

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

In Open Session

Members of the Board of Directors of the University of Louisville Foundation, Inc. met at 12:18 p.m. on April 27, 2023, in the 515 W. Market Street, First Floor Conference Room. Members were present as follows:

- Present: Ms. Jill Force, Chair  
Mr. Jerry Abramson  
Mr. David Anderson  
Mr. Jim Boone  
Mr. Scott Brinkman  
Mr. Ernest Brooks  
Mr. Dorian Brown  
Ms. Jessica Cole  
Mr. Al Cornish (*via videoconference*)  
Mr. David Krebs  
Mr. Larry McDonald  
Mr. Mark Nickel  
Ms. Mary Nixon  
Mr. Jim Rogers  
Dr. Kim Schatzel  
Mr. John Smith
- Board Advisor: Ms. Deborah Lawson
- Absent: Dr. Eugene Mueller  
Mr. John Thompson
- From the Foundation: Mr. Keith Sherman, Executive Director and COO  
Ms. Gina Lankswert, Director of Administration  
Mr. Justin Ruhl, Controller (*via videoconference*)  
Ms. Julie Soule, Executive Assistant
- From Legal Counsel: Mr. Franklin Jelsma, Wyatt, Tarrant & Combs
- From the University: Mr. Dan Durbin, Executive Vice President for Finance & Administration
- Guest: Mr. Kevin Grout, RunSwitch

- I. Call to Order  
Having determined a quorum present, Chair Force called the meeting to order at 12:02 p.m. No conflicts of interest or appearances of conflicts were identified.
- II. Consent Agenda  
Ms. Force read the Consent Agenda as follows: Approval of Minutes from the January 26, 2023, meeting. Mr. McDonald made a motion, which Ms. Cole seconded, to approve the **attached** Consent Agenda. The motion passed.

III. Audit, Compliance & Risk Management Committee Report

Mr. Boone reported the Audit, Compliance & Risk Management Committee met on April 27, 2023. The Committee recommends the Board authorize the Executive Director, subject to the approval of legal counsel, to sign and file the **attached** 990 and 990T tax forms. The Board approved the recommendation.

The Committee received an endowment and gift compliance report. From July 2022 through February 2023, the Foundation reimbursed the University \$34.4M from endowment and gift accounts. The average monthly reimbursement request was \$4.3M from 725 unique accounts with 94% of requests reimbursed.

The Committee received an update on actions taken in response to the Baker-Tilly cyber-risk assessment last Spring, most recommendations have been implemented.

IV. Finance Committee Report

*Investment Subcommittee Report*

Referencing his report to the Finance Committee, Mr. Nickel noted that the Main Endowment Pool has returned 3.7% so far this calendar year, but over the last twelve months it was down 6.2%. Over the long-term the investment pools are growing and performing well.

*Finance Committee Report*

Ms. Cole stated the Finance Committee approved two recommendations for the Board's consideration at their April 27, 2023, meeting.

The first is a recommendation the Board approve the fee schedule for the Administrative Services Agreement between ULF and ULREF. The Board approved the motion (resolution **attached**).

The second is a recommendation the Board approve the FY2023-2024 operating budget. The Board approved the motion (resolution **attached**).

Ms. Cole reviewed a few highlights from the third quarter financials:

- Investment returns have continued to recover from losses in the last fiscal year, returning a positive 3.7% across all pools.
- Total fundraising for the fiscal year, excluding a large single donor gift, is significantly less than the annual goal.
- Total support payments to the University have increased significantly compared to the prior year, continuing a positive trend. As of March 31, 2023, \$86M remains available (including \$45M available for the School of Medicine).

V. Reports from the University of Louisville

Ms. Force welcomed Dr. Schatzel to her first Board meeting. Dr. Schatzel began her report by sharing her professional background prior to becoming president of the University of Louisville on February 1, 2023. During her first twelve weeks, she's had 25 listening tours during which she has heard from 1,200 people about their priorities and culture of the University.

The search for the next Vice President of University Advancement is in the semi-finalist phase. The process should be completed in mid-May.

Mr. Durbin provided a brief report on the university's financials.

Ms. Dials reviewed the **attached** advancement presentation.

Ms. Force and Mr. Sherman expressed their appreciation to Ms. Dials for her leadership while the University searches for a new Vice President of University Advancement.

Ms. Lawson left the meeting at 1:04 p.m.

VI. Report of the Executive Director

Mr. Sherman stated the Foundation, like University Advancement, is in a transition phase. During the last six years the focus has been on overhauling the structure and governance of the Foundation. That is complete, so the next phase will include continuing operational improvements and growing, but also determining ways the Foundation can support the University. He encouraged Board members to make annual donations to the University with the goal of 100% participation.

