

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Net Position
June 30, 2017 and 2016
(In Thousands)
DRAFT - UNAUDITED

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	2017	2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 76,669	\$ 123,803
Deposit with bond trustee and escrow agent	47	5,754
Short-term investments	2,242	918
Loans, accounts and contributions receivable, net	77,964	78,821
Due from Affiliates	23,602	12,263
Inventories	853	883
Other assets	10,075	9,723
Total current assets	<u>191,452</u>	<u>232,165</u>
Noncurrent Assets		
Restricted cash and cash equivalents	62,707	28,046
Deposit with bond trustee and escrow agent	6,700	5,242
Loans, accounts and contributions receivable, net	71,748	43,455
Due from Affiliates	24,563	9,962
Due from University of Louisville Real Estate Foundation, Inc.	9,770	9,800
Investments held with University of Louisville Foundation, Inc.	25,280	25,952
Other long-term investments	1,560	1,988
Other long-term assets	313	743
Capital assets, net	891,944	868,398
Total noncurrent assets	<u>1,094,585</u>	<u>993,586</u>
Total assets	<u>1,286,036</u>	<u>1,225,751</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>7,412</u>	<u>6,967</u>
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	94,869	86,275
Unearned compensation and wages payable	1,686	1,686
Advances	47,537	75,885
Bonds and notes payable	27,831	23,183
Total current liabilities	<u>171,923</u>	<u>187,029</u>
Noncurrent Liabilities		
Due to University of Louisville Foundation, Inc.	316	316
Note payable to University of Louisville Foundation, Inc.	1,000	1,000
Unearned compensation and wages payable	4,688	7,895
Deposits	1,451	918
Advances	3,351	32,591
Amounts due to federal government for student loan programs	15,348	16,199
Other long-term liabilities	43,803	38,283
Bonds and notes payable	252,977	228,821
Total noncurrent liabilities	<u>322,934</u>	<u>326,023</u>
Total liabilities	<u>494,857</u>	<u>513,052</u>
DEFERRED INFLOWS OF RESOURCES	<u>49,436</u>	<u>175</u>
NET POSITION		
Net investment in capital assets	660,318	632,789
Restricted for:		
Nonexpendable		
Scholarships and fellowships	1,633	1,633
Expendable		
Scholarships and fellowships	1,263	2,587
Research	18,780	18,682
Instruction	6,300	5,158
Public service	13,156	13,333
Academic support	(833)	1,303
Institutional support	8,613	8,668
Loans	2,761	2,848
Capital projects	5,081	20,146
Debt service	28,433	19,283
Unrestricted	3,651	(6,939)
Total net position	<u>\$ 749,155</u>	<u>\$ 719,491</u>

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Revenues, Expenses and Changes in Net Position
Years Ended June 30, 2017 and 2016
(In Thousands)
DRAFT - UNAUDITED

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Student tuition and fees, net of scholarship allowance of \$89,937 in 2017 and \$91,190 in 2016	\$ 221,626	\$ 209,503
Clinical services and practice plan	336,005	269,420
Federal grants and contracts	68,586	69,865
State and local grants and contracts	8,881	8,734
Nongovernmental grants and contracts	12,817	24,890
Sales and services of educational departments	9,438	8,431
Facilities and administrative cost recoveries	25,064	24,611
Auxiliary enterprises, net of discount of \$2,138 in 2017 and \$2,045 in 2016	13,842	12,135
Intercollegiate athletics	72,756	71,335
Other operating revenues	36,113	11,898
Total operating revenues	<u>805,128</u>	<u>710,822</u>
OPERATING EXPENSES		
Instruction	293,306	286,629
Research	141,177	136,476
Public service	140,221	121,062
Academic support	142,253	134,838
Student services	31,942	30,625
Institutional support	94,167	78,192
Operation and maintenance of plant	51,404	48,935
Scholarships and fellowships	32,278	30,842
Auxiliary enterprises	7,443	7,912
Intercollegiate athletics	88,843	85,073
Depreciation and amortization	48,503	51,295
Total operating expenses	<u>1,071,537</u>	<u>1,011,879</u>
Operating loss	<u>(266,409)</u>	<u>(301,057)</u>
NONOPERATING REVENUES (EXPENSES)		
State appropriations	134,508	142,213
Gifts	29,657	30,589
Nonexchange grants and contracts	44,504	43,347
Investment income	1,394	1,938
Realized and unrealized loss on investments	106	(4,657)
Interest on capital asset-related debt	(8,900)	(9,961)
Other nonoperating revenues	4,713	703
Net nonoperating revenues	<u>205,982</u>	<u>204,172</u>
Loss before other revenues, expenses, gains and losses	<u>(60,427)</u>	<u>(96,885)</u>
Capital appropriations	21,608	9,741
Capital gifts	17,000	9,623
Contributions to Affiliate Entity	(2,491)	(3,088)
Contributions from University of Louisville Foundation, Inc.	53,974	93,520
Total other revenues	<u>90,091</u>	<u>109,796</u>
Increase in net position	<u>29,664</u>	<u>12,911</u>
NET POSITION		
Net position - beginning of year	719,491	706,580
Net position - end of year	<u>\$ 749,155</u>	<u>\$ 719,491</u>

