Schedule for January 10, 2013
Board of Trustees

Trustees are invited to attend all meetings.
Jefferson Room, Grawemeyer Hall

1:00 p.m.	Personnel Committee
Immediately Following	Finance Committee
	Board of Trustees

PERSONNEL COMMITTEE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

January 10, 2013

Open Session Agenda

			Tab
I.	Call to Order	Benz	
	• Approval of Minutes, November 8, 2012		1
II.	Executive Session		
	• Motion to recess to discuss personnel matters Pursuant to KRS 61.810(1)(f)		
III.	Open Meeting Reconvenes		
	• Appropriate action, if any		
IV.	Adjournment		

Committee Members:
Larry Benz, Chair
Dhiane Bradley, Vice Chair
Marie Abrams
Jonathan Blue
Kevin Cosby
Debbie Scoppechio
Joe Steffen

MINUTES OF THE PERSONNEL COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

November 8, 2012

In Open Session

Members of the Personnel Committee of the University of Louisville Board of Trustees met at 1:50 p.m. on November 8, 2012, in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present: Dr. Laurence Benz, Chair
Ms. Dhiane Bradley, Vice Chair
Ms. Marie Abrams
Dr. Kevin Cosby
Ms. Debbie Scoppechio
Dr. Joe Steffen

Absent: Mr. Jonathan Blue

Other Trustees Present: Mr. Ron Butt
Mr. Justin Brandt
Mr. Bruce Henderson
Dr. Robert Curtis Hughes
Mr. Frank Minnifield
Ms. Brucie Moore
Mr. Jody Prather
Mr. Robert Rounsavall, III
Dr. William Selvidge
Mr. Steve Wilson
Ms. Phoebe Wood

Guests: Mr. Scott Nostaga, Excelcor
Ms. Mary McKinley, BKD, LLP

From the University: Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. David Dunn, Executive Vice President for Health Affairs
Dr. William Pierce, Executive Vice President for Research and Innovation
Ms. Angela D. Koshewa, University Counsel
Mr. Glenn Bossmeyer, Associate University Counsel
Mr. Michael J. Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for University Advancement
Mr. Larry Owsley, Vice President for Business Affairs
Mr. Sam Connally, Vice President for Human Resources
Dr. Priscilla Hancock, Vice President for Information Technology
Dr. Alan Dittmer, Adjunct Professor
Mr. John Drees, Director of Communications, Belknap Campus
Mr. Gary Mans, Director of Communications, Health Sciences Campus
Ms. Cynthia Hess, Director of Communication and Marketing
Ms. Susan Howarth, Director of Budget, Vice President for Finance

Mr. Larry Zink, Controller
Ms. Susan Magness, Associate Controller
Ms. Anne Rademaker, Director of Financial Reporting and University Accounting
Ms. Carolyn Cochran, Assistant to the Provost
Mr. David Barker, Associate Vice President, Audit Services & Institutional Compliance
Ms. Cheri Jones, Director of Audit Services
Mr. Gary Mans, Director of Communications & Marketing, HSC
Ms. Trisha Smith, Director of Special Projects
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Benz called the meeting to order at 1:50 p.m.

Approval of Minutes

Ms. Abrams made a motion, which Dr. Steffen seconded, to approve the minutes of October 11, 2012. The motion passed.

II. Executive Session

Pursuant to KRS 61.810(1)(f), Ms. Abrams made a motion, which Dr. Steffen seconded, to go into executive session. The motion passed.

III. Open Meeting Reconvenes

Chair Benz reconvened the open session at 2:25 p.m. and reported the Committee discussed personnel matters during executive session.

Monthly Personnel Recommendations

Ms. Scoppechio made a motion, which Dr. Steffen seconded, to approve the

President's recommendation that the following personnel recommendation be approved by the Board of Trustees.

SCHOOL OF INTERDISCIPLINARY AND GRADUATE STUDIES

Beth A. Boehm, Ph.D., Professor of English; change of additional appointment from Interim Dean to Dean of the School of Interdisciplinary and Graduate Studies, November 8, 2012. The appointment as Dean is at the pleasure of the Board of Trustees.

The motion passed.

IV. Other Business

There was no other business.

V. Adjournment

Dr. Steffen made a motion, which Ms. Bradley seconded, to adjourn the meeting at 2:30 p.m. The motion passed.

FINANCE COMMITTEE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

January 10, 2013

Open Session Agenda

			Tab
I.	Call to Order	Wood	
	• Approval of Minutes, June 28, 2012		1
II.	Information Item: Report from VP for Finance	Curtin	
	• Interim Financial Statements through September 30, 2012		2
III.	Adjournment		

Committee Members:
Phoebe Wood, Chair
Bob Rounsavall, Vice Chair
Larry Benz
Dhiane Bradley
Justin Brandt
Bob Hughes
Bill Selvidge
Steve Wilson

MINUTES OF THE MEETING OF THE FINANCE COMMITTEE OF THE
UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met on Thursday, June 28, 2012, at 2:45 p.m. in the Conference Room of the 600 North Building, Shelby Campus, with members present and absent as follows:

Present : Dr. Bruce Henderson, Chair Pro Tem
Mr. Justin Brandt
Mr. Ron Butt
Mr. Bruce Henderson
Ms. Phoebe Wood

Absent: Ms. Augusta Brown Holland
Judge Rebecca Jackson, Chair
Dr. William Selvidge, Vice Chair