Mr. Sherman provided a high-level overview of activities at the UofL Real Estate Foundation:

- Properties are performing well, almost all are fully leased. An exception is the 515 W. Market St. building which only has two floors leased.
- A research park behind the Speed School, on the former KY Trailer property, is in the early planning stages.
- The Bed, Bath, & Beyond building on Breckenridge Lane is for sale.

VII. Executive Session to Discuss a Specific Business Proposal, Potential Acquisition or Sale of Real Property, and Proposed or Pending Litigation Pursuant to KRS 61.810 (1)(g)(b) and (c)

Ms. Force asked for a motion to go into executive session to discuss a specific business proposal, the potential acquisition or sale of real property, and proposed or pending litigation pursuant to KRS 61.810(l) (g)(b) and (c). Mr. Rogers made the motion, which Mr. McDonald seconded, to go into executive session at 1:28 p.m. The motion passed.

VIII. Reconvene Open Session

When open session reconvened at 1:52 p.m., Ms. Force reported that a specific business proposal, the potential acquisition or sale of real property, and proposed or pending litigation were discussed during the executive session. No action was taken.

IX. Report of the Chair

Ms. Force stated an area of focus in the coming months will be the structure of the Real Estate Foundation and whether it would be more efficient and effective to combine it with the Foundation.

She also stated that in the near future Board members will be asked to complete a board assessment survey.

X. Adjournment

Having no other business, a motion to adjourn the meeting, made by Mr. Abramson and seconded by Ms. Nixon, passed. The meeting adjourned at 1:54 p.m.

Approved by:



Larry McDonald, Secretary  
University of Louisville Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

**April 27, 2023**

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on April 27, 2023, the Board adopted the following resolution:

**Filing of Tax Forms**

WHEREAS, on November 21, 2017, the Board approved the engagement of Deming Malone Livesay & Ostroff (“**DMLO**”) for the purpose of providing tax preparation services for the fiscal year ending June 30, 2017.

WHEREAS, on July 28, 2022, the Board of Directors approved a one-year renewal for the purpose of providing Form 990 tax preparation services for the fiscal year ending June 30, 2022.

WHEREAS, Foundation staff worked with DMLO on the preparation of the Form 990s and Form 990Ts.

WHEREAS, the Forms 990 and Forms 990T were shared with each Board member in advance of the informational sessions on April 18 and 19, 2023 for the Board of Directors to review and ask questions about the drafts of the same.

RESOLVED, upon the recommendation of the Audit, Compliance and Risk Management Committee, the Board hereby authorizes the Executive Director, subject to approval of legal counsel, to sign and file the following:


1. University of Louisville, Foundation, Inc. (Form 990, 990T, 926, and 8665)

BOARD ACTION:

Passed  X

Did Not Pass \_\_\_\_\_

Other \_\_\_\_\_

  
James E. Boone, Secretary  
University of Louisville Foundation, Inc.

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

**April 27, 2023**

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on April 27, 2023, the Board adopted the following resolution:

**Administrative Services Agreement Schedule A**

WHEREAS, on April 28, 2022, the Board approved the Administrative Services Agreement between the University of Louisville Foundation, Inc. and the University of Louisville Real Estate Foundation, Inc. attached hereto as Exhibit B.

RESOLVED, upon the recommendation of the Finance Committee, the Board approves the services and initial fees for fiscal year 2024, conditioned upon approval of the same by the University of Louisville Real Estate Foundation, as stated in Schedule A attached hereto as Exhibit A.

BOARD ACTION:

Passed  X

Did Not Pass \_\_\_\_\_

Other \_\_\_\_\_

  
James E. Boone, Secretary  
University of Louisville Foundation, Inc.

**ADMINISTRATIVE SERVICES AGREEMENT**

**THIS ADMINISTRATIVE SERVICES AGREEMENT** (the "Agreement"), is made and entered into as of May 1, 2022 (the "Effective Date"), by and between the **UNIVERSITY OF LOUISVILLE REAL ESTATE FOUNDATION, INC. ("ULREF")**, and **UNIVERSITY OF LOUISVILLE FOUNDATION, INC. ("Service Provider")**; and with ULREF each a "Party" and collectively, the "Parties").

A. ULREF is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

B. The Service Provider is organized and operated to receive, hold, invest, and administer property and to make expenditures to and for the benefit of the University of Louisville.

C. ULREF needs certain services which the Service Provider is able to provide.

D. ULREF and the Service Provider desire to enter into this Agreement in order to formalize and document their agreement concerning the Services (as that term is defined below).

**NOW, THEREFORE**, in consideration of the foregoing, and the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, ULREF and the Service Provider, intending to be legally bound, agree as follows:

1. Services. During the Term (as that term is defined in Section 4 below), the Service Provider will provide the services listed on Schedule A to ULREF (the "Services").

