores -Stockroom	55,165	60,031	60,000	60,000	0 0.0%
S0088	NMR Maintenance	5,931	9,557	20,000	20,000	0 0.0%
S0092	Mass Spectrometry Service Cr	500	71,707	232,375	232,375	0 0.0%
S0093	Spd-Rapid Prototyping SC	92,296	221,355	250,000	250,000	0 0.0%
S0095	CPM Shared Resources	25,996	6,063	40,000	40,000	0 0.0%
S0097	Huson Nanotechnology Facil	3,000	15,490	0	0	0 0.0%
S1067	Urban Studies Institute	120,253	70,396	75,000	75,000	0 0.0%
S1069	Design And Printing Services	139,550	116,591	100,000	100,000	0 0.0%
S1070	Contract Technology Support	64,283	37,618	36,000	36,000	0 0.0%
S1071	Workstation Replacement	5,394	1,798	0	0	0 0.0%
S1076	Orthoped Bioengineering Lab Sc	0	0	18,000	0	(18,000) -100.0%
S9012	Genomics Facility	4,778	239	0	0	0 0.0%
S9014	Biophysics Lab	0	120	0	0	0 0.0%
	Total Service Centers	821,774	874,265	1,064,375	1,081,775	17,400 1.6%
	Total Auxiliary Enterprises	13,761,228	12,763,168	13,653,416	23,323,229	9,669,813 70.8%
Hospital Related Revenue						
O1246	Rural Health Care	0	4,000	0	0	0 0.0%
O1401	Hosp Clinical Subsidy	1,900,000	1,425,000	1,790,000	0	(1,790,000) -100.0%
O1463	Hospital Rent	5,218,510	4,504,988	750,000	6,000,311	5,250,311 700.0%
30331	Uh Inc-Recovery/Ser	601,703	597,525	512,700	512,700	0 0.0%
30332	Hospital Services-DTL	41,779	50,135	50,000	50,000	0 0.0%
30611	Executive VP - Health Affairs	1,694,448	1,694,448	0	0	0 0.0%
H0052	Maintain Procedure Infectious	592	0	0	0	0 0.0%
H9000	UL Hos Affiliation Agreement	(2,812,500)	7,500,000	10,758,200	0	(10,758,200) -100.0%
HA000	Executive VP - Health Affairs	48,770,236	10,651,390	20,828,145	0	(20,828,145) -100.0%
HB000	Executive VP - Health Affairs	7,500,000	0	0	0	0 0.0%
HC000	Executive VP - Health Affairs	10,795,513	3,337,642	2,781,175	0	(2,781,175) -100.0%
X0826	COPD,Program of Excellence	0	0	0	10,000	10,000 0.0%
	Total Hospital Related Revenue	73,710,281	29,765,128	37,470,220	6,573,011	(30,897,209) -82.5%

