

MINUTES OF THE FINANCE & BUDGET COMMITTEE MEETING OF THE
UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.

October 28, 2022

In Open Session

Members of the Finance & Budget Committee of the University of Louisville Athletic Association, Inc., Board of Directors met in the Angel's Envy Club, Cardinal Stadium, on October 28, 2022, at 10:04 a.m., with members present and absent as follows:

Present: Dr. Lori Gonzalez, Chair Pro Tem
Dr. Gerry Bradley
Mr. Dorian Brown
Mr. Dan Durbin
Mr. Kevin Ledford
Prof. Brandon McCormack
Mr. Sam Rechter
Ms. Shannon Rickett
Prof. Krista Wallace-Boaz

Absent: Prof. Meg Hancock
Mr. Dennis Heishman

Other Directors

Present: Mr. Ryan Bridgeman
Prof. Rob Detmering
Mr. Lee Gill
Mr. Steve Jones
Prof. Carolyn Klinge
Mr. Robert Kohn
Dr. Amy Lingo
Ms. Taylar Nolden
Mr. Jim Rogers
Ms. Gayle Saunders
Prof. Lars Smith
Dr. Ron Wright

From the

University: Mr. Josh Heird
Ms. Angela Curry
Mr. Jeff Spoelker
Mr. Marvin Mitchell
Ms. Amy Calabrese
Mr. Derek Cowherd
Mr. Scott Sallade

Ms. Lottie Stockwell
Mr. John Carns
Mr. Justin Ruffin
Ms. Lauren Rust
Mr. Zach Greenwell
Mr. Zach Brooks
Mr. Michael Dudas
Mr. Alan Kellogg
Mr. Jake Beamer

Others: Mr. Chris Suda, CliftonLarsonAllen

I. Call to Order

Dr. Gonzalez requested that she chair the committee meeting because the appointment of new committee chairs was scheduled for the board of directors meeting schedule after this meeting.

There were no objections.

Dr. Gonzalez called the roll. Having determined a quorum present, she called the meeting to order at 10:04 a.m.

Approval of Minutes, 6-10-2022

Mr. Durbin made a motion, which Prof. Wallace-Boaz seconded, to approve the minutes of the June 10, 2022, meeting. The motion passed.

II. Information Item: 2021-2022 Audited Financial Statements

Mr. Suda briefed the committee on the 2021-2022 audited financial statements of the Athletic Association. Using the **attached** presentation, he also discussed the independent auditor's report, management's discussion, and analysis of the statements.

Mr. Suda then fielded questions from committee members.

III. Action Item: 2021-2022 Audited Financial Statements

Dr. Bradley made a motion, which Prof. Wallace-Boaz seconded, to approve the

Chair's recommendation that the Board of Directors approve the Auditor's Report and Financial Statements June 30, 2022 and 2021 as presented under Governmental Accounting Standards Board (GASB) 34, as attached.

The motion passed.

IV. Action Item: Approval of Turf Replacement at Cardinal Stadium

Mr. Spoelker briefed the committee on the recommendation to replace the turf at Cardinal Stadium, noting that the existing turf was installed in 2013 and has exceeded its life expectancy. The new turf, which will be installed by FieldTurf under an existing state contract, will have a 10-year warranty. Work will begin in July 2023 and be completed by Sept 2, 2023.

He then fielded questions from the committee.

Ms. Rickett made a motion, which Mr. Rechter seconded, to approve the

Athletic Director's recommendation that the Board of Directors authorize the replacement of the playing surface at Cardinal Stadium at a cost not to exceed \$1,000,000.00

The motion passed.

V. Information Items: Financial Updates

Mr. Spoelker presented to the committee the **attached** financial updates reflecting the source and application of funds as of June 30, 2022 and September 30, 2022. The update included summaries of revenue, expenditure, endowments, operating funds, and changes in net position.

Messrs. Spoelker and Heird then fielded questions from directors.

No action was taken.

Annual Report of Financial Matters

Using the **attached** documents, Messrs. Spoelker and Heird also provided the annual report of financial matters, July 1, 2021 through June 30, 2022, as required by Section IV of the ULAA Financial Transactions Policy.

Following questions from directors, no action was taken.

VI. Adjournment

Having no other business to come before the committee, Prof. Wallace-Boaz made a motion, which Mr. Durbin seconded, to adjourn the meeting.

The motion passed and the meeting adjourned at 10:20 a.m.

Approved by:

 Signature on file _____
Assistant Secretary



We'll get you there.

University of Louisville Athletic Association, Inc.

Audit Presentation Year Ending June 30, 2022

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Terms of Engagement



Express an opinion on the Association's financial statements as of June 30, 2022.

Summarize audit findings and observations and present to management and the Board of Directors



Audit Scope and Coverage

- Performed audit using a risk-based approach
- Time spent understanding and testing each audit area was commensurate with the level of assessed risk:

Internal Controls

Revenue
Recognition

Payroll Expense

Accounts
Receivable and
Related Allowance

Capital Assets
(Property &
Equipment)

Cash and
Investments

Actuarial
Estimates – Other
Postemployment
Benefits

Bonds, Notes and
Debt

Implementation of
GASB 87



Audit Results Highlights

- Financial statement audit opinion is unmodified “cleanest opinion” (page 2).
- Two significant deficiencies reported on internal controls over financial reporting for audit adjustments
- Implementation of GASB Statement No. 87, Leases



Government Auditing Standard Deficiencies

- Significant Deficiencies:
 - 2022-001 Prior Year Adjustment: During the audit process, a prior period adjustment was recorded which restated prior year Due to the University of Louisville and Contributions (to)/from related entities by approximately \$5,351,000.
 - 2022-002 Accounts Payable: During the audit process, CLA noted that controls related to cutoff of accounts payable were not operating effectively. As a result, an audit adjusting entry was recorded to increase accounts payable and capital assets by approximately \$1,810,000.



Effects of GASB 87 Implementation and Correction of an Error

- Changes to Net Position as of June 30, 2021 are as follows (in thousands):

As previously reported	Effect of Change (GASB 87)	Effect of Correction of Error	As Restated
\$122,711	(\$642)	(\$5,351)	\$116,718



Uncorrected Misstatements

- Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The below schedule summarizes uncorrected misstatements of the financials.

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
University of Louisville
University of Louisville Athletic Association
Year Ended June 30, 2022

<u>UNCORRECTED MISSTATEMENTS OF AMOUNTS</u>	<u>Effect of misstatements on:</u>			
<u>Description</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Fund Balance / Net Assets</u>	<u>Net Expense/Revenue and Change in Net Assets / Fund Balance</u>
Potential Uncapitalized Purchases	\$ 448,052			\$ (448,052)
Net current year misstatements (Iron Curtain Method)	448,052	-	-	(448,052)
Net prior year misstatements	(589,133)	-		589,133
Combined current and prior year misstatements (Rollover Method)	\$ (141,081)	\$ -	\$ -	\$ 141,081
Financial statement totals	\$ 329,843,000	\$ 221,785,000	\$ 108,058,000	\$ 108,058,000
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%			0%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%			0%



Governance Communication Letter

Overall

- No transactions noted which there is a lack of authoritative guidance.
- No changes in scope of audit.

Estimates

- Some estimates present in financial statements.
- Allowance for doubtful accounts receivable, depreciation based on estimated useful lives, self-insurance accrual, other postretirement liability and related deferred outflows and inflows.
- We are comfortable with management's estimates.

Difficulties

- No difficulties with management.
- No disagreements encountered.

Other

- Management will provide a signed Representation letter at the conclusion of the audit.
- Management has determined that the effects of all uncorrected misstatements are immaterial.
- None of the misstatements detected as a result of audit procedures and corrected by management were material.



Questions

- We welcome any questions pertaining to the audit report and governance communication letter.
- We appreciate the opportunity to serve the Board of Directors as the auditors for the University of Louisville Athletic Association.



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RECOMMENDATION TO BOARD OF DIRECTORS OF THE
UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC. CONCERNING
THE AUDITOR'S REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

Finance and Budget Committee – October 28, 2022
Board of Directors – October 28, 2022

RECOMMENDATION:

The Chair recommends that the Board of Directors approve the Auditor's Report and Financial Statements June 30, 2022 and 2021 as presented under Governmental Accounting Standards Board (GASB) 34, as [attached](#).

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____

 DS
Signature on file
Assistant Secretary

BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

 DS
Signature on file
Assistant Secretary

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.