2. Monthly Service Fees. In exchange for each of the Services, each month during the Term, ULREF will pay to the Service Provider the Monthly Service Fee indicated next to each of the applicable Services on Schedule A. At the end of each month during the Term, the Service Provider will submit an invoice to ULREF in the amount of the total Monthly Service Fees incurred during such month. Such invoices will be due and payable within thirty (30) business days of receipt. Any invoice not paid within such 30 day period may be assessed finance charges equal to the lower of one and one-half percent (1.50%) per month or the maximum amount permitted by applicable law.

3. Increase of Monthly Service Fees during the Term. If, during the Term, the cost of providing any of the Services increases, the Service Provider may notify ULREF of such increase in cost and request an increase in the Monthly Service Fee applicable to such Service. Upon receipt of documentation establishing that the actual cost of providing the Service has increased directly proportionate to the amount of the requested increase in the Monthly Service Fee, ULREF shall have a period of sixty (60) days from ULREF's receipt of such document to either (i) reject the proposed Monthly Service Fee increase in which case the Service will be deleted from this Agreement and the Service Provider will no longer be obligated to provide such Service to ULREF or (ii) accept the increase in Monthly Service Fee; in either case this shall be accomplished by an amendment to this Agreement.

4. Term. The term of this Agreement (the “Term”) shall begin on the Effective Date and continue through June 30, 2027. Either Party can terminate this Agreement upon thirty (30) days prior written notice to the other Party.

5. Financial Information and Reporting. ULREF shall provide to Service Provider during the Term of this Agreement the following financial information: (i) as soon as it is available after the end of each fiscal year of ULREF beginning with its fiscal year ending June 30, 2021, ULREF’s audited financial statements; and (ii) as soon as it is available after the end of the fiscal year of ULREF beginning with its fiscal year ending June 30, 2021, ULREF’s Form 990, Return of Organization Exempt from Income Tax; and (iii) as soon as it is available beginning with its fiscal year ending June 30, 2021, an operating budget for ULREF for the immediately succeeding fiscal year. ULREF shall also provide to Service Provider’s Board of Directors, a quarterly report, presented by the chairperson of ULREF or his or her designee, on the financial performance of ULREF during the immediately preceding quarter, such quarterly report to include an update on the financial performance of ULREF, any development projects underway or study, and the amount of Tax Increment Financing revenue received year-to-date and during the immediately preceding quarter. ULREF shall also provide to Service Provider, with reasonable promptness, such other financial data and information with respect to ULREF as from time to time may reasonably be requested, including without limitation, any such data or information which may be requested by any governmental or public body or agency having jurisdiction over Service Provider.

6. Performance. The failure of either Party to insist upon strict performance of any provision of this Agreement shall not constitute a waiver of the right to insist upon strict performance of any other provision or the obligation to perform such provision strictly thereafter.

7. Indemnification. The Service Provider agrees, to the extent permitted by law, to indemnify, defend, and hold harmless ULREF, its members, affiliates, officers, managers, employees, agents and clients from and against any and all damages, claims, suits, losses, penalties, judgments, costs, fines, liabilities or expenses of whatever nature that ULREF may incur or suffer relating in any way to (i) to any breach or failure of the Service Provider to perform any of its representations and warranties contained in this Agreement; or (ii) any actual or alleged personal injury, death, economic loss or property damage, whatsoever related to this Agreement caused by the negligence or willful misconduct of Service Provider. The Parties agree to the allocation of liability risk set forth in this Section.

8. Representations and Warranties. The Service Provider represents as follows: (i) it shall use established, sound and professional knowledge, skill, judgment, principles and practices in accordance with the highest professional and industry standards in its provision of the Services under this Agreement; (ii) all work product shall conform to its specifications, requirements and descriptions in Schedule A; (iii) the Service Provider shall comply with all applicable laws, ordinances, codes and regulations in performing the Services under this Agreement; and (iv) it has the right to enter into and provide the Services required by this Agreement. ULREF is entitled to inspect and review all Services provided pursuant to this Agreement for conformity with the Service Provider’s obligations under this Agreement.

9. Relationship of Parties. ULREF and the Service Provider understand and agree that, with respect to and for the purposes of this Agreement, ULREF and the Service Provider are not

partners or joint venturers and nothing in this Agreement shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them. The relationship between ULREF and the Service Provider with respect to and for the purposes of this Agreement shall be that of independent contractors. All employees furnished by the Service Provider are and shall be considered employees of the Service Provider. The Service Provider is solely responsible for the compensation of such employees, including without limitation salary, benefits, and insurance coverage, including but not limited to workers' compensation insurance and other liability insurance. No employee of the Service Provider shall receive any salary or other compensation or benefits from ULREF. The Service Provider shall pay all personnel, administrative, facilities and other costs and expenses necessary or required to provide the Services required to be rendered by it under this Agreement.