General Fund Revenues
2018 Operating Budget



Program Number	Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017-18 Change
Other Revenues						
Other Non-Educational Revenue						
01008	Office Of The Provost	0	2,000	0	0	0 0.0%
01010	Cultural Center	5,532	4	0	0	0 0.0%
01014	Delphi Center	2,229	1,678	0	0	0 0.0%
01015	Women's Center	1,430	902	0	0	0 0.0%
01016	Research Admin Operating	(493)	0	0	0	0 0.0%
01018	Office VP/Student Affairs	0	1,200	0	0	0 0.0%
01026	Enrollment Management	220,000	69,000	0	0	0 0.0%
01027	Commencement	0	(1,735)	0	0	0 0.0%
01028	Admissions	113	0	0	0	0 0.0%
01031	Registrar's Office	0	(355)	0	0	0 0.0%
01048	Financial Administration	0	29,578	0	0	0 0.0%
01060	DEHS Administration	180,562	179,272	41,293	41,293	0 0.0%
01067	Belknap Energy Mgt	0	40,000	0	0	0 0.0%
01099	Community Engagement	0	30,000	0	0	0 0.0%
01103	Health Sciences Library	5,002	10,083	0	0	0 0.0%
01106	LIB=Archives & Special Collect	20,718	19,969	0	0	0 0.0%
01113	English	1,256	0	0	0	0 0.0%
01121	Physics	3,012	1,000	0	0	0 0.0%
01166	EDTL-Mid & Sec. Edu	0	35	0	0	0 0.0%
01214	Microbiology	0	65,521	0	0	0 0.0%
01217	Pathology	0	20,000	0	0	0 0.0%
01219	Family/Community Medicine	0	1,930	0	0	0 0.0%
01236	Ky Afr American Against Cancer	742	0	0	0	0 0.0%
01243	Neurological Surgery	0	(206)	0	0	0 0.0%
01280	A&S Reallocation	0	17,503	0	0	0 0.0%
01323	Inst Research & Plan	0	12,619	0	0	0 0.0%
01398	Technology Transfer Office	0	21,666	0	0	0 0.0%
01406	Bequeathal Program	20,000	0	0	20,000	0 0.0%
01409	Kentucky Cancer Program	3,000	59	0	0	0 0.0%
01413	Integrated Prog-Biological	0	(1,233)	0	0	0 0.0%
01494	Rent-General	194,142	268,609	183,900	347,200	163,300 88.8%
01512	Special Projects	(3,587)	(3,001)	0	0	0 0.0%
01582	Cardiology Research Initiative	(14,385)	0	0	0	0 0.0%
01597	Counseling Center	0	340	0	0	0 0.0%
01631	Special Travel	43	29	0	0	0 0.0%
01634	A&S Special Projects	243	0	0	0	0 0.0%

Program Number	Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017-18 Change
01645	Ctr F/Predictive Medicine-BSL	0	(995)	0	0	0 0.0%
01656	Finance - Debt	36	0	0	0	0 0.0%
01669	Sustainability Office	0	6,500	0	0	0 0.0%
01670	A&S Modern Languages	869	0	0	0	0 0.0%
01672	Community Engagement Award	0	14,000	0	0	0 0.0%
01675	CE Faculty Grant	39,205	0	0	0	0 0.0%
01988	Law - Student Services	8,000	8,388	0	0	0 0.0%
01990	Academic & Professional Studies	0	4,030	0	0	0 0.0%
01992	MR Research Facility	0	182	0	0	0 0.0%
02080	Operational Reserve Fund	0	16,687	0	0	0 0.0%
02081	SACS/Accreditation	0	357	0	0	0 0.0%
10455	KLEFPF	127,708	0	0	0	0 0.0%
10476	Intramural Fees	257,086	233,171	225,000	225,000	0 0.0%
10552	Medical - Student Council	0	0	0	29,278	29,278 0.0%
10556	Kent School Student Council	0	20	0	0	0 0.0%
10583	LAMC Networking	73,742	73,742	110,600	0	(110,600) -100.0%
10620	SAC Special Projects	67,621	44,726	35,000	35,000	0 0.0%
10631	Procurement Card	514,338	935,718	850,000	900,000	50,000 5.9%
10638	Pell Administrative Allowance	25,160	24,195	27,000	27,000	0 0.0%
10656	Radiation Safety	52,619	62,164	66,800	66,800	0 0.0%
10660	Employee Immigration	0	(170)	0	0	0 0.0%
10666	A&S Archaeology Curation	421	0	0	0	0 0.0%
10667	Clearwire EBS Lease	240,000	220,000	240,000	240,000	0 0.0%
10671	A&S Dean's Office	4,755	0	0	0	0 0.0%
10678	Campus Health-Promo/Educ Svcs	315,014	16,121	311,800	360,322	48,522 15.6%
10722	Early Learning Campus	1,277,922	1,291,470	1,339,300	1,339,300	0 0.0%
10734	University Mobile	1,000	385	2,000	0	(2,000) -100.0%
10740	WHRE Panam	9,475	0	0	0	0 0.0%
10756	Evidence and Seizure	8,081	0	0	0	0 0.0%
10757	Music Therapy	18,678	34,897	20,000	35,000	15,000 75.0%
10781	IT Communication Services	768,415	566,851	314,700	200,000	(114,700) -36.4%
10787	Office of the President	19,202	443,021	0	0	0 0.0%
10794	Wilson Wyatt Debate	12,000	0	0	0	0 0.0%
10798	Theatre Arts Ticket Revenue	(37)	6,023	29,000	9,500	(19,500) -67.2%
10809	Diversity Training Initiatives	0	0	0	5,000	5,000 0.0%
17001	KLEFPF	0	134,997	139,500	184,000	44,500 31.9%
17006	Retirement Fee Revenue	0	262,767	486,875	486,875	0 0.0%
30001	Aid Federal Matching	0	74,560	0	0	0 0.0%