A Component Unit of the University of Louisville

**Auditor's Report and Financial Statements
June 30, 2022 and 2021**

DRAFT

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
For the Years Ended June 30, 2022 and 2021

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UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Management Discussion and Analysis (Unaudited)
For Years Ended June 30, 2022 and 2021

Introduction

The following discussion and analysis provides an overview of the financial position and activities of the University of Louisville Athletic Association, Inc. (Association) as of and for the years ended June 30, 2022 and 2021. Comparative information for the year ended June 30, 2020 has been provided where applicable. This discussion has been prepared by management and should be read in conjunction with the financial statements and related notes, which follow this section.

The Association is a Kentucky nonprofit corporation organized in 1984 for the purpose of promoting the intercollegiate athletic activities of the University of Louisville (University), a state-supported metropolitan research university located in Louisville, Kentucky. The Association is reported herein as a separate corporation and it is included in the consolidated financial statements of the University.

The Association's mission, to provide quality intercollegiate athletic programs through a comprehensive sports program, requires a major financial commitment of both operating and capital resources. In addition, the Association is committed to achieving athletic excellence for its student-athletes, maintaining National Collegiate Athletic Association (NCAA) compliance, ensuring full implementation of gender equality plans and offering a wide variety of sports and recreational outlets for the University community, alumni, and visitors.

The Association is committed to the academic achievement and community involvement of its student-athletes. During the 2021/2022 academic year, the overall student athlete GPA for the year was a combined 3.3 with 21 of the 23 sports teams having a collective GPA above 3.0.

On the field, the women's teams finished ninth in the Capital One Cup standings paced by NCAA Final Four appearances for both women's basketball and volleyball. Overall, the department finished 34th in the final Learfield cup standings – the 12th-straight year finishing in the top 40. Women's Tack and Field brought home an NCAA national championship in Pole Vault.

During the 2020 academic year, the World Health Organization declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (referred to as the Pandemic). The response to the pandemic caused significant restrictions in the delivery of sporting events, therefore affecting the operations and revenues of the Association. These restrictions have been lifted allowing operations to resume at full capacity during the 2021/2022 fiscal year.

The University has taken measures to make the campus environment safe for faculty, staff and students through the use of masks in close settings, providing on campus testing sites, and real time communications through emails and a dedicated website. The University, along with its affiliated hospital, offered COVID-19 vaccinations to the university population and the community at large.

The operations of the University and the Association have changed and evolved to meet the circumstances of our society. Further adaptive measures may be necessary to meet the needs of the students, faculty, staff and community as the Pandemic unfolds in the future.

Using the Financial Statements

The Association's financial report includes the Statements of Net Position; the Statements of Revenues, Expenses, and Changes in Net Position; and the Statements of Cash Flows. These financial statements are prepared in accordance with Government Accounting Standards Board (GASB) principles, which establish standards for external financial reporting for public colleges and universities. The Association is presented here as a single entity and is also included in the consolidated financial statements of the University.

Statements of Net Position

The statements of net position present the financial position of the Association at the end of each fiscal year. Net position represents the difference between total assets, total deferred outflows of resources, total

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liabilities, and total deferred inflow of resources. The change in net position indicates whether the overall financial condition has accumulated or consumed resources during the year. Assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally measured using current values. Pledges receivable with payment terms greater than one year are discounted. Capital assets are stated at historical cost less an allowance for accumulated depreciation.

The condensed version of the Association's assets, liabilities, and net position at June 30, 2022, 2021, and 2020 (in thousands) is summarized below:

Condensed Statement of Net Position
Years ended June 30, 2022, 2021, 2020
(In Thousands)

	2022	2021 (Restated)	2020	2022-2021 Change	2021-2020 Change
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets	\$ 40,868	\$ 44,683	\$ 39,496	\$ (3,815)	\$ 5,187
Capital assets, net	206,838	211,676	218,364	(4,838)	(6,688)
Right-of-use asset, net	43,614	45,838	—	(2,224)	45,838
Other	36,959	29,349	29,933	7,610	(584)
Deferred outflows of resources	1,564	1,585	1,499	(21)	86
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	329,843	333,131	289,292	(3,288)	43,839
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Current liabilities	57,660	56,509	42,393	1,151	14,116
Noncurrent liabilities	162,712	158,105	118,739	4,607	39,366
Deferred inflows of resources	1,413	1,799	1,827	(386)	(28)
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	221,785	216,413	162,959	5,372	53,454
NET POSITION					
Net investment in capital assets	127,205	130,662	134,318	(3,457)	(3,656)
Restricted - nonexpendable	1,831	1,868	1,349	(37)	519
Restricted - expendable	7,635	18,033	17,485	(10,398)	548
Unrestricted	(28,613)	(33,845)	(26,819)	5,232	(7,026)
TOTAL NET POSITION	108,058	116,718	126,333	(8,660)	(9,615)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 329,843	\$ 333,131	\$ 289,292	\$ (3,288)	\$ 43,839

Assets

The primary components of current assets are cash and cash equivalents, pledges and accounts receivable, investments held with the Foundation, and inventory. The Association experienced a decrease in current assets of \$3.8 million when compared to June 30, 2021.

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The primary components of noncurrent assets are restricted cash, capital assets, including right-of-use leased assets, and pledges and accounts receivable due in greater than a year. A net increase of \$.5 million in these assets occurred between June 30, 2022 and June 30, 2021.

Deferred Outflows of Resources

Deferred outflows of resources represent a consumption of net assets applicable to a future period. The balance of \$1.6 million as of June 30, 2022 consists of a loss on bond refunding of \$570 thousand and \$994 thousand of future payments to be made for other postretirement employment benefits.

Liabilities

The primary components of current liabilities are accounts payable, deferred compensation, deferred ticket revenue, and the current portion of notes payable. The current liabilities increase of \$1.2 million is accounted for from a decrease in advances and an increase in accounts payable and accrued liabilities. The Association had a balance of \$9.0 million drawn on the line of credit as of June 30, 2022.

Noncurrent liabilities net increase of \$4.6 million as of June 30, 2022, when compared to June 30, 2021, is mainly attributed to debt activities. The most significant noncurrent liabilities are interest-free and interest bearing loans from the University and the Foundation, notes and contracts payable, and leases payable over the life of lease contracts.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to future periods. The balance of \$1.4 million consists of \$0.1 million of future receipts from a food service concession arrangement and \$1.3 million related to the change in actuarial assumptions and differences between expected and actual experience in the other postemployment benefit liability.

Net Position

Net position represents the residual interest in the Association's assets after liabilities are deducted. Total net position of \$108.1 million as of June 30, 2022 is reported in the following categories: net investment in capital assets of \$127.2 million; restricted nonexpendable of \$1.8 million; restricted expendable of \$7.6 million, and a net balance in unrestricted of negative \$29 million.

Fiscal Year 2021

Total assets at June 30, 2021 were \$333.1 million, an increase of \$43.8 million from June 30, 2020. The increase is attributable to an addition of right-of-use asset, net of \$46 million.

Deferred outflows of resources were \$1.6 million as of June 30, 2021 representing a minor increase of \$86 thousand from the balance as of June 30, 2020.

Liabilities at June 30, 2021 were \$214.6 million, an increase of \$53.5 million compared to June 30, 2020. This increase is primarily due to adding lease payable of \$44 million and advances of \$5.6 million.

Deferred inflows of resources experienced a net decrease of \$28 thousand from June 30, 2020 to June 30, 2021 due to future benefits of a service concession amortization and a decrease in changes in other post employment benefits.

Net position at June 30, 2021 was restated to reflect \$116.7 million, a decrease of \$9.6 million, or 7.6%, when compared to the June 30, 2020 net position. The majority of the decrease is captured in unrestricted net position and is due to the overall loss from operations.

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Statements of Revenues, Expenses, and Changes in Net Position

The statements of revenues, expenses, and changes in net position present the Association's results of operations. Revenues and expenses are categorized as operating or nonoperating revenues or expenses according to their source or purpose. Significant sources of revenues such as gifts, investment returns and the supplemental income received from the University for gender equity purposes, as well as the student fees collected, are classified as nonoperating activities. Capitalized assets are being depreciated over their useful lives. Depreciation is recognized as an operating expense.