Other Trustees Present: Ms. Marie Abrams
Dr. Laurence Benz
Mr. Jonathan Blue
Dr. Robert Curtis Hughes
Mr. David James
Mr. Frank Minnifield
Ms. Brucie Moore
Mr. Robert Rounsavall, III
Ms. Debbie Scoppechio
Dr. Robert Staat

From the University: Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. David Dunn, EVP for Health Affairs
Dr. William Pierce, EVR for Research and Innovation
Ms. Angela D. Koshewa, University Counsel
Mr. Michael J. Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for University Advancement
Ms. Becky Simpson, Assoc. VP for University Advancement
Mr. Gary Mans, Director of Communications and Marketing, HSC
Dr. Joe Steffen, Professor and Director of Graduate Programs, Biology
Ms. Kathleen Smith, Assistant Secretary
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Trustees Chair Minnifield appointed Mr. Bruce Henderson as chair pro tem. Having determined a quorum present, Chair pro tem Henderson called the meeting to order at 2:45 p.m.

Approval of Minutes, May10, 2012

Mr. Butt made a motion, which Ms. Wood seconded, to approve the minutes of May 10, 2012. The motion passed.

II. Action Item: Approval of Amendment to Lease for Property Located at 315 E. Broadway

Dr. Dunn reported in 1958 the University entered into a ninety-nine (99) year lease with Methodist Evangelical Hospital, Inc. to permit that entity to construct an acute care hospital and related facilities on a tract of property located between Floyd and Preston Streets on the north side of Broadway. Norton Hospital, the principal pediatric affiliate of the University's School of Medicine, has succeeded to the interests of Methodist Evangelical Hospital, and wishes to sublease a portion of the property to a for-profit developer to develop a physicians' office building for the benefit of the School of Medicine's Department of Pediatrics as part of the renewal of the Affiliation Agreement between the University and Norton. Because the sublease will not be to a tax exempt entity, the sublease will require that the University receive fair market value for the value of the property being subleased. It is anticipated that the University will have an option to purchase the professional office building at a future date. Dr. Dunn noted that as a separate part of the negotiations between Norton and the University for the renewal of the Affiliation Agreement, it is anticipated that Norton will request a revision to a separate lease between the parties; the scope of that change has not been finally determined at this time, and no action is requested on that lease at this time. Ms. Wood made a motion, which Mr. Butt seconded, to approve the

> **Authorization of the President or his designee to modify the existing Lease Agreement for the property located at 315 E Broadway (Norton Medical Pavilion) to permit a sublease, at fair market value, to a developer for the purpose of constructing a medical office building, with such restrictions on use that are consistent with the needs of the Health Sciences Campus.**

The motion passed.

III. Action Item: Approval of Increase in Fees

School of Nursing – Course Fees for N338 Lifespan Pathophysiology and N395 Nursing Pharmacotherapeutics

Provost Willilhnganz reported the increase in the fees would provide the additional resources to increase staffing in the Office of Student Services. Additional staffing will allow increased time dedicated to the advising of students entering the competitive portion of the Nursing

Program. These two courses are the final step in the official eligibility to the School of Nursing traditional BSN program.

School of Dentistry – Dental Application Fee

Provost Willihnganz reported this increase in the application fee would provide the additional resources needed to process the large volume of applicants (totaling approximately 3,000 per year.) The funding would also be used to help offset the increased costs of technology required to process applications electronically. This fee has not been increased in over ten years. Ms. Wood made a motion, which Mr. Butt seconded, to approve the

> President's recommendation that the Board of Trustees approve increases to existing student fees listed below.
>
> - **School of Nursing**
> - Increase instructional course fee by $20 to $140 for N338 Lifespan Pathophysiology
> - Increase instructional course fee by $20 to $110 for N395 Nursing Pharmacotherapeutics
> - **School of Dentistry**
> - Increase Dental Application Fee by $15 to $65 per applicant

The motion passed.

IV. Action Item: Approval of Capital Projects

President Ramsey reviewed the HSC Utilities Hazard Mitigation Project. This project will relocate approximately two blocks of high voltage electrical overhead utility feeder lines serving the Health Sciences Center campus. The underground feeders will go from the Center for Translational Research building to the School of Dentistry. Burial of feeder lines eliminates vulnerability of power lines to ice, snow, motor vehicles, wind and falling trees that result in outages. He said this will greatly enhance the dependability of the electrical power to the Health Sciences Center.

President Ramsey provided an overview of the storm damaged roof projects. These projects will replace the roofs on the designated buildings. These roofs were damaged in a hail storm that hit campus on April 28, 2012. These expenses are expected to be covered with insurance proceeds. Mr. Butt made a motion, which Ms. Wood seconded, to approve the

> **President's recommendation that the following projects be approved:**

PROJECT:	**ESTIMATED COSTS:**	**FUND SOURCE:**
HSC Utilities Hazard Mitigation	$1,100,000	$825,000 Federal Grant
Storm Damaged Roof Projects:		
Law School	$275,000	General Funds
Grawemeyer Hall	$995,000	Insurance Proceeds
JB Speed School	$551,000	Insurance Proceeds
Gardiner Hall	$558,000	Insurance Proceeds
Louisville Hall	$259,000	Insurance Proceeds
University Towers	$369,000	Insurance Proceeds
	$294,000	Insurance Proceeds

The motion passed.