General Fund Revenues
2018 Operating Budget



Program Number	Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017-18 Change
30009	Fees Rem-PhD Tuition	0	16,182	0	0	0.0%
30042	Music School Scholarship	0	39,350	0	0	0.0%
30047	ROTC-Army	0	50,000	0	0	0.0%
30144	Advertising Income	0	0	63,500	63,500	0.0%
30185	Dept of Public Safety	302,584	153,783	154,497	0	(154,497) -100.0%
30319	Returned Check Fees	2,324	2,168	4,000	4,000	0.0%
30325	Flex Plan Recovery	448,878	(65,194)	165,000	165,000	0.0%
30329	Miscellaneous Revenue	8,015	3,580	25,000	25,000	0.0%
30330	Radiation Safety Inc	20,000	20,000	20,000	20,000	0.0%
30335	Discretionary Funds VPBA	0	24,876	0	0	0.0%
30341	Key Maintenance	3,317	2,640	0	0	0.0%
30343	Recycling Program	5,994	1,888	0	0	0.0%
30345	Misc Income-Std Life	0	600	0	0	0.0%
30361	SPD Enhancement Fund	0	10,361	0	0	0.0%
30477	Cardinal Card Clearing Online	3,291	3,023	0	0	0.0%
30478	PEACC Program	25,000	395	0	25,000	0.0%
30480	Unclaimed Property Misc Rev	(3,712)	0	35,000	35,000	0.0%
30545	Bursar-Credit Cards	(637)	627	0	0	0.0%
30562	SPHIS 7 State Tuition	42,847	0	0	0	0.0%
30569	Institutional Research	0	18,753	0	0	0.0%
30573	Financial Aid Reserve	0	507,815	0	0	0.0%
30628	Transfer from Royalties	300,000	0	0	0	0.0%
H0028	Executive VP - Health Affairs	21,025	0	0	0	0.0%
X0284	Health Management Administrati	714,321	77,039	514,321	613,700	99,379 19.3%
X0540	Prof Fees-Legal Services	100,000	0	0	0	0.0%
X0569	Student Tuit Collection Fees	9,894	20,710	0	0	0.0%
X0829	GHN Fitness Facility	372,891	0	572,891	572,891	0.0%
Z1635	Peds-KCH Transplant Support	100	0	0	0	0.0%
Total Other Non-Educational Revenue		6,857,000	6,148,865	5,976,977	6,075,659	98,682 1.7%
Interest Income						
30312	Discounts Earned	330	456	10,000	0	(10,000) -100.0%
30314	Interest Inc-Sinking Fund	2,192,153	1,982,324	719,927	719,927	0 0.0%
30316	Interest Inc-Repo Agmt	164,039	255,438	100,000	250,000	150,000 150.0%
30317	Interest Inc-CERBB	266,599	426,129	1,050,300	900,000	(150,300) -14.3%
X0024	Short Term Investments	189,185	120,066	1,637,500	637,500	(1,000,000) -61.1%
X0276	Foundation Receivable Agmt	242,195	387,389	0	0	0 0.0%
Total Interest Income		3,054,501	3,171,802	3,517,727	2,507,427	(1,010,300) -28.7%