The Association's condensed statements of revenues, expenses and changes in net position for the years ended June 30, 2022, 2021, and 2020 (in thousands) are summarized below:

	2022	2021 (Restated)	2020	2022-2021 Change	2021-2020 Change
OPERATING REVENUES					
Sports	\$ 70,290	\$ 39,716	\$ 61,528	\$ 30,574	\$ (21,812)
Other operating revenues	26,650	22,668	25,031	3,982	(2,363)
TOTAL OPERATING REVENUES	96,940	62,384	86,559	34,556	(24,175)
OPERATING EXPENSES					
Sports	74,510	50,906	64,925	23,604	(14,019)
Other operating expenses	57,140	43,432	46,814	13,708	(3,382)
Depreciation	10,576	10,362	8,204	214	2,158
TOTAL OPERATING EXPENSES	142,226	104,700	119,943	37,526	(15,243)
OPERATING LOSS	(45,286)	(42,316)	(33,384)	(2,970)	(8,932)
NONOPERATING REVENUES (EXPENSES)					
Gifts	36,668	27,124	39,240	9,544	(12,116)
Net realized and unrealized (loss)/gain on investments	(33)	1,010	(5)	(1,043)	1,015
Investment returns	27	21	56	6	(35)
Other nonoperating expenses	853	722	(789)	131	1,511
Contributions (to)/from related entities	(889)	3,824	(788)	(4,713)	4,612
TOTAL NONOPERATING REVENUES (EXPENSES)	36,626	32,701	37,714	3,925	(5,013)
INCREASE/(DECREASE) IN NET POSITION	(8,660)	(9,615)	4,330	955	(13,945)
Net position - beginning of year	116,718	126,333	122,003	(9,615)	4,330
Net position - end of year	\$ 108,058	\$ 116,718	\$ 126,333	\$ (8,660)	\$ (9,615)

Operating Revenues

Total operating revenues were \$96.9 million for the year ending June 30, 2022 an increase of \$34.6 million compared to \$62.4 million for the year ended June 30, 2021. Income from sports programs, primarily from football and basketball ticket sales, comprised \$70.3 million, or 72.5% of total operating revenues for the year compared to \$39.7 million, or 63.7% of total operating revenues for June 30, 2021. Restrictions on capacity and number of tickets sold for large athletic events enacted in response to the Pandemic were

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lifted. This directly impacted revenues from sports and related ancillary activities related to sports. Other operating revenues amounting to \$26.7 million for the year ended June 30, 2022, and include revenues from sources such as concession sales, parking and facility rentals, sponsorships, and media contracts.

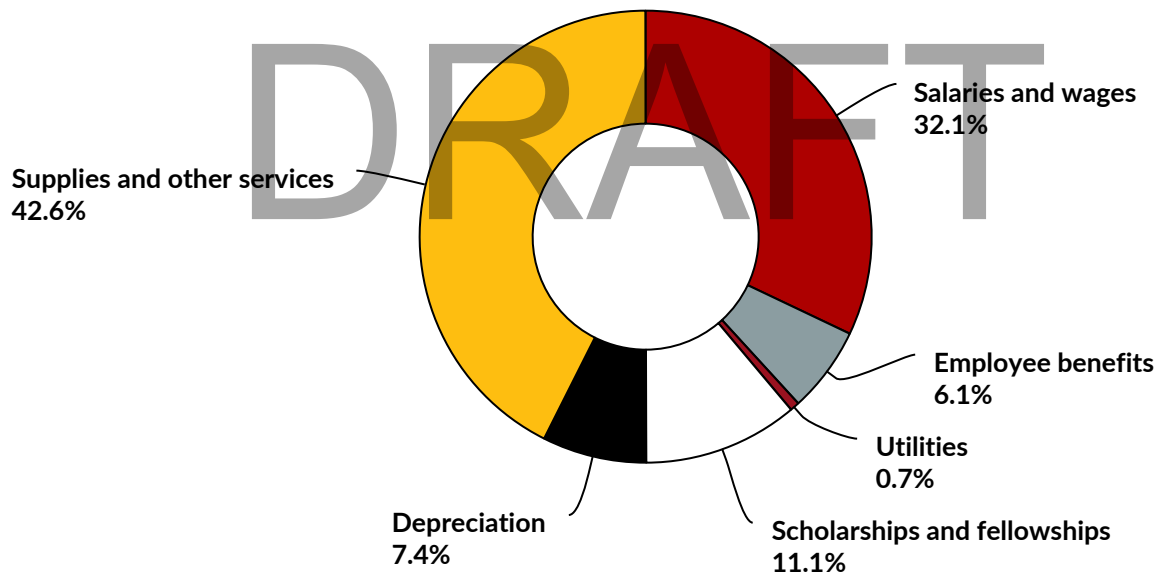
Operating Expenses

Total operating expenses were \$142.2 million and \$104.7 million for the years ended June 30, 2022 and 2021, respectively. For the year ended June 30, 2022, expenses consist mainly of \$74.5 million, or 52.4%, in direct sports-related expenses, an increase of \$23.6 million or 46.4%, compared to \$50.9 million as of June 30, 2021. The remaining \$67.7 million in operating expenses consist mainly of support and administrative services, marketing and development, and depreciation expense.

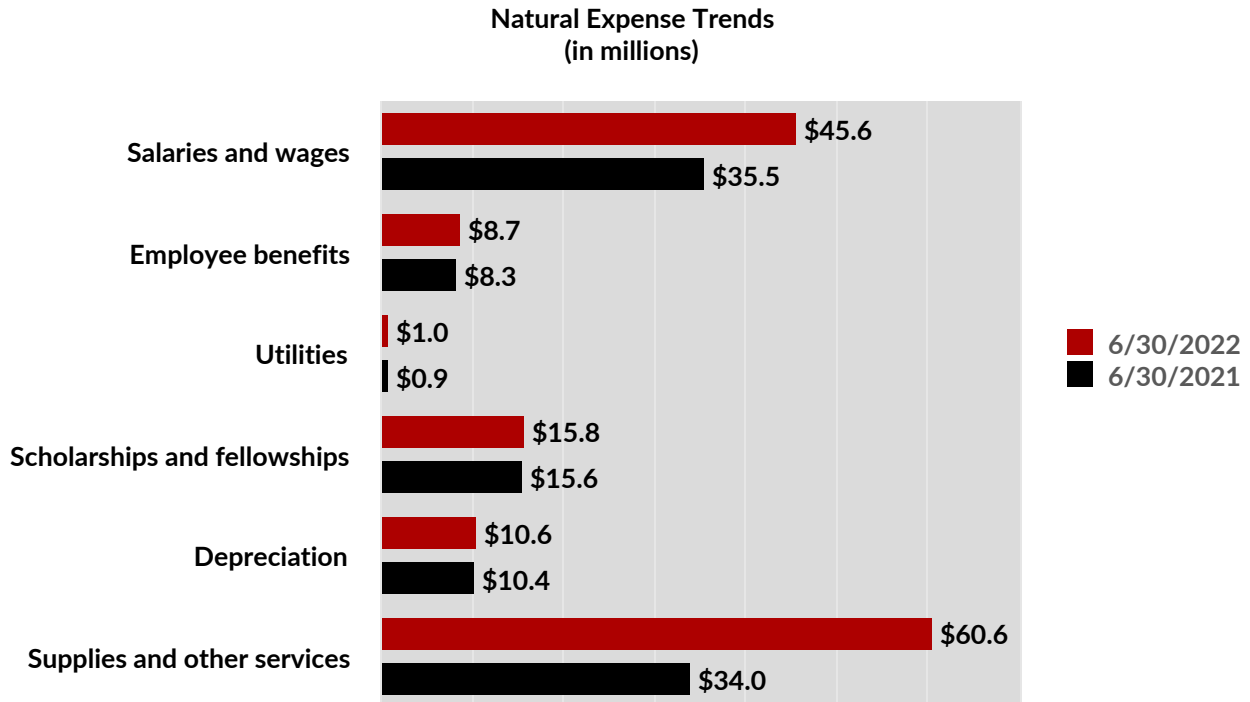
Total operating expenses increased by \$37.5 million, or 35.8%, in the current year. The increase was predominately in support services, and marketing and development.

The illustrations below show total expenses by natural classification for the years ended June 30, 2022 and 2021:

Operating Expenses by Natural Classification
Year ended June 30, 2022



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Operating Loss, Nonoperating Revenues, and Net Position

The Association’s loss from operations amounted to \$45.3 million and \$42.3 million for the years ended June 30, 2022 and 2021, respectively. During the fiscal year ended June 30, 2022 the operating loss was offset by the \$36.6 million in nonoperating revenues and gifts, leaving a decrease in net position of \$8.7 million, compared to the \$9.6 million decrease in net position realized during the fiscal year ended June 30, 2021.

Overall, nonoperating revenues increased \$3.9 million, or 12%. The most significant change being a increase of gifts of \$9.5 million offset by a reduction in contributions from related entities of \$4.7 million. The reduction in contributions from related entities is attributed to support received during the year ending June 30, 2021 for Pandemic related expenses.