V. Adjournment

Mr. Brandt made a motion, which Ms. Wood seconded, to adjourn the meeting at 3:00 p.m. The motion passed.

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS

Financial Statements
September 30, 2012 and 2011

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University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Net Assets
September 30, 2012 and 2011
(In Thousands)

	2012	2011
ASSETS		
Current Assets		
Cash and cash equivalents	$ 130,720	$ 155,104
Deposit with bond trustee and escrow agent	12,824	17,027
Short-term investments	2,974	2,652
Loans, accounts and contributions receivable, net	58,161	53,320
Due from University of Louisville Foundation, Inc.	13,248	11,980
Inventories	1,068	1,242
Other assets	1,959	1,957
Total current assets	220,954	243,282
Noncurrent Assets		
Restricted cash and cash equivalents	59,591	79,483
Deposit with bond trustee	7,373	4,325
Loans, accounts and contributions receivable, net	35,035	39,110
Due from University of Louisville Foundation, Inc.	8,348	8,318
Investments held with University of Louisville Foundation, Inc.	35,452	35,090
Other long-term investments	22,965	27,294
Other long-term assets	2,226	2,465
Deferred outflows	552	-
Capital assets, net	871,349	878,130
Total noncurrent assets	1,042,891	1,074,215
Total assets	1,263,845	1,317,497
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	65,092	64,508
Deferred compensation and wages payable	1,062	3,829
Advances	17,123	17,030
Note payable to University of Louisville Foundation, Inc.	200	305
Bonds and notes payable	24,456	25,921
Total current liabilities	107,933	111,593
Noncurrent Liabilities		
Due to related entities	316	3,316
Note payable to University of Louisville Foundation, Inc.	1,200	1,400
Deferred compensation and wages payable	8,113	7,785
Deposits	913	816
Advances	5,248	5,266
Amounts due to federal government for student loan programs	16,849	16,891
Other long-term liabilities	20,302	22,043
Deferred inflows	552	-
Bonds and notes payable	267,749	292,469
Total noncurrent liabilities	321,242	349,986
Total liabilities	429,175	461,579
NET ASSETS		
Invested in capital assets, net of related debt	613,080	613,475
Restricted for:		
Nonexpendable		
Scholarships and fellowships	1,490	1,400
Expendable		
Scholarships and fellowships	700	661
Research	-	1,447
Public service	425	348
Academic support	7	18
Institutional support	10,446	13,794
Operation and maintenance of plant	-	454
Loans	2,573	2,640
Capital projects	38,350	29,500
Debt service	31,203	40,982
Other	-	354
Unrestricted	136,396	150,845
Total net assets	$ 834,670	$ 855,918

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Revenues, Expenses and Changes in Net Assets
Three Months Ended September 30, 2012 and 2011
(In Thousands)

	2012	2011
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowance of $33,068 in 2012 and $31,725 in 2011	$ 98,747	$ 92,148
Clinical services and practice plans	42,424	40,608
Federal grants and contracts	17,718	18,388
State and local grants and contracts	1,614	1,677
Nongovernmental grants and contracts	1,440	2,519
Sales and services of educational departments	7,238	5,923
Facilities and administrative cost recoveries	6,283	6,689
Auxiliary enterprises, net of discount of $522 in 2012 and $510 in 2011	5,341	4,356
Intercollegiate athletics	29,749	26,608
Other operating revenues	617	865
Total operating revenues	211,171	199,781
OPERATING EXPENSES		
Instruction	65,880	64,274
Research	30,579	32,725
Public service	20,435	21,200
Academic support	21,256	16,311
Student services	7,289	7,050
Institutional support	14,222	13,967
Operation and maintenance of plant	12,635	15,814
Scholarships and fellowships	16,257	16,903
Auxiliary enterprises	2,559	2,779
Intercollegiate athletics	17,966	14,537
Depreciation and amortization	12,367	12,357
Total operating expenses	221,445	217,917
Operating loss	(10,274)	(18,136)
NONOPERATING REVENUES (EXPENSES)		
State appropriations	42,607	46,202
Gifts	17,765	13,264
Nonexchange grants and contracts	17,647	17,553
Investment income	480	826
Realized and unrealized gain/(loss) on investments	1,440	(2,992)
Interest on capital asset-related debt	(3,155)	(3,269)
Other nonoperating revenues	243	195
Net nonoperating revenues	77,027	71,779
Income before other revenues, expenses, gains and losses	66,753	53,643
Capital gifts	755	463
Net assets transferred to University of Louisville Foundation, Inc.	(346)	(2,690)
Total other revenues/(expenses)	409	(2,227)
Increase in net assets	67,162	51,416
NET ASSETS		
Net assets-beginning of year	767,508	804,502
Net assets-end of period	$ 834,670	$ 855,918

UNIVERSITY OF LOUISVILLE
It's Happening Here.