10. Notices. All notices and other communications under this Agreement shall be in writing and shall be delivered by hand or mailed by registered or certified mail (return receipt requested) or transmitted by facsimile to the Parties at the following addresses (or at such other addresses for a Party as shall be specified by like notice) and shall be deemed given on the date on which such notice is received:

If to ULREF:

University of Louisville Real Estate Foundation, Inc.  
215 Central Avenue, Suite 212  
Louisville, Kentucky 40208  
Attention: Justin Ruhl  
Email: Justin.ruhl@louisville.edu

If to the Service Provider:

University of Louisville Foundation, Inc.  
215 Central Avenue, Suite 212  
Louisville, Kentucky 40208  
Attention: Keith Sherman  
Email: keith.sherman@louisville.edu

11. Amendments. No amendments, waivers or modifications of this Agreement shall be made or deemed to have been made unless in writing executed by the Party to be bound thereby.

12. Confidentiality. As a condition to the provision of the Services, each Party agrees to treat any confidential information (i.e., information identified as such and if provided in writing marked as confidential) relating to the other in accordance with the provisions of this Section. Each Party agrees that the confidential information relating to the other will be used solely for the purpose of providing the Services and not for any other business purpose, and that such confidential information will be kept strictly confidential during and after the Term for a period of two (2) years. Each Party agrees to give access to the confidential information of the other Party only to those of its representatives who need to have access to such confidential information in order to provide the Services. Notwithstanding the foregoing, nothing in this Agreement shall prevent either Party from making a disclosure to the extent that such disclosure has been consented



to in writing by the other Party or is required by law, regulation, supervisory authority or other applicable judicial or governmental order. The term "confidential information", when used with respect to a Party, refers to any information concerning that Party, its affiliates and/or subsidiaries, including without limitation their businesses and future prospects, whether prepared by them or their representatives or otherwise, that is furnished or disclosed or learned in connection with this Agreement, whether furnished or disclosed or learned before or after the date of this Agreement, together with any analyses, compilations, studies or other documents prepared by the other Party or any of its representatives that contain or otherwise reflect such information; *provided that*, the term "confidential information" does not include information (i) about a Party that was or becomes generally available to the public other than as a result of a disclosure by the other Party or its representatives or (ii) that was or becomes available on a non-confidential basis from a source other than one of the Parties or its representatives, provided that such source was not known to be bound by any agreement to keep such information confidential, and was not otherwise prohibited from transmitting the information by a contractual, legal or fiduciary obligation.

13. Force Majeure. Neither Party shall be in default of this Agreement or liable to the other Party for any delay or default in performance where occasioned by any cause of any kind or extent beyond its control, including but not limited to, armed conflict or economic dislocation resulting therefrom; embargoes; shortages of labor, raw materials, production facilities or transportation; labor difficulties; civil disorders of any kind; action of any civil or military authorities (including priorities and allocations); fires; floods; and accidents. The dates on which the obligations of a Party are to be fulfilled shall be extended for a period equal to the time lost by reason of any delay arising directly or indirectly from:

A. Any of the foregoing causes, or

B. Inability of that Party, as a result of causes beyond its reasonable control, to obtain instruction or information from the other Party in time to perform its obligations by such dates.

14. Severability. If any provision in this Agreement or the application of such provision to any person or circumstance shall be invalid, illegal or unenforceable, the remainder of this Agreement or the application of such provision to persons or circumstances other than those to which it is held invalid, illegal or unenforceable shall not be affected thereby.

15. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky, without giving effect to its conflict of law rules.

17. Specific Performance. Each Party acknowledges that the rights and obligations granted under this Agreement are of a special character which gives them a peculiar and unique value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law. Without limiting either Party's right to pursue all other legal and equitable remedies available to it, each of the Parties agrees that the other Party shall be entitled to injunctive and other equitable

relief (including specific performance) to prevent any violation or continuing violation of this Agreement without the need to introduce evidence of the inadequacy of money damages to remedy such violation.

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## EXHIBIT A

### SCHEDULE A

#### Services and Initial Fees

Effective July 1, 2023

The following Services are covered by this Agreement and the following fees will apply subject to adjustments in accordance with this Agreement. The Service Provider will charge ULREF for actual costs incurred. The initial fees represent the per unit cost of the Services. These amounts may not be exceeded without the mutual consent of the Parties.