Fiscal Year 2021

The Association’s loss from operations amounted to \$42.3 million and \$33.4 million for the years ended June 30, 2021 and 2020, respectively. During the fiscal year ended June 30, 2021, the operating loss was offset by the \$32.7 million in nonoperating revenues and capital gifts, leaving a decrease in net position of \$9.6 million compared to an increase of \$4.3 million recognized during fiscal year ended June 30, 2020.

Total operating revenues were \$62.4 million for the year ending June 30, 2021 and flat compared to \$62.4 million for the year ended June 30, 2020.

Total operating expenses decreased by \$15.2 million, or 12.7%, for the year ended June 30, 2021 as compared to the year ended June 30, 2020. The decrease is the result of substantial cuts in salaries and operational cost to mitigate the impact of revenue losses and additional expenditures needed to combat the Pandemic.

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Overall, nonoperating revenues decreased \$5.0 million, or 13.3% primarily from a reduction in gifts.

The Association received \$5.2 million in Covid-19 relief funds from the University to supplement some of the revenues lost from concession sales and event parking, as well as expenses for quarantine, social distancing and expanded cleaning of facilities. These funds are reflected in contributions from related entities.

Statements of Cash Flows

The statements of cash flows provide information about the Association's sources and uses of cash during the year. Cash inflows and outflows are categorized as operating, noncapital financing, capital financing and investing activities.

The statements of cash flows provide additional information about the Association's financial results by reporting the major sources and uses of cash. The condensed statements of cash flows for the years ended June 30, 2022, 2021, and 2020 (in thousands) are summarized below:

	2022	2021 (Restated)	2020	2022-2021 Change	2021-2020 Change
CASH (USED)/PROVIDED BY:					
Operating activities	\$ (47,058)	\$ (33,803)	\$ (47,230)	\$ (13,255)	\$ 13,427
Noncapital financing activities	24,403	21,968	29,642	2,435	(7,674)
Capital financing activities	20,951	12,517	899	8,434	11,618
Investing activities	3	3,081	5,829	(3,078)	(2,748)
NET (DECREASE)/INCREASE IN CASH EQUIVALENTS	(1,701)	3,763	(10,860)	(5,464)	14,623
Cash and cash equivalents, beginning of year	26,024	22,261	33,121	3,763	(10,860)
Cash and cash equivalents, end of year	\$ 24,323	\$ 26,024	\$ 22,261	\$ (1,701)	\$ 3,763

Operating Activities

The Association's cash and cash equivalents decreased by \$1.7 million during the year, The Association experienced a net outflow of \$47.1 million, an increase of \$13.3 million for expanded operations, achieving operational levels comparable to pre-pandemic levels.

Other Activities

Cash provided by noncapital and related financing activities of \$24.4 million offset the cash used by operating activities. These cash flows consist primarily of \$27.2 million in gifts received to support the sports programs, noncapital financing activities of \$2.8 million, and offset by \$5.5 million of payments to affiliated entities. Cash provided by capital financing activities of \$21.0 million relates mainly to capital activities for the receipt of capital gifts and purchases of capital assets or payment of debt for capital assets.

Fiscal Year 2021

The Association's cash and cash equivalents increased by \$3.8 million during the year, mostly due to the reduction in operations and a line of credit obtained to support operational activities. The Association experienced a net outflow of \$33.8 million in cash paid for operations. Noncapital financing activities provided \$22.0 million of revenues from gifts and investing activities provided \$3.1 million in revenues.

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For Years Ended June 30, 2022 and 2021

Economic Factors that May Affect Future Periods

The COVID-19 pandemic continues to have significant effects on global markets, supply chains, businesses and communities. Specific to the Association, COVID-19 may impact various parts of its 2022-2023 operations and financial results, including, but not limited to, loss of revenues due to declines in ticket sales, mandatory restrictions on capacity at sporting events, loss of marketing revenue, cost for increased use of technology, or potential shortages of personnel. Planning for these contingencies and developing mitigating strategies are considered within budgeting and operational activities.

The Association's Board of Directors approved a balanced operating budget for the 2022 fiscal year of \$107.7 million. This represents an increase of \$12.6 million or 13.2% from the 2021 fiscal year budget. Despite the increase, projected revenues were conservatively forecasted due to uncertainty surrounding attendance and economic factors. The Association budget was approved with the knowledge that future sport activities are uncertain and adjustments to the budget to compensate for the changing environment may be necessary.

The goals of the Association continue to include: 1) zero level 1 or 2 NCAA violations, 2) win ACC and NCAA Championships, 3) end each year with a surplus, 4) trust and collaboration become the norm, and 5) improve diversity, equity and inclusion. The Association is also establishing programs and protocols to help its student athletes successfully navigate name, image, likeness (NIL) to comply with NCAA, staff, and Federal Laws. Despite recent financial setbacks due to the Pandemic, the Association continues to make progress in these areas.

The success of the athletics programs managed by the Association is also linked to the success of the University. The university is in the final phases of completing its 2023-2025 strategic plan, addressing how the university ensures student success, creating and supporting a thriving workforce and how the university connects with the community. The university designs its planning and budgeting to support the strategic plan but retains flexibility to meet possible future plan changes. From increasing available student aid to providing an array of compensation improvements to faculty and staff, and investing millions of dollars to improve the university's physical and operational infrastructure.

This financial report is designed to provide a general overview of the Association's finances and to show the Association's accountability for the money it receives. Questions about this report and requests for additional financial information should be directed to the Controller; University of Louisville; Louisville, KY 40292.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Statements of Net Position
As of June 30, 2022 and 2021
(in thousands)

	2022	2021 (Restated)
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,322	\$ 19,500
Accounts and contributions receivable, net	20,987	14,997
Inventories	4,838	5,418
Investments held with University of Louisville Foundation, Inc.	3,400	3,410
Other assets	1,321	1,358
Total current assets	40,868	44,683
Noncurrent Assets		
Restricted cash and cash equivalents	14,001	6,524
Accounts and contributions receivable, net	22,397	22,070
Other long-term investments	561	755
Right-of-use asset, net	43,614	45,838
Capital assets, net	206,838	211,676
Total noncurrent assets	287,411	286,863
Total assets	328,279	331,546
DEFERRED OUTFLOWS OF RESOURCES	1,564	1,585
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	329,843	333,131

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UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Statements of Net Position
As of June 30, 2022 and 2021
(in thousands)

	2022	2021 (Restated)
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	13,742	9,209
Line of credit	9,000	9,000
Unearned compensation and wages payable	1,120	1,537
Advances	25,607	30,536
Due to the University of Louisville	4,661	4,658
Leases payable	1,621	1,569
Notes and contracts payable	1,909	–
Total current liabilities	57,660	56,509
Noncurrent liabilities		
Due to University of Louisville	80,952	85,613
Note payable to University of Louisville Foundation, Inc.	1,000	1,000
Unearned compensation and wages payable	2,144	949
Advances	5,504	6,019
Other post-retirement benefits	5,156	4,814
Other long-term liabilities	2,045	5,045
Leases payable	42,043	43,665
Notes and contracts payable	23,868	11,000
Total noncurrent liabilities	162,712	158,105
Total liabilities	220,372	214,614
DEFERRED INFLOWS OF RESOURCES	1,413	1,799
NET POSITION		
Net investment in capital assets	127,205	130,662
Restricted - nonexpendable	1,831	1,868
Restricted - expendable	7,635	18,033
Unrestricted	(28,613)	(33,845)
Total net position	108,058	116,718
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 329,843	\$ 333,131

See notes to financial statements

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Statements of Revenues, Expenses, and Changes in Net Position
For Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 (Restated)
OPERATING REVENUES		
Sports:		
Basketball	\$ 19,376	\$ 8,986
Football	48,350	29,995
Other sports	2,564	735
Total sports	70,290	39,716
Cardinal Stadium	766	182
Marketing and development	13,011	7,445
Administration	2,737	736
Support services	2,127	1,604
Other operating revenues	8,009	12,701
Total operating revenue	96,940	62,384
OPERATING EXPENSES		
Sports:		
Basketball	14,346	8,739
Football	29,541	19,396
Other sports	30,623	22,771
Total sports	74,510	50,906
Cardinal Stadium	2,986	1,895
Marketing and development	8,272	6,873
Administration	3,968	3,644
Support services	21,290	12,284
Game management and facilities operations	3,244	2,981
Depreciation	10,576	10,362
Other operating expense	17,380	15,755
Total operating expense	142,226	104,700
Operating loss	(45,286)	(42,316)
NONOPERATING REVENUES (EXPENSES)		
Gifts	27,039	18,342
Investment returns	27	21
Net realized and unrealized gain on investments	(33)	1,010
Interest expense	(1,905)	(1,636)
Other nonoperating revenue (expense)	2,758	2,358
Net nonoperating revenue	27,886	20,095
Capital gifts	9,629	8,782
Contributions (to)/from related entities	(889)	3,824
Total other revenue	8,740	12,606
Increase (decrease) in net position	(8,660)	(9,615)
NET POSITION		
Net position - beginning of year	116,718	126,333
Net position - end of year	\$ 108,058	\$ 116,718