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Net Assets
September 30, 2012 and 2011
(In Thousands)

	09/30/12					09/30/11				
	Total	**ADJ**	**UL**	**ULRF**	**ULAA**	**Total**	**ADJ**	**UL**	**ULRF**	**ULAA**
ASSETS										
Current Assets										
Cash and cash equivalents	**$ 130,720**		$ 59,761	$ 38,587	$ 32,372	**155,104**		$ 65,569	$ 57,425	$ 32,110
Deposit with bond trustee and escrow agent	**12,824**		6,665	-	6,159	**17,027**		10,612	-	6,415
Short-term investments	**2,974**		2,974	-	-	**2,652**		2,652	-	-
Loans, accounts and contributions receivable, net	**58,161**		36,310	18,613	3,238	**53,320**		33,470	17,396	2,454
Due from University of Louisville Foundation, Inc.	**13,248**		13,248	-	-	**11,980**		10,980	1,000	-
Inventories	**1,068**		659	409	-	**1,242**		769	473	-
Other assets	**1,959**		1,103	129	727	**1,957**		1,152	101	704
Total current assets	**220,954**		120,720	57,738	42,496	**243,282**		125,204	76,395	41,683
Noncurrent Assets										
Restricted cash and cash equivalents	**59,591**		51,598	-	7,993	**79,483**		69,822	-	9,661
Deposit with bond trustee	**7,373**		6,574	-	799	**4,325**		3,321	-	1,004
Loans, accounts and contributions receivable, net	**35,035**		19,985	478	14,572	**39,110**		21,523	351	17,236
Due from University of Louisville Foundation, Inc.	**8,348**		8,348	-	-	**8,318**		8,318	-	-
Investments held with University of Louisville Foundation, Inc.	**35,452**		-	-	35,452	**35,090**		-	35	35,055
Other long-term investments	**22,965**		22,565	4	396	**27,294**		26,894	4	396
Other long-term assets	**2,226**		1,571	-	655	**2,465**		1,739	-	726
Deferred outflows	**552**		-	-	552	**-**		-	-	-
Capital assets, net	**871,349**		665,034	72,683	133,632	**878,130**		666,544	75,928	135,658
Total noncurrent assets	**1,042,891**		775,675	73,165	194,051	**1,074,215**		798,161	76,318	199,736
Total assets	**1,263,845**		896,395	130,903	236,547	**1,317,497**		923,365	152,713	241,419
LIABILITIES										
Current Liabilities										
Accounts payable and accrued liabilities	**65,092**		48,508	11,542	5,042	**64,508**		51,736	9,945	2,827
Deferred compensation and wages payable	**1,062**		-	-	1,062	**3,829**		-	-	3,829
Advances	**17,123**		522	15,528	1,073	**17,030**		560	15,868	602
Note payable to University of Louisville Foundation, Inc.	**200**		-	-	200	**305**		-	-	305
Bonds and notes payable	**24,456**		17,807	-	6,649	**25,921**		19,492	-	6,429
Total current liabilities	**107,933**		66,837	27,070	14,026	**111,593**		71,788	25,813	13,992
Noncurrent Liabilities										
Due to University of Louisville	**-**		(9,173)	-	9,173	**-**		(9,173)	-	9,173
Due to related entities	**316**		-	-	316	**3,316**		-	3,000	316
Note payable to University of Louisville Foundation, Inc.	**1,200**		-	-	1,200	**1,400**		-	-	1,400
Deferred compensation and wages payable	**8,113**		-	-	8,113	**7,785**		-	-	7,785
Deposits	**913**		913	-	-	**816**		816	-	-
Advances	**5,248**		1,739	-	3,509	**5,266**		2,164	-	3,102
Amounts due to federal government for student loan programs	**16,849**		16,849	-	-	**16,891**		16,891	-	-
Other long-term liabilities	**20,302**		12,768	6,753	781	**22,043**		14,823	6,558	662
Deferred inflows	**552**		-	-	552	**-**		-	-	-
Bonds and notes payable	**267,749**		210,063	-	57,686	**292,469**		228,130	-	64,339
Total noncurrent liabilities	**321,242**		233,159	6,753	81,330	**349,986**		253,651	9,558	86,777
Total liabilities	**429,175**		299,996	33,823	95,356	**461,579**		325,439	35,371	100,769
NET ASSETS										
Invested in capital assets, net of related debt	**613,080**		468,275	74,782	70,023	**613,475**		471,847	75,942	65,686
Restricted for:										
Nonexpendable										
Scholarships and fellowships	**1,490**		-	-	1,490	**1,400**		-	-	1,400
Expendable										
Scholarships and fellowships	**700**		-	-	700	**661**		-	-	661
Research	**-**	$ 209	(209)	-	-	**1,447**		1,447	-	-
Instruction	**-**	236	(236)	-	-	**-**	$ 82	(82)	-	-
Public service	**425**	-	425	-	-	**348**	-	348	-	-
Academic support	**7**	-	2	5	-	**18**	-	17	1	-
Institutional support	**10,446**	-	8,385	-	2,061	**13,794**	-	11,856	-	1,938
Operation and maintenance of plant	**-**	26	(26)	-	-	**454**	-	(17)	471	-
Student services	**-**	-	-	-	-	**-**	-	-	-	-
Loans	**2,573**	-	2,573	-	-	**2,640**	-	2,640	-	-
Capital projects	**38,350**	-	34,731	-	3,619	**29,500**	-	31,243	-	(1,743)
Debt service	**31,203**	-	11,213	-	19,990	**40,982**	-	12,097	-	28,885
Other	**-**	-	-	-	-	**354**	-	-	-	354
Unrestricted	**136,396**	(471)	71,266	22,293	43,308	**150,845**	(82)	66,530	40,928	43,469
Total net assets	**$ 834,670**	$ -	$ 596,399	$ 97,080	$ 141,191	**$ 855,918**	$ -	$ 597,926	$ 117,342	$ 140,650

UNIVERSITY OF LOUISVILLE
It's Happening Here.