<b>Services</b>	<b>Effective July 1, 2023 Initial Fees / Unit</b>	<b>Description</b>
Executive Services	\$15,700/month	All executive and supervisory services necessary for the operation and administration of ULREF.
Accounting, Treasury, Tax, and other Finance Services	\$25,100/month	Accounting, treasury, cash, receivables, purchasing and payables, and tax services contributed by internal accounting staff to record, pay, track, and report financial activity of ULREF.
Property Manager	\$11,000/month	Maintenance and administration of real estate, buildings, and structures.
General & Administrative	\$4,500/month	Costs of postage, copying, I/T, software, payroll administration, training, travel, bank fees and related account charges, credit card and processing fees, and other miscellaneous general & administrative expenses for shared services vendors.
Legal	Actual Out of Pocket	External counsel for general business matters
Other	Actual Out of Pocket	All services and related expenses provided by a shared Service Provider not otherwise described above. Examples may include, but not limited to: <ul style="list-style-type: none"><li>- External audit(s)</li><li>- Landscaping</li><li>- Janitorial</li><li>- Architectural</li><li>- Pest control</li><li>- Appraisal services</li><li>- Fire safety and security</li><li>- Snow removal</li><li>- Security</li><li>- Dues/ memberships/ subscriptions</li><li>- Maintenance supplies</li></ul>
<b>Total Fees</b>	<b>\$56,300/month</b>	

**RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE UNIVERSITY OF LOUISVILLE FOUNDATION, INC.**

**April 27, 2023**

At a duly convened meeting of the Board of Directors (the “**Board**”) of the University of Louisville Foundation, Inc., a Kentucky non-profit corporation (“**ULF**”), held on April 27, 2023, the Board adopted the following resolution:

**Operating Budget for 2023-2024**

RESOLVED, upon the recommendation of the Finance Committee, the Board approves the ULF operating budget for Fiscal Year 2023-2024 as presented. (Summary attached)

BOARD ACTION:

Passed  X

Did Not Pass \_\_\_\_\_

Other \_\_\_\_\_

  
James E. Boone, Secretary  
University of Louisville Foundation, Inc.



UNIVERSITY *of* LOUISVILLE  
**FOUNDATION**

**Budget Proposal**

# Key Budget Assumptions

- Investment returns
  - Blended 6% annual return on total investments
  - Total investment assets estimated to be \$1 billion on June 30
- UofL gifts
  - \$32 million Advancement annual goal; no change from the current year's goal
- Support payments to UofL
  - \$53 million annual total; a slight increase from the current fiscal year payments
  - Endowment spending policy totals \$35.5 million; \$29.8 million to academic units
  - Advancement support totals \$5 million; same as the current year
- Foundation administrative expenses
  - Annual expenses total \$4.7 million; a slight increase from the current year forecasted actual expenses of \$4.5 million

# Revenues Budget

*(in thousands)*

- **Investment returns:** blended 6% annual return on \$1 billion of total investments.
- **Rental revenues:** derived mainly from three ground leases at ShelbyHurst and Arthur Street property (North Quad)
- **Other revenues:** Campus housing revenues for affiliate dorm; cash is transferred to UofL for student housing support

	Proposed Budget	FYE23 Forecast	FYE23 Budget
University gifts	\$ 32,100	\$ 31,000	\$ 32,050
UofL Health gifts	11,000	12,500	11,000
Investment returns	60,000	42,000	60,300
Rental revenues	1,100	1,100	1,094
Other revenues	260	275	260
<b>Total revenues</b>	<b>\$ 104,460</b>	<b>\$ 86,875</b>	<b>\$ 104,704</b>

# Support to UofL Budget

*(in thousands)*

- **Total support to UofL** budgeted to approximate current year's forecast:
  - Increased endowment spending policy to departments. See appendix for spending policy approved for FYE24
  - No change in Advancement support from the current year
- **UofL health support** - no change from the current year

	Proposed Budget	FYE23 Forecast	FYE23 Budget
Endowment support to UofL	\$ 24,000	\$ 22,000	\$ 18,500
Current Use support to UofL	24,000	23,000	18,000
FHITBO support to UofL	3,200	3,200	3,000
Advancement support	5,000	5,000	5,000
Other support to UofL*	150	200	450
<b>Total support to UofL</b>	<b>56,200</b>	<b>53,400</b>	<b>44,950</b>
UofL Health support	10,500	11,000	10,000
<b>Total expenditures</b>	<b>\$ 66,850</b>	<b>\$ 64,400</b>	<b>\$ 54,950</b>

\*Predominately in-kind (i.e., “non-cash”) contributions



# Administrative and Other Expenses Budget

*(in thousands)*

- **Interest expense:**
  - 2013 fixed-rate bond (4.2%)
- **Salaries & benefits:**
  - 14 FTEs; no expected changes
  - 10% increase in health insurance premiums increases
  - 3% wages increase assumption plus related benefits
- **General and other:**
  - Property insurance premium increase
  - New cyber risk insurance premiums expected to be \$100,000 annually
  - 3% increase in utility costs
  - 5% increase for labor-intensive vendors (i.e., landscaping, janitorial)