University of Louisville and Affiliated Corporations
A Component Unit of the Commonwealth of Kentucky
Statements of Cash Flows
Years Ended June 30, 2017 and 2016
(In Thousands)
DRAFT - UNAUDITED

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Student tuition and fees	\$ 219,318	\$ 214,472
Clinical services and practice plan	280,413	269,000
Grants and contracts	101,807	94,255
Sales and services of educational departments	12,412	5,900
Payments to suppliers	(245,932)	(224,987)
Payments for utilities	(19,842)	(20,297)
Payments to employees	(567,080)	(547,059)
Payments for benefits	(136,053)	(129,031)
Payments for scholarships and fellowships	(34,743)	(32,410)
Loans issued to students and employees	(1,055)	618
Auxiliary enterprises	25,431	11,552
Facilities and administrative cost recoveries	25,064	24,611
Intercollegiate athletics	68,081	71,024
Other receipts	34,502	11,074
Net cash used by operating activities	<u>(237,677)</u>	<u>(251,278)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State appropriations	137,290	139,443
Gifts	28,676	32,994
Nonexchange grants and contracts	44,503	43,417
Contributions from related entities	30,991	61,003
Contributions to related entities	(2,000)	(3,088)
Other noncapital financing activities	4,155	1,852
Net cash provided by noncapital financing activities	<u>243,615</u>	<u>275,621</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital appropriations received	21,222	9,741
Capital gifts received	10,780	9,269
Purchases of capital assets	(71,775)	(50,776)
Proceeds from issuance of bonds and notes payables	71,564	114,536
Payments of issuance costs	(570)	(7,798)
Principal paid on bonds and notes payable	(56,409)	(101,453)
Interest paid on bonds and notes payable	(7,795)	(12,408)
Deposits with bond trustee and escrow agent	4,249	830
Net cash used by capital and related financing activities	<u>(28,140)</u>	<u>(38,059)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	10,503	18,463
Purchase of investments	(2,333)	(3,555)
Interest on investments	1,559	1,615
Net cash provided by investing activities	<u>9,729</u>	<u>16,523</u>
Net increase/(decrease) in cash and cash equivalents	(12,473)	2,807
Cash and cash equivalents - beginning of year	151,849	149,042
Cash and cash equivalents - end of year	<u>\$ 139,376</u>	<u>\$ 151,849</u>

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	<u>2017</u>	<u>2016</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH		
USED BY OPERATING ACTIVITIES		
Operating loss	\$ (266,409)	\$ (301,057)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	48,503	51,295
Loss on equipment disposals	2,037	121
Change in assets and liabilities:		
Loans, accounts and contributions receivable, net	(24,002)	(9,593)
Inventories	30	65
Other assets	(323)	(173)
Other long-term assets	250	250
Accounts payable and accrued liabilities	5,562	(926)
Advances	(56,325)	3,289
Deposits	533	16
Due from University of Louisville Foundation, Inc.	1,814	5,474
Unearned compensation and wages payable	(3,543)	1,444
Other long-term liabilities	5,280	1,950
Deferred inflows of resources	48,916	(3,433)
Net cash used by operating activities	<u>\$ (237,677)</u>	<u>\$ (251,278)</u>