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Revenues, Expenses and Changes in Net Assets
Three Months Ended September 30, 2012 and 2011
(In Thousands)

	09/30/12				09/30/11			
	Total	**UL**	**ULRF**	**ULAA**	**Total**	**UL**	**ULRF**	**ULAA**
OPERATING REVENUES								
Student tuition and fees, net of scholarship allowance of $33,068 in 2012 and $31,725 in 2011	**$ 98,747**	$ 98,747			**$ 92,148**	$ 92,148		
Clinical services and practice plans	**42,424**	648	$ 41,776		**40,608**	577	$ 40,031	
Federal grants and contracts	**17,718**	734	16,984		**18,388**	1,319	17,069	
State and local grants and contracts	**1,614**	1	1,613		**1,677**	-	1,677	
Nongovernmental grants and contracts	**1,440**	3	1,437		**2,519**	-	2,519	
Sales and services of educational departments	**7,238**	7,237	1		**5,923**	5,927	(4)	
Facilities and administrative cost recoveries	**6,283**	-	6,283		**6,689**	-	6,689	
Auxiliary enterprises, net of discount of $522 in 2012 and $510 in 2011	**5,341**	5,341	-		**4,356**	4,356	-	
Intercollegiate athletics	**29,749**	-	-	$ 29,749	**26,608**	-	-	$ 26,608
Other operating revenues	**617**	653	(36)	-	**865**	685	180	-
Total operating revenues	**211,171**	113,364	68,058	29,749	**199,781**	105,012	68,161	26,608
OPERATING EXPENSES								
Instruction	**65,880**	38,755	27,125	-	**64,274**	37,474	26,800	-
Research	**30,579**	6,502	24,077	-	**32,725**	7,680	25,045	-
Public service	**20,435**	2,615	17,820	-	**21,200**	2,481	18,719	-
Academic support	**21,256**	13,139	8,117	-	**16,311**	12,830	3,481	-
Student services	**7,289**	7,288	1	-	**7,050**	7,049	1	-
Institutional support	**14,222**	14,102	120	-	**13,967**	13,671	296	-
Operation and maintenance of plant	**12,635**	9,171	3,464	-	**15,814**	14,745	1,069	-
Scholarships and fellowships	**16,257**	(2,613)	18,870	-	**16,903**	(2,549)	19,452	-
Auxiliary enterprises	**2,559**	2,559	-	-	**2,779**	2,779	-	-
Intercollegiate athletics	**17,966**	(3,172)	-	21,138	**14,537**	(2,951)	-	17,488
Depreciation and amortization	**12,367**	9,260	2,067	1,040	**12,357**	8,843	2,495	1,019
Total operating expenses	**221,445**	97,606	101,661	22,178	**217,917**	102,052	97,358	18,507
Operating loss	**(10,274)**	15,758	(33,603)	7,571	**(18,136)**	2,960	(29,197)	8,101
NONOPERATING REVENUES (EXPENSES)								
State appropriations	**42,607**	42,607	-	-	**46,202**	46,202	-	-
Gifts	**17,765**	-	57	17,708	**13,264**	-	(5,271)	18,535
Nonexchange grants and contracts	**17,647**	-	17,647	-	**17,553**	5	17,548	-
Investment income	**480**	376	-	104	**826**	712	-	114
Realized and unrealized gain/(loss) on investments	**1,440**	-	(11)	1,451	**(2,992)**	-	(19)	(2,973)
Interest on capital asset-related debt	**(3,155)**	(2,461)	-	(694)	**(3,269)**	(2,521)	-	(748)
Other nonoperating revenues	**243**	243	-	-	**195**	147	48	-
Net nonoperating revenues	**77,027**	40,765	17,693	18,569	**71,779**	44,545	12,306	14,928
Income before other revenues, expenses, gains and losses	**66,753**	56,523	(15,910)	26,140	**53,643**	47,505	(16,891)	23,029
Capital gifts	**755**	-	-	755	**463**	-	-	463
Net assets transferred to University of Louisville Foundation, Inc.	**(346)**	2,925	(326)	(2,945)	**(2,690)**	3,767	(6,402)	(55)
Total other revenues/(expenses)	**409**	2,925	(326)	(2,190)	**(2,227)**	3,767	(6,402)	408
Increase in net assets	**67,162**	59,448	(16,236)	23,950	**51,416**	51,272	(23,293)	23,437
NET ASSETS								
Net assets-beginning of year	**767,508**	536,951	113,316	117,241	**804,502**	546,654	140,635	117,213
Net assets-end of period	**$ 834,670**	$ 596,399	$ 97,080	$ 141,191	**$ 855,918**	$ 597,926	$ 117,342	$ 140,650

University of Louisville
Financial Statement Highlights
Three Months Ended September 30, 2012

Statements of Net Assets:

The University remains in a strong position, with assets of $1.3 billion and net assets of $835 million.

- Assets:
  - Current assets decreased 9% as compared to September 2011. The most significant change is the decrease in cash and cash equivalents of $24 million. This decrease is a result of the decreased cash receipts from the UMC contract and Medicaid/ Passport during the last 3 quarters of fiscal year 2012. Overall, cash has increased $20 million since June 30, 2012.

  - Restricted cash and cash equivalents decreased $20 million due to the use of funds related to capital projects. The most significant capital project was the HSC Energy Savings contract, with expenses of $16 million since September 2011.