	Proposed Budget	FYE23 Forecast	FYE23 Budget
Administrative Expenses:			
Interest expense	\$ 1,670	\$ 1,700	\$ 1,744
Salaries and benefits	1,300	1,200	1,516
ShelbyHurst expenses	680	750	650
General and other	1,000	800	910
<b>Total administrative expenses</b>	<b>4,650</b>	<b>4,450</b>	<b>4,820</b>
Other expenses (non-cash):			
Pledge bad debts	3,000	2,000	2,500
Depreciation and amort.	500	500	500
<b>Total admin. and other</b>	<b>8,150</b>	<b>6,950</b>	<b>7,820</b>

# Affiliate Company Budgets

- Two affiliate companies included in the Foundation's consolidated budget:
  - **TNRP, LLC (Atria Building)**
    - Building is fully leased and occupied; no expected vacancies
    - \$3.6 million in revenues from tenant leases
    - \$3.0 million total expense budget
    - \$2.2 million annual cash flow
  - **CCG, LLC (Golf Course)**
    - Managed by ULAA; ULAA covers any cash deficits
    - \$3.1 million in revenues, \$3.3 million in operating expenses
    - No capital expenditures anticipated

# Appendix

# UofL Foundation

## Endowment Spending Policy Distributions

*(in thousands)*

- Fiscal Year 2023-2024 spending policy approved in the January 2023 Board meeting.

	FYE 24		FYE 23	
	Amount	Rate	Amount	Rate
Spending Policy:				
Academic units	\$29,896	4.00%	\$28,088	4.00%
Administrative fee	5,672	0.75%	5,236	0.75%
Total	35,568	4.75%	33,324	4.75%
PNC-managed endowments	328		386	
UofL Trust	1,317		1,312	
<b>Total endowment distributions available</b>	<b>\$37,213</b>		<b>\$35,022</b>	

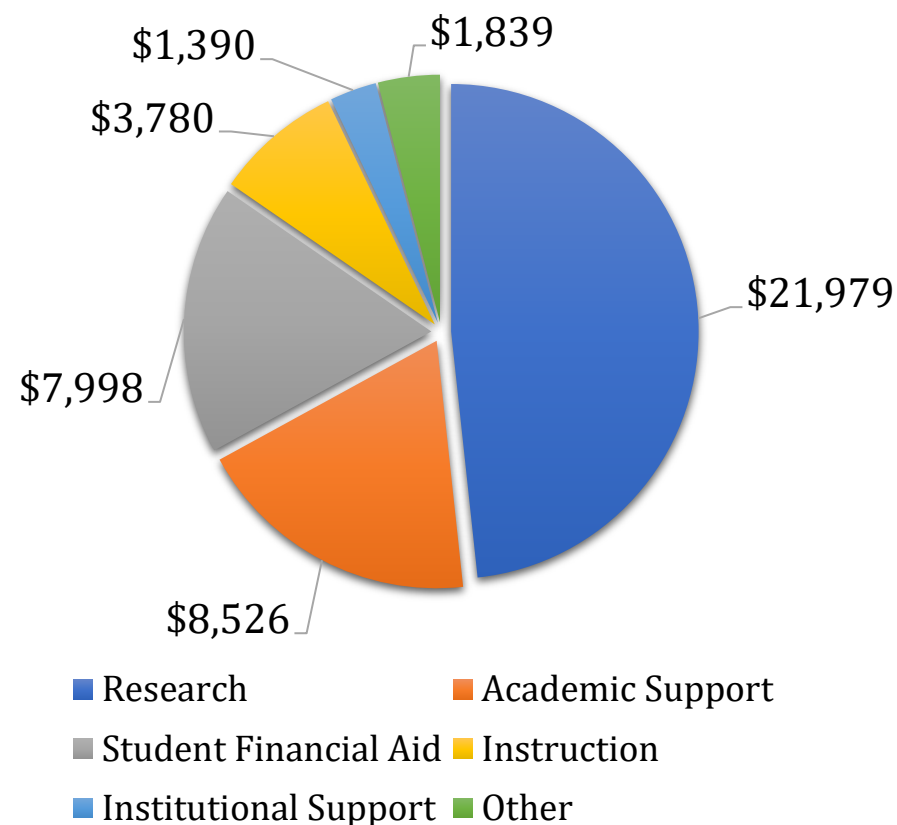
# Endowment Funds Available

## Fiscal year 2023-2024

(in thousands)

	Estimate for Fiscal Year 2023-2024			
School/ Unit	New Spending Policy	Projected Carryover	Total Beginning Available	Fiscal Year 2022-2023 Beginning Available
Medicine	\$ 14,365	\$ 8,736	\$ 23,101	\$ 22,457
Speed School	3,747	424	4,170	4,134
A&S	2,820	1,620	4,440	4,399
Business	2,240	658	2,898	2,788
Office of the Provost	1,858	260	2,118	2,020
Student Financial Aid	1,419	176	1,595	1,586
Law	1,086	225	1,311	1,253
Office of the President	853	34	887	842
Music	690	252	942	886
Education	662	791	1,453	1,406
All others	1,803	794	2,597	2,475
<b>Grand Total</b>	<b>\$ 31,542</b>	<b>\$ 13,970</b>	<b>\$ 45,512</b>	<b>\$ 44,248</b>