See notes to financial statements

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Statements of Cash Flows
For Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Ticket sales	\$ 21,045	\$ 7,909
NCAA/Conference distributions	40,869	34,928
Marketing and development	13,525	7,445
Payments to suppliers, vendors and contractors	(61,839)	(34,959)
Payments for utilities	(958)	(895)
Payments to employees	(44,807)	(37,916)
Payments for benefits	(8,689)	(7,942)
Payments for scholarships and fellowships	(15,780)	(15,647)
Other athletic program receipts	9,576	13,274
Net cash used by operating activities	(47,058)	(33,803)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Gifts	27,192	20,790
Contributions to/from related entities	(5,547)	(7,323)
Draw on line of credit	—	9,000
Other noncapital financing activity	2,758	(499)
Net cash provided by noncapital financing activities	24,403	21,968
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital gifts received	9,629	8,782
Proceeds from notes payable	15,873	11,000
Purchases of capital assets	(1,705)	(1,512)
Principal paid on notes payable and contracts	(1,096)	(5,156)
Interest paid on notes payable and contracts	(1,764)	(14)
Other capital financing activities	14	(583)
Net cash provided by capital and related financing activities	20,951	12,517
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	10	2,124
Purchase of investments	—	(74)
Interest on investments	(7)	1,031
Net cash provided by investing activities	3	3,081
Net increase/(decrease) in cash and cash equivalents	(1,701)	3,763
Cash and cash equivalents - beginning of year	26,024	22,261
Cash and cash equivalents - end of year	\$ 24,323	\$ 26,024

See notes to financial statements

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Statements of Cash Flows
For Years Ended June 30, 2022 and 2021
(in thousands)

	2022	2021 (Restated)
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY		
Operating loss	\$ (45,286)	\$ (42,316)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	10,576	10,362
Loss on disposal of equipment	2	—
Change in assets and liabilities:		
Accounts and contributions receivable, net	(6,959)	(1,677)
Inventories	580	(984)
Other assets	36	76
Other long term assets	193	199
Accounts payable and accrued liabilities	2,759	773
Advances	(4,968)	2,822
Unearned compensation and wages payable	778	(2,762)
Other long-term liabilities	(4,227)	101
Deferred outflows	(157)	(369)
Deferred inflows	(385)	(28)
Net cash used by operating activities	\$ (47,058)	\$ (33,803)

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UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

1. Basis of Presentation and Summary of Significant Accounting Policies

The University of Louisville Athletic Association, Inc. (Association) (a Kentucky nonprofit corporation) is affiliated with the University of Louisville (University) and is included within the University's financial statements. The Association is a separate corporation organized for the purpose of promoting the intercollegiate athletic activities of the University. The Association has authorized the University to receive, hold and disburse funds on behalf of the Association.

a. Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Government Accounting Standards Board (GASB). The financial statements of the Association have been prepared on the accrual basis of accounting. Revenues, expenses, gains, losses, assets, liabilities and deferred inflows and outflows of resources from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from nonexchange transactions are recognized when all applicable eligibility requirements are met. Internal activity and balances are eliminated in preparation of the financial statements unless they relate to services provided and used externally. Operating revenues and expenses include exchange transactions and program-specific, government-mandated nonexchange transactions. Government-mandated nonexchange transactions that are not program specific, investment income and interest on capital asset-related debt are included in nonoperating revenues and expenses. The Association first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

The financial statements of the Association can be found at the following:

<http://louisville.edu/finance/controller/univacct/finst-1>

b. Cash and Cash Equivalents

The Association considers all investments (not held for long-term purposes) with original maturities of three months or less to be cash equivalents.

c. Accounts and Contributions Receivable

The Association records operating and capital pledges as revenue when all eligibility requirements have been met. Endowment pledges are not recognized as revenue until the gifts are received.

Accounts receivable consist of charges and reimbursements for services provided to students, faculty, staff and external entities. Accounts receivable are recorded net of uncollectible amounts.

d. Inventories

Inventories are valued at the lower of cost or market, under the first-in, first-out method. Inventories consist of equipment, clothing and supplies utilized in sporting activities.

e. Investments

Investments are stated at current fair value. Investments held with the University of Louisville Foundation, Inc. (Foundation) are invested under the policies and objectives established for the Foundation's general endowment pool. In an effort to mitigate market risk, the Foundation has adopted a policy of maintaining a diverse investment pool through the use of target asset allocation guidelines.

These guidelines require the Foundation's investment pool be made up of a mix of publicly traded fixed income and equity securities, private equities and other nonmarketable securities.

The market risk inherent in certain of the Foundation's investments is primarily the potential loss arising from adverse changes in quoted market prices on equity securities and in interest rates on fixed income securities.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

The Foundation invests in various corporate debt, equity and mutual fund securities. Investment securities, in general, are exposed to various risks, such as interest rates, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's consolidated statements of financial position and the Association's statements of net position.

The Association's permanent endowment funds, held by the Foundation and invested in the Foundation's general endowment pool, are administered under the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Commonwealth of Kentucky (Commonwealth). The Foundation's board of directors has interpreted UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. The investment objectives of the Foundation are to preserve the principal of the endowment funds in both absolute and real terms while maximizing, over the long-term, the total rate of return (yield and appreciation) within reasonable risk parameters.

The Foundation has a standing policy (the spending policy) of appropriating for expenditure each year a percentage of certain endowment funds' average market values over the prior three years through the calendar year-end preceding the year in which expenditure is planned. The Foundation will adjust the spending policy for a given year to mitigate adverse market performance on the level of support provided to the University.

The Association purchased insurance annuity policies to fund deferred compensation arrangements as stipulated by the arrangements. These are classified as other long-term investments in the summary of net position.

f. Capital Assets

Capital assets are stated principally at cost, if purchased, or at estimated acquisition value at date of receipt from donors. Capital assets are depreciated on the straight-line basis over the estimated useful lives of the assets, as follows: buildings - 40 years; land improvements - 40 years; equipment - 3-15 years; and leasehold improvements - 20 years.

The Association does not capitalize interest cost of borrowings related to capital construction.

g. Deferred Outflows and Inflows of Resources

The Association reports deferred outflows of resources, deferred inflows of resources and net position in its statements of net position and related disclosures.

Deferred outflows of resources of \$1.6 million for the years ended June 30, 2022 and 2021. Balances as of June 30, 2022 consist of loss on bond refinancing of \$0.6 million and future payments of other post-employment benefits of \$1.0 million. Balances as of June 30, 2021 consist of loss on bond refinancing of \$0.7 million and other post-employment benefits of \$0.8 million. Deferred outflows of resources related to the loss on bond refinancing will be amortized as a component of interest expense using the effective interest method over the remaining life of the refinanced debt. Deferred outflows of resources related to other post-employment benefits consist of payments to be made in future periods.

Deferred inflows of resources of \$1.4 million as of June 30, 2022 consist of service concession arrangements of \$0.1 million, and changes in actuarial assumptions and differences between expected and actual experience in the other post-employment benefits liability of \$1.3 million. Deferred inflows of resources of \$1.8 million as of June 30, 2021 consist of service concession arrangements of \$0.3 million and changes in actuarial assumptions and differences between expected and active experience in the other post-employment benefits liability of \$1.5 million. Changes in the other post-employment benefits deferred inflow will be recognized in future periods. Deferred inflows from service concession arrangements will be recognized into revenue over the life of the contract.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

h. Unearned Compensation Expenses

Unearned compensation expenses are recognized as earned over the term of the related employment agreements.

i. Compensated Absences

Association policies permit most employees to accumulate vacation and sick leave benefits that may be realized as paid time off or, in limited circumstances, as a cash payment. Expense and the related liability are recognized as vacation or sick benefits when earned, whether the employee is expected to realize the benefit as time off or in cash. Compensated absence liabilities are computed using the regular pay and termination pay rates in effect at the statement of net position date plus an additional amount for compensation-related payments such as Social Security and Medicare taxes computed using rates in effect at that date.

j. Advances

Advances, which consist primarily of amounts received from individual and season ticket holders for subsequent year intercollegiate athletic activities, suite rentals, and parking revenue, was approximately \$31.1 million and \$36.6 million at June 30, 2022 and 2021. Such advances are recognized over the term of the related athletic activities.

k. Net Position

The net position of the Association is summarized into four major categories as follows:

- a. Net investment in capital assets primarily represents capital assets net of accumulated depreciation and reduced by the outstanding balances of borrowings used to finance the purchase or construction of those assets.
- b. Restricted nonexpendable net position consists of endowment gifts with specific restrictions. These endowments were made by donors to support scholarship expenses.
- c. Restricted expendable net position consists of noncapital assets that must be used for a particular purpose as specified by creditors, granters or donors external to the Association. The Association's most significant components in this category are amounts restricted for capital projects, debt service and quasi-endowment gifts with donor stipulations.
- d. Unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the Association, such as donors. Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the Association's unrestricted net position has been designated for various sport, academic programs, or capital projects.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

The following table includes detail of the net position balances as of June 30, 2022 and 2021 (in thousands):

	2022	2021 (Restated)
Net investment in capital assets	\$ 127,205	\$ 130,662
Restricted - Nonexpendable		
Scholarships and fellowships	1,831	1,868
Restricted - Expendable		
Scholarships and fellowships	1,568	1,542
Institutional support	3,838	2,812
Capital projects	155	1,698
Debt Service	2,074	11,981
Unrestricted	(28,613)	(33,845)
Total net position	\$ 108,058	\$ 116,718

I. Revenue and Expense Classifications

The Association has classified its revenues as either operating or nonoperating revenues according to the following criteria:

Operating revenues include activities that have the characteristics of exchange transactions, meaning revenues are received in exchange for goods and services, such as (1) tickets for athletic events, (2) concession sales, (3) parking and facility rentals, and (4) media contracts. With the exception of interest expense, loss on investments and contributions to related entities, all expense transactions are classified as operating expenses.

Certain significant revenues relied on for fundamental operational support of the Association are mandated by GASB requirements to be recorded as nonoperating revenues. Nonoperating revenues, meaning revenues received and the Association provided no goods or services, include gifts and investment income.

m. Tax Status

As an affiliate of a state institution of higher education, the income of the Association is generally exempt from federal and state income taxes under Section 115(a) of the Internal Revenue Code and a similar provision of state law. However, the Association is subject to federal and state income tax on any unrelated business taxable income.

n. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and deferred outflows of resources at the date of the financial statements and the reported amounts of revenues, expenses, and other changes in net position during the reporting period. Actual results could differ from those estimates.

o. Reclassifications

Certain 2021 amounts have been reclassified to conform to the 2022 presentation. The reclassifications more accurately represent revenue and expense activities in the categories presented on the statement of revenues, expense and changes in net position. These reclassifications had no effect on the change in net position.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

p. Recent Accounting Pronouncements and Restatement

Correction of an error

During the preparation of the 2022 financial statements, the Association identified errors in the due to affiliate balance for amounts due to the University related to repayments of debt. The due to affiliate balance was understated and the transfers to University for debt service was understated by \$5.3 million, resulting in a reduction of loss reported in the 2021 financial statements. The Association's financial statements as of and for the year ending June 30, 2021 are being restated to reflect the correct value of due to affiliates, resulting in an increase in liabilities and reduction of unrestricted net position of \$5.3 million, and a reduction of contributions from related entities of \$5.3 million. The correction results in an additional decrease in net position for the year of \$5.3 million.

Adoption of new accounting standards

As of June 30, 2022 the following GASB Statements were implemented which had a financial or disclosure impact on the financial statements.

GASB Statement No. 87, Leases. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-of-use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-of-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The Association adopted the requirements of the guidance effective July 1, 2021 and has applied the provisions of this standard to the beginning of the earliest comparative period presented.

The statement of net position as of June 30, 2021 was restated to reflect the asset, liability, and unrestricted net position balances as stated with the effect of the adoption. Right-of-use assets representing the Association's future usage of leased assets of \$45.8 million, net of depreciation, current liabilities of \$2.8 million, noncurrent liabilities of \$43.7 million, and a reduction of net invested in capital assets in net position of \$0.6 million were established to illustrate the effect of recording leases where the Association is the tenant.

The following statements will be implemented in future reporting periods:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and availability Payment Arrangements*. The objective of the pronouncement is to improve financial reporting related to public-private and public-public partnerships and availability payment arrangements. The Association has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 96, *Subscription Based Information Technology Arrangements*. This pronouncement defines subscription-based information technology and provides guidance on accounting for the resulting capital and intangible assets and associated cost. The Association has not yet adopted this standard and is evaluating the impact it may have on its financial statements.

GASB Statement No. 101, *Compensated Absences*. The statement updates the recognition and measurement guidance for compensated absences and amends certain previously required disclosures. The Association has not yet adopted the standard and is evaluating the impact it may have on its financial statements.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

2. Cash, Cash Equivalents, and Investments

a. Summary of Carrying Values

The carrying value of deposits and investments are included in the statements of net position as shown below (in thousands):

	2022	2021
Deposits	\$ 24,324	\$ 26,024
Investments	3,961	4,165
Total	\$ 28,285	\$ 30,189
Included in the following statements of net position captions:		
Cash and cash equivalents	10,322	19,500
Restricted cash and cash equivalents	14,001	6,524
Investments held with University of Louisville Foundation, Inc.	3,400	3,410
Annuities	561	755
Total	\$ 28,285	\$ 30,189

b. Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Association's deposits or collateral securities may not be returned. For administrative convenience, cash balances of the Association are included in bank accounts maintained by the University. Details of accounting transactions affecting cash are maintained in such a manner as to ensure an appropriate segregation of amounts maintained by each entity.

The University currently uses commercial banks and the Commonwealth as its depositories. Deposits with commercial banks are covered up to the limits of federal depository insurance or collateral held by the bank in the University's name. At the Commonwealth, the University's accounts are pooled with other agencies of the Commonwealth. These Commonwealth-pooled deposits are substantially covered by federal depository insurance or by collateral held by the Commonwealth in the Commonwealth's name.

Other long-term investments are insurance annuity policies at June 30, 2022. The Association's investment policy does not address the monitoring of the issuing party.

c. Interest Rate Risk

Interest rate risk is the risk the Association may face should interest rate variances affect the fair value of investments. The Association's policy is to invest in U.S. government and U.S. government agency securities, commercial paper, bankers' acceptances, and variable rate demand notes with a maturity not greater than one year.

As of June 30, 2022 and 2021, the Association had no investments subject to interest rate risk.

d. Credit Risk

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2022 and 2021, the \$3.4 million, respectively, in investments held by the Foundation are considered pooled investments and not rated as to credit risk.

e. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer, excluding investments issued or explicitly guaranteed by the U.S government and investments in mutual funds, external investment pools and other pooled investments.

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

The asset allocation for investments held with the Foundation as of June 30, 2022 and 2021 is illustrated below:

	2022	2021
Investment in partnerships	54 %	50 %
Marketable alternatives	10 %	15 %
Mutual funds	21 %	19 %
Fixed income	11 %	10 %
Preferred and common stock	4 %	6 %
Total	100 %	100 %

The Foundation's investments do not have a significant concentration of credit risk within any industry or specific institution.

f. Foreign Currency Risk

This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The Association had no investments denominated in foreign currency at June 30, 2022 and 2021.

3. Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying financial statements as of June 30, 2022 and 2021 (in thousands):

	2022				
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Measured at NAV
Investments					
University of Louisville Foundation, Inc. investment fund	\$ 3,400	\$ —	\$ —	\$ —	\$ 3,400
Total investments measured at fair value	\$ 3,400	\$ —	\$ —	\$ —	\$ 3,400

	2021				
	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Measured at NAV
Investments					
University of Louisville Foundation, Inc. investment fund	\$ 3,410	\$ —	\$ —	\$ —	\$ 3,410
Total investments measured at fair value	\$ 3,410	\$ —	\$ —	\$ —	\$ 3,410

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

a. Investments

Investments within the University of Louisville Foundation, Inc. pooled investment fund consist of money market mutual funds, common and preferred stock, corporate bonds, mutual funds, investments in partnerships, funds of funds, U.S. Government securities and U.S. agency obligations. The Foundation has adopted a policy of maintaining a diverse investment pool through the use of targeted asset allocation guidelines. The fair value of the investments in the fund have been determined using the NAV per share (or its equivalent) of the investments.

Investments measured at net asset value (NAV) (in thousands):

		2022		
	Fair Value	Redemption Frequency	Redemption Notice Period	
University of Louisville Foundation, Inc. investment fund	\$ 3,400	Various from any valuation day to quarterly	Various from 5 to 90 days	

		2021		
	Fair Value	Redemption Frequency	Redemption Notice Period	
University of Louisville Foundation, Inc. investment fund	\$ 3,410	Various from any valuation day to quarterly	Various from 5 to 90 days	

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UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION, INC.
A Component Unit of the University of Louisville
Notes to Financial Statements
For the Years Ended June 30, 2022 and June 30, 2021

4. Transactions with Related Organizations

a. University of Louisville

The Association has contracted with the University for certain administrative, operational, and maintenance services. During the years ended June 30, 2022 and 2021, the Association made no reimbursement per agreement with the University.

b. University of Louisville Foundation, Inc.