- Liabilities:
  - Current liabilities remained consistent with prior year, decreasing only 3%.

  - Bonds and notes payable decreased due to payment of approximately $26 million in outstanding debt since last September.

- Net Assets:
  - A comparison of the $136.4 and $150.8 million in Unrestricted Net Assets as of September 30, 2012 and 2011, respectively, is as follows:

	2012	2011
General Funds	$ 61.6	$ 60.3
Clinical	9.2	28.0
Invested with UL Foundation	29.8	29.5
IRIG/RIF	13.4	13.4
Athletics	13.5	14.0
Auxiliary	5.3	2.1
Service Centers	6.6	5.8
Other Research Funds	1.0	0.5
Deficit Restricted Net Assets	(4.0)	(2.8)
Total	**$ 136.4**	**$ 150.8**

University of Louisville
Financial Statement Highlights
Three Months Ended September 30, 2012

Statement of Revenues, Expenses, and Changes in Net Assets

- The University recognized an increase in total net assets of $67 million during the three months ended September 30, 2012, as compared to a $51 million increase for the same period in the prior fiscal year.

  - Operating Revenues and Expenses:
    - Revenues increased by 6%, due to a $6.6 million increase in tuition revenue. The tuition increase is due to the 5% increase in tuition rates. Additionally, Intercollegiate Athletic revenue increased $3.1 million over the prior year due to an increase in the number of home football games.

    - Expenses remained steady at $221 million, increasing only 2% over the prior year.

  - Nonoperating Revenues and Expenses:
    - State Appropriations decreased $3.6 million, or 8%, in accordance with the schedule from the Commonwealth.

    - Realized and unrealized gains of $1.4 million is an improvement compared to the loss of $3.0 million recognized in September 2011.

University of Louisville
General Funds
Budget vs. Actual
Three Months Ended September 30, 2012

	Annual Budget	Actual	Variance to Budget	Percent of Variance to Budget
REVENUES				
State appropriations	$ 163,849	$ 48,861	$ 114,988	70%
Tuition and fees	260,173	131,813	128,360	49%
Clinical	14,089	648	13,441	95%
Sales and services	3,323	1,804	1,519	46%
Auxiliary	14,360	5,863	8,497	59%
Facilities and administrative cost recoveries	25,496	5,129	20,367	80%
Interest income	3,518	232	3,286	93%
Other revenue	3,837	1,077	2,760	72%
Total revenue	488,645	195,427	293,218	60%
EXPENSES				
Instruction	164,840	40,238	124,602	76%
Research	31,574	6,917	24,657	78%
Public service	10,428	2,600	7,828	75%
Academic support	59,096	16,634	42,462	72%
Student services	27,388	8,480	18,908	69%
Institutional support	48,749	14,301	34,448	71%
Operations and maintenance	49,309	11,474	37,835	77%
Scholarships and fellowships	54,041	27,543	26,498	49%
Auxiliary	9,944	2,665	7,279	73%
Service centers	1,849	(3,995)	5,844	316%
Debt service	23,596	11,255	12,341	52%
Hospital	21,934	6,284	15,650	71%
Total expenses	502,748	144,396	$ 358,352	71%
Net (decrease)/increase	$ (14,103)	$ 51,031		

University of Louisville
General Funds
Budget vs. Actual Analysis
Three Months ended September 30, 2012

REVENUES

- Overall revenues are on budget, with 40% of budgeted revenue recognized as of September 30, 2012. This is slightly more than the expected 25% due to the cyclic nature of tuition revenue.

- Tuition revenue – Approximately 51% of tuition and fee budgeted revenue has been recognized. This is due to the fact that Fall and Spring tuition comprise approximately 93% of total tuition, and as of September 30, 2012, half of this (the Fall Semester) has been realized.

- Clinical revenue – The majority of the revenue budgeted for clinical and hospital revenue is the $11 million of expected revenue from the surplus cash of University Medical Center, Inc. This revenue is not recognized until received or at June 30, when a receivable is established based on information from the University Medical Center, Inc.

EXPENSES

- Overall expenses match closely with budget as there is 71% of the budget remaining for the remainder of the year.

- Scholarships and Fellowships – Due to the timing of the tuition charges, approximately 51% of the budget for scholarships has been used.

- Service Centers – The service centers had approximately $4 million in expenses that was offset with $8 million in charges to other departments due to the timing of charges from the Information Technology departments.

- Debt Service – As of September 30, 2012, interest payments have been made related to the General Receipts Series Bonds. This represents half of the total outstanding bond issues supported by the general fund.

SPECIAL MEETING OF THE BOARD OF TRUSTEES
UNIVERSITY OF LOUISVILLE

January 10, 2013

Open Session Agenda

			Tab
I.	Call to Order	Minnifield	
II.	Consent Agenda		
	Approval of Minutes		
	• Board of Trustees, November 8, 2012		1
	• Executive Committee 12/6/2012		2
	From the Executive Committee		
	• Withdrawal from Big East and Move to the ACC		3
	From the Personnel Committee		
	• Naming, Ekstrom Auditorium (LL29)		4
	• Faculty Termination		5
III.	Report of the President	Ramsey	
	• Introduction, Dr. Roland Valdes		
	• 21st Century University		
	• Update on Goals		
IV.	Report of the Chair	Minnifield	
V.	Executive Session		
	• Motion to recess to discuss personnel matters Pursuant to KRS 61.810(1)(f)		
VI.	Open Meeting Reconvenes		
	• Appropriate action, if any		
VII.	Adjournment		

