

INFORMATION ITEM TO THE UNIVERSITY OF LOUISVILLE
FOUNDATION CONCERNING
INTERIM FINANCIAL STATEMENTS

June 4, 2012

BACKGROUND:

The financial statements as of March 31, 2012 are attached.



University of Louisville Foundation, Inc. and Affiliates

**Financial Statements
March 31, 2012 and 2011**

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University of Louisville Foundation, Inc. and Affiliates

Financial Highlights

March 31, 2012

The Foundation's statement of financial position as of March 31, 2012 reflects the stable position of the Foundation. The Foundation has \$977 million in total assets, with liabilities of \$168 million.

During the first nine months of the fiscal year, the Foundation's net assets decreased \$1 million to a total of \$809 million. This is comparable to the \$814 million in net assets as of March 31, 2011.

Overall, assets remained steady as compared to the prior year. The increase in capital assets, net is due mainly to construction in progress for the new downtown research park.

The market value of Foundation custody investments are \$756 million, a decrease of approximately \$6 million, or 1%, compared to March 31, 2011.

The market value of the Foundation's endowment fund is \$761 million at March 31, 2012. This represents a 1% decrease compared to the June 30, 2011 market value of \$769 million.

Net realized and unrealized gains were \$7 million for the first nine months of fiscal year 2012, as compared to a net gain of \$123 million in the prior year.

Expenses on behalf of the University of Louisville are comparable to the prior fiscal year, increasing 2% to \$50 million. Total expenses increased 3% as compared to the same period last year.

University of Louisville Foundation, Inc. and Affiliates
Statements of Financial Position
March 31, 2012 and 2011
(In Thousands)

	<u>2012</u>	<u>2011</u>
ASSETS:		
Cash and cash equivalents	\$ 8,829	\$ 14,320
Accounts, notes and accrued interest receivable	926	1,288
Loan receivable from the UL Athletic Association, Inc	1,705	1,705
Prepaid expenses	1,169	1,202
Contributions receivable	29,624	35,264
Investments	755,898	761,621
Funds held in trust by others	45,369	44,988
Restricted investments	6,399	6,522
Other assets	690	558
Capital assets, net	126,671	119,094
Total assets	<u>\$ 977,280</u>	<u>\$ 986,562</u>
 LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 4,708	\$ 6,163
Funds held in trust for others	47,322	52,166
Other liabilities	19,477	16,447
Due to University of Louisville	8,095	13,816
Bonds and notes payable	88,637	84,234
Total liabilities	<u>168,239</u>	<u>172,826</u>
 Net Assets:		
Unrestricted:		
Unrestricted-designated	151,295	147,632
Unrestricted-undesignated	25,131	14,402
Total unrestricted	<u>176,426</u>	<u>162,034</u>
Temporarily restricted	239,243	270,042
Permanently restricted	393,372	381,660
Total net assets	<u>809,041</u>	<u>813,736</u>
Total liabilities and net assets	<u>\$ 977,280</u>	<u>\$ 986,562</u>

University of Louisville Foundation, Inc. and Affiliates
Statements of Activities
Nine Months Ended March 31, 2012 and 2011
(In Thousands)

	Unrestricted		Temporarily Restricted		Permanently Restricted		Totals	
	2012	2011	2012	2011	2012	2011	2012	2011
REVENUES, GAINS, AND OTHER SUPPORT:								
Gifts	\$ 33,394	\$ 19,944	\$ 5,180	\$ 321	\$ 7,353	\$ 9,976	\$ 45,927	\$ 30,241
Research Challenge Trust Fund	-	-	-	-	-	500	-	500
Investment income	639	805	17	-	-	-	656	805
Endowment income	1,602	46	4,357	5,463	-	-	5,959	5,509
Net realized and unrealized gain on investments	750	12,295	6,292	104,586	228	6,555	7,270	123,436
Residence hall income	5,711	5,745	-	-	-	-	5,711	5,745
Real estate income	1,544	1,292	-	-	-	-	1,544	1,292
Actuarial loss on annuity and trust obligations	-	-	(561)	(597)	-	-	(561)	(597)
Other revenues	1,922	2,585	-	-	-	-	1,922	2,585
Net assets released from restrictions:								
Satisfaction of program restrictions	19,504	16,106	(19,504)	(16,106)	-	-	-	-
Reclassifications	360	1,054	533	(1,000)	(893)	(54)	-	-
Expiration of time restrictions	8,011	2,315	(8,011)	(2,315)	-	-	-	-
Total revenues, gains, and other support	<u>73,437</u>	<u>62,187</u>	<u>(11,697)</u>	<u>90,352</u>	<u>6,688</u>	<u>16,977</u>	<u>68,428</u>	<u>169,516</u>
EXPENSES:								
Contributions to various University of Louisville departments	1,257	975	-	-	-	-	1,257	975
Payments to or on behalf of University of Louisville:								
Instruction	3,347	3,341	-	-	-	-	3,347	3,341
Research	11,562	14,173	-	-	-	-	11,562	14,173
Public service	3,864	2,201	-	-	-	-	3,864	2,201
Academic support	10,732	8,499	-	-	-	-	10,732	8,499
Student services	200	192	-	-	-	-	200	192
Institutional support	9,468	11,363	-	-	-	-	9,468	11,363
Operation and maintenance of plant	2,813	2,102	-	-	-	-	2,813	2,102
Scholarships and fellowships	8,023	7,168	-	-	-	-	8,023	7,168
Interest expense	2,761	2,811	-	-	-	-	2,761	2,811
Residence hall operations	3,886	3,904	-	-	-	-	3,886	3,904
Real estate operations	4,690	4,382	-	-	-	-	4,690	4,382
General and administrative	6,930	6,340	-	-	-	-	6,930	6,340
Total expenses	<u>69,533</u>	<u>67,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,533</u>	<u>67,451</u>
Net change in assets from operations	3,904	(5,264)	(11,697)	90,352	6,688	16,977	(1,105)	102,065
Change in accounting principle	-	(135,677)	-	134,526	-	1,151	-	-
Net assets at beginning of year	<u>172,522</u>	<u>302,975</u>	<u>250,940</u>	<u>45,164</u>	<u>386,684</u>	<u>363,532</u>	<u>810,146</u>	<u>711,671</u>
Net assets at end of period	<u>\$ 176,426</u>	<u>\$ 162,034</u>	<u>\$ 239,243</u>	<u>\$ 270,042</u>	<u>\$ 393,372</u>	<u>\$ 381,660</u>	<u>\$ 809,041</u>	<u>\$ 813,736</u>