The Foundation is a separate corporation organized as a supporting organization of the University for the purpose of promoting the University's educational, scientific, literary and cultural interests through investment management. The Foundation serves in a fiduciary capacity and invests funds on behalf of the Association based on a formal trust agreement. As of June 30, 2022 and 2021, the Foundation held funds of the Association of approximately \$3.4 million, respectively, for investment purposes.

c. Debt with Related Entities

In April 2016, the Association received a \$15.0 million unsecured loan bearing interest at 2.5% from the University. The Association is obligated to repay the loan in equal semi-annual payments over 20 years. During the years ended June 30, 2022 and 2021, the Association repaid \$0.7 million in each respective year. The outstanding loan balance is \$10.9 million and \$11.6 million as of June 30, 2022 and 2021, respectively.

In December 2016, the University issued \$27.6 million of University of Louisville, General Receipts Bonds, 2016 Series F, which the proceeds along with debt service reserve funds and existing University funds were used to complete the current refunding of the Association's Louisville/Jefferson County Metro Government Mortgage Revenue Refunding and Improvement Bonds, 2008 Series A and B (mortgage revenue bonds). Additionally, the University issued \$50.7 million of University of Louisville, General Receipts Bonds, 2016 Series D and E to finance the expansion of Papa John's Cardinal Stadium and athletic training center. The proceeds of the Series D, E and F bonds were loaned to the Association. The Association entered into an agreement with the University for the Association to repay the bonds based on the bond repayment schedules. This liability is stated in current and noncurrent due to University of Louisville and deferred outflow of resources for related loss on refinancing. The outstanding loan balance and related cost due to the University is \$66.1 million and \$70.1 million as of June 30, 2022 and 2021, respectively.

Change in interest bearing debt from related entities as of June 30, 2022 and 2021 are summarized as shown below (in thousands):

	2022					
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Noncurrent Portion
Interest bearing debt due to University	\$ 81,707	\$ —	\$ (4,657)	\$ 77,050	\$ 4,661	\$ 72,389

	2021 (Restated)					
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Noncurrent Portion
Interest bearing debt due to University	\$ 86,272	\$ —	\$ (4,565)	\$ 81,707	\$ 4,658	\$ 77,049

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Principal maturities and interest on interest bearing debt from related entities for the fiscal years ending June 30 are as follows (in thousands):

	Principal	Interest	Total
2023	4,761	3,181	7,942
2024	4,637	3,010	7,647
2025	4,767	2,834	7,601
2026	4,923	2,640	7,563
2027	5,035	2,436	7,471
2028-2032	27,504	9,111	36,615
2033-2037	25,423	2,757	28,179
Total	77,050	25,969	103,018

As of June 30, 2022 and 2021, the Association has noninterest bearing debt with no specific repayment terms of approximately \$8.6 million with the University. The debt relates to \$8.6 million of expenditures incurred in fiscal years 1999 and 2000 during the construction Cardinal Stadium.

In January 1999, the Association received an \$8.5 million unsecured, noninterest bearing loan from the Foundation for the construction of Cardinal Park. The Association is obligated to repay the loan upon redemption of a life insurance policy pledged by a donor. The outstanding balance was approximately \$1.0 million as of June 30, 2022 and 2021.

d. Contributions with Related Entities

The University, during its annual budgetary process, agrees to transfer funds to the Association to assist with expenses related to retention and gender equality. The University transferred \$0.9 million and \$1.8 million, respectively, for the years ended June 30, 2022 and 2021 for this purpose. Additionally, the University collects certain fees from students designated for use by the Association. The University transferred \$0.9 million of student fees collected for the years ended June 30, 2022 and 2021.

The Association is the beneficiary of pledges related to certain capital projects, which are financed by the University, and as such, are recorded as assets of the University. The Association transfers cash received on these pledges, as well as other unrestricted funds to the University in order to fulfill the purpose of the gifts. The Association transferred \$3.9 million and \$4.3 million restated related to capital projects and debt service payments during each of the fiscal years ended June 30, 2022 and 2021, respectively.

Additionally, other transfers of support for projects or endeavors occur between the Association and the University. The University transferred \$1.1 million to the Association for the year ended June 30, 2022 and the Association transferred \$11.0 million to the University for the year ended June 30, 2021.

The Federal Government passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act on March 27, 2020 the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 on December 27, 2020 and the American Rescue Plan Act of 2021 on March 11, 2021 all of which included funding for the Higher Education Emergency Relief Fund (HEERF). The University transferred \$0.1 million in CARES and HEERF funding to the Association during the year ended June 30, 2022. These funds were used to reimburse additional expenses the Association incurred related to the COVID-19 pandemic.

During the fiscal years ended June 30, 2022 and 2021, the Association transferred \$7 thousand and \$0.2 million respectively, to the Foundation to support the operations of the golf facility owned by the Foundation. This transfer is recorded in other nonoperating expenses and revenues.

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5. Accounts and Contributions Receivable, Net

Accounts and contributions receivable as of June 30, 2022 and 2021 are as follows (in thousands):

	2022		
	Gross	Allowance	Net
Contributions receivable	\$ 34,055	\$ (5,109)	\$ 28,946
Trade receivables	15,354	—	15,354
Total	\$ 49,409	\$ (5,109)	\$ 44,300
Less discount			916
Total accounts and contributions receivable			\$ 43,384
Current portion			\$ 20,987
Noncurrent portion			\$ 22,397

	2021		
	Gross	Allowance	Net
Contributions receivable	\$ 34,982	\$ (6,408)	28,574
Trade receivables	9,396	—	9,396
Total	\$ 44,378	\$ (6,408)	\$ 37,970
Less discount			903
Total accounts and contributions receivable			\$ 37,067
Current portion			\$ 14,997
Noncurrent portion			\$ 22,070

Contributions receivable consists primarily of charitable gifts from individual and corporate donors who are connected with the construction projects of the Association. Contributions receivable with payment schedules in excess of one year are stated at their discounted present value. The discount rates ranged from 0.0% to 2.25%.

Contributions receivable as of June 30, 2022 and 2021 are due to be received as follows (in thousands):

	2022	2021
Less than one year	\$ 10,195	\$ 10,893
One to three years	8,923	10,009
Greater than three years	13,937	14,080
Subtotal	33,055	34,982
Less discount	(916)	(903)
Less allowance	(5,109)	(6,408)
Net contributions receivable	\$ 27,030	\$ 27,671

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6. Capital and Intangible Assets, Net

Capital assets and intangible assets as of June 30, 2022 and 2021 are shown below and on the following page (in thousands):

	2022				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Cost - Nondepreciable					
Land	\$ 5,151	\$ —	\$ —	\$ —	\$ 5,151
Construction in progress	1,303	1,395	—	(1,133)	1,565
Subtotal	6,454	1,395	—	(1,133)	6,716
Cost - Depreciable					
Buildings	278,087	30	—	1,133	279,250
Land improvements	4,977	—	(163)	—	4,814
Equipment	7,313	2,253	(5)	—	9,561
Leasehold improvements	1,299	—	—	—	1,299
Right-of-use asset	47,999	—	—	—	47,999
Subtotal	339,675	2,283	(168)	1,133	342,923
Total capital and intangible assets, cost	346,129	3,678	(168)	—	349,639
Accumulated depreciation					
Buildings	79,314	7,210	—	—	86,524
Land improvements	1,224	157	—	—	1,381
Equipment	4,843	927	(3)	—	5,767
Leasehold improvements	1,073	57	—	—	1,130
Right-of-use asset	2,161	2,224	—	—	4,385
Total accumulated depreciation	88,615	10,575	(3)	—	99,187
Capital and intangible assets, net	\$ 257,514	\$ (6,897)	\$ (165)	\$ —	\$ 250,452

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	2021 (Restated)				
	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
Cost - Nondepreciable					
Land	\$ 5,151	\$ —	\$ —	\$ —	\$ 5,151
Construction in progress	902	401	—	—	1,303
Subtotal	6,053	401	—	—	6,454
Cost - Depreciable					
Buildings	277,179	152	—	756	278,087
Land improvements	4,977	—	—	—	4,977
Equipment	7,140	203	(30)	—	7,313
Leasehold improvements	1,299	—	—	—	1,299
Right-of-use asset	—	47,999	—	—	47,999
Subtotal	290,595	48,354	(30)	756	339,675
Total capital and intangible assets, cost	296,648	48,755	(30)	756	346,129
Accumulated depreciation					
Buildings	72,167	7,147	—	—	79,314
Land improvements	1,069	155	—	—	1,224
Equipment	4,031	842	(30)	—	4,843
Leasehold improvements	1,017	56	—	—	1,073
Right-of-use asset	—	2,161	—	—	2,161
Total accumulated depreciation	78,284	10,361	(30)	—	88,615
Capital and intangible assets, net	\$ 218,364	\$ 38,394	\$ —	\$ —	\$ 257,514

7. Line of Credit

In April 2021, the Association entered into a \$20.0 million line of credit with a financial institution to fund the Association's working capital expenses. The line of credit is secured by collateral, including funding and revenues of the Association and third-party pledges to the Association. The line of credit converts to a 20-year note May 31, 2023 with principal and interest payments through April 30, 2043. The interest rate on the new loan is fixed at 2.93%. The balance of the line of credit is \$9.0 million as of June 30, 2022.