MINUTES OF THE REGULAR MEETING OF THE UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES

November 8, 2012

Members of the University of Louisville Board of Trustees met at 2:30 p.m. on November 8, 2012, in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present:
Mr. Frank Minnifield, Chair
Ms. Marie Abrams
Dr. Laurence Benz
Ms. Dhiane Bradley
Mr. Justin Brandt
Mr. Ron Butt
Dr. Kevin Cosby
Mr. Bruce Henderson
Dr. Robert Curtis Hughes
Ms. Brucie Moore
Dr. Jody Prather (departed at 3:00 p.m.)
Mr. Robert W. Rounsavall, III
Ms. Debbie Scoppechio
Dr. William Selvidge
Dr. Joe Steffen
Mr. Steve Wilson

Absent:
Mr. Jonathan Blue
Ms. Phoebe Wood

From the University:
Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. David Dunn, EVP for Health Affairs
Dr. William Pierce, EVP for Research and Innovation
Ms. Angela D. Koshewa, University Counsel
Mr. Michael J. Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for University Advancement
Mr. Sam Connally, Vice President for Human Resources
Mr. Larry Owsley, Vice President for Business Affairs
Dr. Priscilla Hancock, Vice President for Information Technology
Ms. Becky Simpson, Senior Assoc. VP, University Advancement
Mr. John Drees, Associate VP, Advancement
Mr. Mark Hebert, Director, Media Relations
Ms. Susan Howarth, Director of Budget, Vice President for Finance
Ms. Anne Rademaker, Director of Reporting
Ms. Carolyn Cochran, Assistant to the Provost
Mr. Gary Mans, Director of Communication and Marketing
Mrs. Trisha Smith, Director of Special Projects
Mrs. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Minnifield called the meeting to order at 2:30 p.m.

II. Consent Agenda

A. Approval of Minutes
- Minutes from Special Board Meeting, 10/11/2012

B. From the Personnel Committee
- Approval of Monthly Personnel Recommendations

C. Approval of Candidates for Degrees, December 2012
D. Approval of Security Clearance and Managerial Group

Chair Minnifield read the consent agenda. Hearing no opposition, Dr. Hughes made a motion, which Ms. Abrams seconded, to approve the consent agenda. The motion passed.

III. Action Item: Authorization of Executive Committee to Act on Grawemeyer Awards, Designations and Namings, Endowment Match Report and Routine Personnel Matters

President Ramsey noted the Board will not meet between November 8 and February 7; therefore, this authorization will allow the Executive Committee of the Board of Trustees to act for the board during that timeframe. Dr. Steffen made a motion, which Dr. Selvdige seconded, to approve the

Chair's recommendation that the Board authorize the Executive Committee to take action on the following:

- **Adopt Grawemeyer Awards for 2013;**
- **Monthly personnel actions and routine personnel policy revisions;**
- **Designations and awards;**
- **Other matters of housekeeping nature, including but not limited to, the Endowment Match Report.**

The motion passed.

IV. Report of the President

Due to the length of the meetings, President Ramsey noted follow up to the Summer Retreat will be discussed at the January meetings. Dr. Ramsey referenced the many Fall outreach programs held across the state of Kentucky, noting there were three Governor's Scholars/National Merit Recipient luncheons, five Rotaries/Chambers of Commerce presentations, five Alumni/Student outreach events, and five other events. Fifteen high school visits took place throughout the state. Dr. Ramsey introduced three UofL students who participated in these programs: Naseem Ansari, Janna Imel, and Katy Ashby.

Each student spoke about the great opportunities provided by their experience at UofL.

The President showed a video of the partnership between Fort Knox and UL athletic programs. Each team in athletics adopted a unit at Fort Knox. He noted the Fort Knox advisory board will be on campus November 29 for an advisory board meeting. Dr. Ramsey applauded Dr. Robert Hughes for his efforts with Fort Campbell. Dr. Hughes noted since Sept. 11, 2001, Fort Campbell soldiers were the most soldiers deployed, every other night there are 200-250 soldiers departing for Afghanistan. He categorized Fort Campbell as an incredibly active and unique environment. Dr. Dunn noted the University recently hosted a visit by Dr. Karen Guice, Principal Deputy Assistant Secretary of Defense for Health Affairs. (Dr. Prather departed at 3:00 p.m.)

Dr. Ramsey reported that the university has begun a campus-wide process, entitled the 21st Century University, to position itself to meet our 2020 goals and to better serve our students and the community for decades to come. Led by Provost Shirley Willihnganz, this ambitious initiative will take a look at the entire university. Questions to be addressed will include: a) What do we do well? (b) What could we do better? (c) How can we better serve our students, the Louisville community and the commonwealth? (d) What challenges and market conditions will we face? (e) What must we do differently?

Working with a nationally recognized consultant, Scott Nostaja and his Excelcor team, Dr. Ramsey said the University has begun this process by reviewing our strengths and weaknesses, our opportunities and threats. The early steps of this effort involve interviews of key people on and off campus. Conversations began with the deans, vice presidents, faculty, staff and student leadership this month. Dr. Ramsey welcomed trustee participation in this process.