**FUNDS AVAILABLE BY AREA OF SUPPORT**



# ULF Cash Sources & Uses

(in thousands)

- **Sources:**

- **Beginning cash on hand** June 30<sup>th</sup> = \$1 million
- **Investment pools:**

Pool	Amount	Rate (%)
Main Endowment	5,672	0.75%
Current Use	1,750	3.50%
FHITBO	140	3.50%
Operating Reserve	0	0.00%
<b>Total</b>	<b>7,562</b>	

- **Uses:**

- **Advancement:** no change from the current year
- **Principal payments on debt:** 2013 Series bond - \$920,000 plus \$306,000 on ULDC line of credit
- **Capital expenditures:** \$100,000 set aside for the Arthur Street (North Quad) property and \$600,000 for Campus One tenant improvements

Cash Sources	Amount
Beginning cash on hand	\$ 1,000
Investment pools	7,562
Atria building	2,160
Campus One JV distributions	306
Arthur Street (North Quad) rents	530
ShelbyHurst ground lease rents	300
UofL Health fees	55
<b>Total cash sources</b>	<b>\$ 11,913</b>

Cash Uses	Amount
Advancement	\$ (5,000)
Interest expense	(1,670)
Salaries and benefits	(1,300)
ShelbyHurst	(680)
General and other	(1,000)
Principal payments on debt	(1,226)
Capital expenditures	(700)
<b>Total cash uses</b>	<b>\$ (11,576)</b>

<b>Ending cash</b>	<b>\$ 337</b>
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# UofL Foundation Standalone Operating Budget *(in thousands)*

- FYTD 2023 column represents the financial results for the eight months ending February 28, 2023.

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.  
For the Fiscal Year Ending June 30, 2024  
UofL Foundation Standalone Operating Budget  
*(in thousands)*

	ULF Proposed Budget FY 2024	ULF Annual Budget FY 2023	ULF Actual FYTD 2023	% to Budget	ULF Actual FY 2022	ULF Actual FY 2021
<b>Revenues</b>						
Investment return (loss), net	60,000	60,300	10,596	18%	(31,559)	252,199
UofL outright gifts, new pledges, & in-kind gifts	32,100	32,050	20,684	65%	39,373	30,647
UofL Health gifts	11,000	11,000	8,842	80%	10,938	7,990
Rental revenues	1,100	1,094	768	70%	1,128	1,142
Other revenues	260	260	2	1%	243	5,660
<b>Total revenues</b>	<b>104,460</b>	<b>104,704</b>	<b>40,892</b>	<b>39%</b>	<b>20,123</b>	<b>297,638</b>
<b>Expenditures</b>						
Endowment support to UofL	24,000	18,500	14,790	80%	18,587	16,268
Current Use support to UofL	24,000	18,000	15,531	86%	18,471	17,278
FHITBO support to UofL	3,200	3,000	2,130	71%	2,953	2,015
Advancement support	5,000	5,000	3,333	67%	4,938	6,319
UofL Health support	10,500	10,000	7,932	79%	10,656	7,544
Other support to UofL	150	450	322	72%	557	478
<b>Total expenditures</b>	<b>66,850</b>	<b>54,950</b>	<b>44,038</b>	<b>80%</b>	<b>56,162</b>	<b>49,902</b>
<b>Administrative Expenses</b>						
Interest expense	1,670	1,744	1,125	65%	1,745	1,778
Salaries and benefits	1,300	1,516	762	50%	945	965
ShelbyHurst expenses	680	650	486	75%	667	624
General and other	1,000	910	481	53%	(90)	1,782
<b>Total ULF administrative expenses</b>	<b>4,650</b>	<b>4,820</b>	<b>2,854</b>	<b>59%</b>	<b>3,267</b>	<b>5,149</b>
<b>Other Expenses</b>						
Provision for uncollectable pledges	3,000	2,500	(168)	-7%	2,262	3,662
Depreciation and amortization	500	500	327	65%	494	607
<b>Total other expenses</b>	<b>3,500</b>	<b>3,000</b>	<b>159</b>	<b>5%</b>	<b>2,756</b>	<b>4,269</b>
<b>Total expenses</b>	<b>75,000</b>	<b>62,770</b>	<b>47,051</b>	<b>75%</b>	<b>62,185</b>	<b>59,320</b>
<b>Net income (loss)</b>	<b>29,460</b>	<b>41,934</b>	<b>(6,159)</b>	<b>-15%</b>	<b>(42,062)</b>	<b>238,318</b>
<b>Total adjustments to cash flow</b>	<b>2,401</b>	<b>(9,113)</b>	<b>28,909</b>		<b>81,384</b>	<b>(205,643)</b>
<b>Cash flow</b>	<b>31,861</b>	<b>32,821</b>	<b>22,750</b>		<b>39,322</b>	<b>32,675</b>