Program Number	Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017-18 Change
Organized Activities Related to Instruction						
01117	Mathematics	0	19	0	0	0 0.0%
01125	Theatre Arts	0	80	0	0	0 0.0%
01126	Communications	15	0	0	0	0 0.0%
01132	Women's Studies	(1,037)	0	0	0	0 0.0%
01175	Leder.,Fnd.,Hr Ed	0	(1,530)	0	0	0 0.0%
01178	ECYP Clinical Training	1,954	0	0	0	0 0.0%
01180	Kent-Instruction	0	571	0	0	0 0.0%
01184	Law - Library	63	0	0	0	0 0.0%
01186	Music Administration	229	235	0	0	0 0.0%
01187	Music - Instruction	16,510	15,137	0	0	0 0.0%
01241	Biomedical Engineering	7,403	5,896	0	0	0 0.0%
01250	Nursing Administration	48	608	0	0	0 0.0%
01268	Music - Education	570	17	0	0	0 0.0%
01367	Music Theory	864	0	0	0	0 0.0%
01559	COB Grad Progs Administration	492	0	0	0	0 0.0%
01620	QEP Ideas to Action	2,513	975	0	0	0 0.0%
01624	Early Childhood Develop. Ctr	378	0	0	0	0 0.0%
01638	A&S International Program	0	200	0	0	0 0.0%
01644	A&S Speech Course Pack	3,279	1,959	0	0	0 0.0%
10426	Honors Travel Fund	28,647	40,000	45,000	45,000	0 0.0%
10444	Theatre Arts Rep Company	2,413	1,900	2,000	2,000	0 0.0%
10445	GSH & Rauch Planetarium	164,906	177,181	383,600	344,900	(38,700) -10.1%
10457	20th Century Lit Conference	34,614	20,060	39,400	24,000	(15,400) -39.1%
10530	Family Business Center	262,894	261,894	278,000	258,000	(20,000) -7.2%
10575	Sterilizer Service Program	189,054	194,009	174,100	194,053	19,953 11.5%
10576	U of L Law Review	8,526	7,753	15,000	15,000	0 0.0%
10664	Law Journal Annual Symposium	51,533	0	5,000	0	(5,000) -100.0%
10685	AP Summer Institute	131,942	145,783	155,000	155,000	0 0.0%
10238	Theatre Ticket Sales	26,675	19,318	15,000	15,000	0 0.0%
10253	Educ Media Center	4,170	3,957	0	0	0 0.0%
10280	Metropolitan Col Rem	160,000	160,000	160,000	160,000	0 0.0%
Total Organized Activities Related to Instruction		1,098,651	1,056,022	1,272,100	1,212,953	(59,147) -4.6%
Sales and Services of Educational Activities						
C1370	Marching Band	(700)	0	0	0	0 0.0%
C1605	Anne Braden Institute	0	(200)	0	0	0 0.0%
10428	Non-credit Dance	66,962	102,301	107,000	80,000	(27,000) -25.2%

General Fund Revenues
2018 Operating Budget



Program Number	Description	FY 2015 Actual	FY 2016 Actual	FY 2017 Budget	FY 2018 Budget	FY 2017-18 Change
10461	Delphi - General & Admin	(13,558)	(15,061)	(13,900)	(13,900)	0
10474	Int'l Service Learning	267,505	419,900	675,000	675,000	0
10482	Disabled Student Services	0	40,646	75,000	75,000	0
10581	Center for Infrastructure	75,000	75,000	75,000	75,000	0
10637	Veterans Student Services	0	0	4,600	4,600	0
30410	Cultural Center Student Prog	889	0	0	0	0
40028	Auxiliary Fund Group	0	52,000	0	0	0
Total Sales and Services of Educational Activities		396,098	674,586	922,700	895,700	(27,000)
Total Other Revenues		11,406,250	11,051,275	11,689,504	10,691,739	(997,765)
Total General Fund Revenue		560,802,351	521,482,347	548,339,500	504,858,900	(43,480,600)
UofL Corporations		578,401,884	580,918,744	730,955,300	725,976,200	(4,979,100)
Total University Revenue		1,139,204,235	1,102,401,091	1,279,294,800	1,230,835,100	(48,459,700)