

MINUTES OF THE REGULAR MEETING OF THE UNIVERSITY OF LOUISVILLE  
RESEARCH FOUNDATION, INC. BOARD OF DIRECTORS

In Open Session

The University of Louisville Research Foundation, Inc., Board of Directors met on Thursday, November 11, 2010, in the Jefferson Room, Grawemeyer Hall on Belknap Campus, with members present and absent as follows:

Present: Dr. Robert Curtis Hughes, Chair  
Ms. Marie Abrams  
Dr. Kevin Cosby  
Mr. Owsley Frazier  
Mr. Brent Fryrear  
Dr. Salem George  
Ms. Augusta Brown Holland  
Judge Rebecca Jackson  
Dr. Mark Lynn  
Mr. Frank Minnifield  
Ms. Brucie Moore  
Mr. Robert W. Rounsavall, III  
Ms. Debbie Scoppechio  
Dr. William Selvidge  
Dr. Robert Staat

Absent: Ms. Sana Abhari  
Mr. Jonathan Blue  
Mr. Ron Butt  
Mr. J. Chester Porter  
Ms. Phoebe Wood

Guests: Ms. Mary McKinley, CPA, BKD, LLP  
Ms. Jennifer Williams, BKD, LLP

From the  
University: Dr. James R. Ramsey, President  
Dr. Shirley Willihnganz, Executive Vice President and Provost  
Dr. William Pierce, Interim Executive Vice President for Research  
Ms. Angela D. Koshewa, University Counsel  
Mr. Mike Curtin, Vice President for Finance  
Mr. Keith Inman, Vice President for Advancement  
Mr. Larry Owsley, Vice President for Business Affairs  
Dr. Tom Jackson, Vice President for Student Affairs  
Mr. Dan Hall, Vice President for Community Engagement  
Mr. Mark Hebert, Director of Media Relations

Ms. Susan Ingram, Director of Budgets  
Mr. John Drees, Associate VP for Marketing  
Ms. Terri Rutledge, Associate VP for Business Affairs  
Mr. David Barker, Director of Audit Services  
Mr. Jason Tomlinson, Assistant VP for Finance  
Dr. Alan Tasman, Chair of Psychology Department  
Mr. Larry Zink, Controller, Controller's Office  
Ms. Susan Magness, Asst. Controller, Controller's Office  
Ms. Anne Rademaker, Manager, General Accounting and Reporting  
Ms. Kathleen M. Smith, Assistant Secretary  
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Hughes called the meeting to order at 1:10 p.m.

II. Consent Agenda

- Approval of Minutes, July 8, 2010
- Approval of Recommendation Regarding Security Clearance and Managerial Group

Chair Hughes read the consent agenda. Hearing no objection, Dr. George made a motion, which Mr. Minnifield seconded, to approve the consent agenda. The motion passed.

The motion passed.

III. Action Items:

Approval of Audited Financial Statements for Year Ended June 30, 2010 and Independent Auditor's Report

Chair Hughes asked Vice President Curtin to review the audited financial statements. Vice President Curtin reported the UofL Research Foundation is in strong financial position. BKD has issued a clean, unqualified report with no exceptions. Mr. Curtin asked Ms. Williams, BKD, to review highlights of the audit. Ms. Williams reported during the fiscal year ended June 30, 2010, total awards were \$182.1 million, and some funding highlights include:

- \$2.7 million from the National Institute for Health (NIH) to support the study of the Genetics of Alzheimer's Disease
- \$1.8 million from the National Institute for Hometown Security to develop a Real-time Decision Support System for Healthcare and Public Health Sector Protection

- \$1.5 million to support Improving School Readiness for Children with Disruptive Behavior
- \$1.4 million for the study of Cardiopulmonary Damage and Air Pollution
- \$1.1 million for the Development of a Neural Recovery Rehabilitation and Research Center

Ms. Williams reported the Research Foundation's financial position remains strong at June 30, 2010, with total assets of \$162.4 million and liabilities of \$39 million as compared to June 30, 2009 at \$154.2 million of total assets and \$28.8 million of liabilities. Net assets, which represent the residual interest in the Research Foundation's assets after liabilities are deducted, were \$123.4 million and \$125.4 million at June 30, 2010 and 2009, respectively.

Ms. Williams said the Research Foundation's total liabilities of \$39 million consist primarily of deferred revenue. Deferred revenue represents the unearned portion of grants and sponsored programs and comprises \$16.9 million or 43% of total liabilities.

Ms. Williams noted operating revenues amounted to \$316.8 million and \$304.4 million and operating expenditures were \$348.7 million and \$317.5 million resulting in a net operating loss of \$31.9 million and \$13.1 million for the years ended June 30, 2010 and 2009, respectively. Ms. Williams thanked Vice President Curtin and the Controller's staff for their cooperation in completing the audit process.

Chair Hughes thanked Vice President Curtin and Ms. Williams for an excellent report. Ms. Abrams made a motion, which Dr. Selvdige seconded to approve the

**President's recommendation that the Board of Directors accept the audited financial statements for the University of Louisville Research Foundation, Inc. for the year ended June 30, 2010 and Independent Auditor's Report as prepared by BKD.**

The motion passed.

Approval of the Consolidated Schedule of Expenditures of Federal Awards and Other Reports Required by OMB Circular A-133 for the Year Ended June 30, 2010

Vice President Curtin reviewed the Schedule of Expenditures of Federal Awards for Year Ended June 30, 2010. He noted a clean, unqualified audit, and asked Ms. Williams to summarize BKD's findings. Ms. Williams stated the purpose of the Schedule is to present a consolidated summary of those expenditures of the University for the year ended June 30, 2010, which has been federally financed. She reported the University has complied, in all material aspects, with federal requirements; the results of the audit were no reportable instances with OMB

Circular A-133. Judge Jackson made a motion, which Mr. Fryrear seconded, to approve the

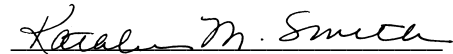
**President's recommendation that the Board of Directors accept the Consolidated Schedule of Expenditures of Federal Awards and Other Reports Required by OMB Circular A-133 for the Year Ended June 30, 2010.**

The motion passed.

IV. Adjournment

Ms. Abrams made a motion, which Dr. Selvidge seconded, to adjourn the meeting at 1:20 p.m. The motion passed.

Approved by:



Asst. Secretary