**UofL Foundation**  
**Account Liquidations Used for Administrative Expenses vs. Estimated Returns**  
(in thousands)

	<b>Main Endowment</b>	<b>Current Use</b>	<b>Operating Reserve</b>	<b>FHITBO Spending</b>	<b>Other Endowments</b>	<b>Total Investments</b>
Market value on June 30, 2023	\$825,000	\$ 50,000	\$ 12,000	\$ 5,000	\$ 108,000	\$ 1,000,000
Annual returns(%)	6%	6%	6%	6%	6%	6%
Annual returns (\$)	49,500	3,000	720	300	6,480	60,000
Investment liquidations (\$)	(5,672)	(1,750)	0	(140)	0	(7,562)
<b>Returns in excess of liquidations</b>	<b>\$ 43,828</b>	<b>\$ 1,250</b>	<b>\$ 720</b>	<b>\$ 160</b>	<b>\$ 6,480</b>	<b>\$ 52,438</b>





# UNIVERSITY ADVANCEMENT UPDATE

Julie Dials  
Interim Vice President for University Advancement

April 27, 2023

# MISSION MOMENT



Thank You from  
the University of Louisville

# FY23 YEAR-TO-DATE HIGHLIGHTS

**Current  
YTD  
Philanthropy**

**\$78.3M**

**Raise  
Some L  
(Day of  
Giving )**

**\$3.2M**

## **Significant Gifts Q2 & Q3**

- **\$1.5M** - Cardiovascular Research Endowment for School of Medicine (bequest)
- **\$1.2M** - Disparity Trial and HEART Program (Humana Foundation)
- **\$1M** - Two Bucks for Brains Endowed Professors for Brown Cancer Center
- **\$900k** - School of Medicine Research Enhancements (JHF)
- **\$875k** - David Power Designer-in-Residence for Hite Art Institute/A&S
- **\$650k** - Patricia Brill Scholarship
- **\$500k** - Real Estate Finance and Management Program in COB (LDG)

# FY23 ADVANCEMENT ACCOMPLISHMENTS



**Transition to  
New CRM**



**Advancement  
Services/  
CRM Assessment**



**Digital  
Stewardship  
Reporting**



**Prospect  
Management  
Best Practices**



**Collaborative  
Principal Gift  
Meetings**



**Presidential  
Engagement  
Plan**



**Corporate  
Engagement  
Process**



**Strategic  
New  
Positions**



**Major Gifts  
Intensive  
Fundraiser Training**

# STAFF CHANGES – NEW POSITIONS

Sr. Director of Prospect Development (Maggie Schneider)

Sr. Director of Development – Speed (Teresa Leezer)

Sr. Director of Development – Business (Allison Commings)

Director of Development – Medicine (TBA)

Associate Director of Content and Creative Strategy (Morgan Blair)

Assistant Director of Alumni Initiatives – Law (Jamie Johnson)

Assistant Director of Development – Scholarship Giving (TBA)

# STAFF CHANGES – COMPLETED HIRES

Sr. Director for Development – Brown Cancer Center (Kara Salsman)

Sr. Director of Development – Medicine (Joe Tackett)

Sr. Director of Development – Medicine (Loren Carlson)

Director of Development – Kent School (Taylor Shaw)

Director of Development – Music (Mark Kazmeryck)

Director of Development – Student Affairs (Chris Woodall)

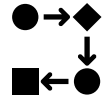
Assistant Director of Development – Libraries and A&S (Jordan McGinty)

Assistant Director of Leadership Annual Giving – Medicine (Monica Smith)

# PROSPECT MANAGEMENT STRATEGY



**Portfolio  
Strategy**



**Portfolio  
Processes &  
Guidelines**



**Industry-  
Standard  
Portfolios**



**Pipeline:  
FY24 \$34.9M  
FY25 \$11.4M**



**Strategic  
Reporting  
Tools**



**New  
Wealth  
Screening  
Tool**

# GOALS FOR FY24



**Onboarding  
New Vice  
President**



**Digital  
Fundraising  
Plan**



**Increased  
Alumni  
Engagement**



**Regional  
Fundraising  
Plan**



**Corporate  
Engagement  
Strategies**



**Maximize  
BBCRM  
Integration**



**Finalize  
University  
Naming  
Policy**



**Integrate  
DEI into  
Fundraising  
Priorities**





QUESTIONS?



Please reach out anytime  
[julie.dials@louisville.edu](mailto:julie.dials@louisville.edu)

**THANK YOU FOR YOUR SUPPORT!**