Communication from the University will be forthcoming. It is a traditional SWOT analysis (strengths, weaknesses, opportunities and threats) designed to collect thoughts about the most significant opportunities and challenges facing the University of Louisville. The questionnaire should not take more than 20 minutes to complete and individual responses will be kept confidential. Once compiled, information will be shared as we look at where we want to go as an institution, particularly how we can continue to achieve the 2020 goals set in the Postsecondary Education Reform Act of 1997. Dr. Ramsey noted the University has so much to be proud of, but recognized there is a lot more to do.

V. Report of the Chair

The Chair had no report.

VI. Executive Session

Pursuant to KRS 61.810(1)(g) and (k), Ms. Abrams made a motion, which Dr. Hughes seconded, to go into executive session at 3:05 p.m. to discuss a business

proposal. The motion passed.

VII. Open Meeting Reconvenes

Chair Minnifield reconvened the open session at 4:00 p.m. and reported the board discussed a business proposal in executive session. No action was required.

VIII. Adjournment

There being no further business to discuss, the meeting adjourned at 4:05 p.m.

MINUTES OF THE EXECUTIVE COMMITTEE OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF LOUISVILLE

In Open Session

Members of the Executive Committee of the University of Louisville Board of Trustees met at 1:00 p.m. on December 6, 2012, in the Jefferson Room, Grawemeyer Hall, with members present and absent as follows:

Present: Mr. Frank Minnifield, Chair
Dr. Robert Curtis Hughes, Vice Chair
Ms. Debbie Scoppechio, Treasurer
Dr. William Selvidge, Secretary
Dr. Kevin Cosby, at-large

Absent: Mr. Justin Brandt, Constituency Representative

Other Trustees Present: Mr. Robert W. Rounsavall, III
Dr. Joseph Steffen

From the University: Dr. James R. Ramsey, President
Dr. Shirley Willihnganz, Executive Vice President and Provost
Dr. David Dunn, Executive Vice President for Health Affairs
Dr. William Pierce, Executive Vice President for Research and Innovation
Ms. Angela D. Koshewa, University Counsel
Mr. Michael J. Curtin, Vice President for Finance
Mr. Keith Inman, Vice President for University Advancement
Ms. Susan Howarth, Director of Budget, Vice President for Finance
Ms. Becky Simpson, Senior Associate VP, University Advancement
Mr. Mark Hebert, Director of Marketing Relations
Ms. Trisha Smith, Director of Special Projects
Ms. Debbie Dougherty, Board Liaison

I. Call to Order

Having determined a quorum present, Chair Minnifield called the meeting to order.

II. Action Item: Approval of 2013 Grawemeyer Awards

President Ramsey explained in November the Board received a briefing on four Grawemeyer Awards and the University publicly released information about the recipients. This action makes the awards official. Dr. Selvidge made a motion, which Dr. Hughes seconded, to approve the

President's recommendation that the Board of Trustees approve the following nominees for the 2013 Grawemeyer Awards:

- **Music: Michael van der Aa**
- **Improving World Order: Erica Chenoweth and Maria J. Stephan**

- **Psychology: Dr. Irving Gottesman**
- **Religion: Leila Ahmed**
- **Education: Pasi Sahlberg**

The motion passed.

III. Action Item: Approval of Endowment Match Annual Report

President Ramsey stated this program matches public funds with private gifts to support endowed chairs, professorships, fellowships, scholarships, and mission support. Vice President Curtin provided an overview of the report, which includes how state and matching funds are used during the fiscal year. Dr. Selvdidge made a motion, which Ms. Scoppechio seconded, to approve the

President's recommendation that the Board of Trustees approve the Endowment Match Program 2011-2012 Annual Report as requested by the Council on Postsecondary Education

The motion passed.

IV. Action Item: Authorization Concerning Withdrawal from Big East Conference and Membership in the Atlantic Coast Conference

President Ramsey explained the process for withdrawing from the Big East Conference and admission into the Atlantic Coast Conference. Ms. Scoppechio made a motion, which Dr. Hughes seconded, to approve the

President's recommendation that the Board of Trustees approve the withdrawal of the University from the BIG EAST Conference and authorize the President and the Vice President for Athletics to take any steps necessary for joining the Atlantic Coast Conference.

The motion passed.

V. Executive Session

Pursuant to KRS 61.810(1)(f) , Ms. Scoppechio made a motion, which Dr. Hughes seconded, to go into executive session to discuss personnel matters

VI. Open Meeting Reconvenes

Chair Minnifield reconvened the open session at 1:20 p.m. He reported that a personnel matter was discussed. Dr, Hughes made a motion, which Ms. Scoppechio seconded, to approve the

President's recommendation that the Board of Trustees approve the following degree to be conferred by the President (or his designee) at Commencement:

Hedwig 'Heddy" Kurz – Doctorate in Humane Letters, honoris causa

The motion passed.

VII. Adjournment

There being no further business to discuss, the meeting adjourned at 1:25 p.m.

RECOMMENDATION TO THE EXECUTIVE COMMITTEE OF THE UNIVERSITY OF LOUISVILLE BOARD OF TRUSTEES
CONCERNING CONFERENCE AFFILIATION

Executive Committee - December 6, 2012
Board of Trustees – January 10, 2013

RECOMMENDATION:

The President recommends that the Board of Trustees approve the withdrawal of the University from the BIG EAST Conference and authorize the President and the Vice President for Athletics to take any steps necessary for joining the Atlantic Coast Conference.

Action:

Passed: _____
Did Not Pass: _____
Other: _____
Date: _____

_____
Assistant Secretary