8. Debt

Debt payable as of June 30, 2022 and 2021 are summarized as shown below (in thousands):

	Interest Rate	Fiscal Year of Maturity	2022	2021
Notes from direct placement	2.9%	2043	\$ 14,529	\$ 11,000
Contracts payable	2.39%-3.69%	2027-2029	\$ 11,248	\$ —
Total long term debt			\$ 25,777	\$ 11,000

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The change in notes from direct placement is summarized as follows (in thousands):

	2022					
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Noncurrent Portion
Notes from direct placement	\$ 11,000	\$ 4,625	\$ (1,096)	\$ 14,529	\$ 425	\$ 14,104
Contracts Payable	\$ —	\$ 11,248	\$ —	\$ 11,248	\$ 1,485	\$ 9,763
Total long-term debt	\$ 11,000	\$ 15,873	\$ (1,096)	\$ 25,777	\$ 1,910	\$ 23,867

	2021					
	Beginning Balance	Additions	Retirements	Ending Balance	Current Portion	Noncurrent Portion
Notes from direct placement	5,156	\$ 11,000	\$ (5,156)	\$ 11,000	\$ —	\$ 11,000

Principal and interest payments on notes from direct placement due in the next five years and thereafter are as follows (in thousands):

For the year ended June 30,	Notes from direct placement		Contracts		Total
	Principal	Interest	Principal	Interest	
2023	\$ 425	\$ 262	\$ 1,503	\$ 300	\$ 2,490
2024	1,340	432	1,544	258	3,574
2025	988	391	1,587	216	3,182
2026	744	362	1,630	172	2,908
2027	737	336	1,675	127	2,875
2028-2032	10,295	1,042	3,309	119	14,765
Total	\$ 14,529	\$ 2,825	\$ 11,248	\$ 1,192	\$ 29,794

Association revenue is pledged for the payment of the term loan. For the current year, principal and interest paid by the Association and the total pledged revenue recognized were \$3.0 million and \$120.7 million, respectively.

Term Loan

In June 2014, the Association entered into a \$15.0 million Term Loan with a national banking association. The proceeds were used to partially finance renovation of the baseball and softball stadiums and construction of a soccer stadium (the Project). The loan is secured by collateral, including funds and revenues of the Association from the Project and third-party pledges to the Association for the Project. The variable interest rate on the Term Loan is the Daily One Month LIBOR rate plus 1.14%, reset on the last day of each month. This term loan was refinanced in June 2018 and replaced with a \$9.6 million term loan with substantially the same terms. The interest rate on the new note is the daily one month LIBOR rate plus 100 basis points. The balance of the term loan was \$11.0 million as of June 30, 2021.

In July 2019, the Association entered into a \$1.75 million note with a bank. The proceeds will be used to finance the renovation of the seats at the baseball and football stadiums. The loan is secured by the pledge and transfer to the bank of a security interest in the Association's deposits, monies, securities and other property now or hereafter in the possession of or on deposit with the bank. Principal will be repaid in seven annual installments of \$250 thousand commencing on June 30, 2020. The fixed interest rate on the term note is 3.6%. The balance of the term loan was paid in full as of June 30, 2021.

In April 2021, the Association refinanced the aforementioned term loans and the intercompany lease payable (see footnote 4 for additional discussion) for an \$11.0 million Term Loan with a financial institution. The loan is secured

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by collateral, including funds and revenues of the Association and third-party pledges to the Association. Principal repayments will begin May 31, 2023 as the note carries an interest only period ending on April 30, 2023. The interest rate on the new loan is fixed at 2.93%. The balance of the Term Loan is \$14.5 million as of June 30, 2022.

9. Leases

The Association leases land, operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2067 and provide for renewal options ranging from one year to fifty years. The Association records right-of-use assets and lease liabilities based on the present value of expected payments over the lease term of the respective leases. The expected payments are discounted using the interest rate charged on the lease, if available, or are otherwise discounted using the Association's incremental borrowing rate. Variable payments are excluded from the valuations unless they are fixed in substance. Those variable payments are recognized as outflows of resources in the periods in which the obligation for those payments is incurred. During the years ended June 30, 2022 and June 30, 2021, respectively, the Association made variable payments as required by lease agreements totaling \$1.6 million and \$475 thousand. Certain facility leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases. The Association does not have any leases subject to a residual value guarantee.

a. Right-Of-Use Assets

Right-of-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Net asset balance as of June 30, 2022
Building	\$ 42,982
Land	632
Total	\$ 43,614

b. Future Minimum Lease Payments

Future minimum lease payments are as follows (in thousands), subject to change with the new leases (in thousands):

For the year ending June 30,	Principal	Interest
2023	\$ 1,621	\$ 1,263
2024	1,699	1,216
2025	1,651	1,162
2026	1,657	1,113
2027	1,642	1,063
2028-2032	8,613	4,560
2033-2037	9,397	3,198
2038-2042	10,284	1,701
2043-2047	6,882	248
2048-2052	43	31
2053-2057	50	24
2058-2062	58	16
2063-2067	67	6
Future minimum lease payments	\$ 43,664	\$ 15,601

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See Note 6, Capital Assets, for balances of right-of-use assets and associated accumulated depreciation. See Note 10, Other Liabilities, for balances of lease liabilities. Certain of the Association's leases for operating and office facilities are with an affiliated party. The leases provide for minimum annual lease payments totaling \$0.4 million expiring at various times through 2038, plus variable payments based on usage.

10. Other Liabilities

Other liabilities as of June 30, 2022 and 2021 are summarized as shown below (in thousands):

	2022					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Unearned compensation and wages payable	\$ 2,486	\$ 5,387	\$ (4,609)	\$ 3,264	\$ 1,120	\$ 2,144
Advances	36,555	27,959	(33,403)	31,111	25,607	5,504
Leases payable	45,234	—	(1,570)	43,664	1,621	42,043
Other long-term liabilities	5,045	—	(3,000)	2,045	—	2,045
Total	\$ 89,320	\$ 33,346	\$ (42,582)	\$ 80,084	\$ 28,348	\$ 51,736

	2021 (Restated)					
	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion	Noncurrent Portion
Unearned compensation and wages payable	\$ 5,248	\$ 2,203	\$ (4,965)	\$ 2,486	\$ 1,537	\$ 949
Advances	31,276	60,292	(55,013)	36,555	30,536	6,019
Leases payable	—	47,999	(2,765)	45,234	1,569	43,665
Other long-term liabilities	6,131	—	(1,086)	5,045	—	5,045
Total	\$ 42,655	\$ 110,494	\$ (63,829)	\$ 89,320	\$ 33,642	\$ 55,678

Other long-term liabilities as of June 30, 2022 and 2021 consist of future expenses required by certain pledge agreements.

11. Natural Classification

Operating expenses by natural classification for the years ended June 30, 2022 and 2021 were approximately (in thousands):

	2022	2021 (Restated)
Salaries and wages	\$ 45,604	\$ 35,527
Employee benefits	8,737	8,306
Utilities	958	895
Scholarships and fellowships	15,782	15,647
Depreciation	10,576	10,362
Supplies and other services	60,569	33,963
Total	\$ 142,226	\$ 104,700

12. Retirement Plan

Association and University personnel participate in a contributory retirement plan administered by the University. The University of Louisville 403(b) Retirement Plan (Retirement Plan) was established by the University and approved by the

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Board of Trustees. Permanent, full-time employees become eligible to participate in a defined contribution plan upon completion of one year's service and attainment of age 21. The Retirement Plan requires three years of continuous service for employees to vest in employer contributions.

From plan inception through April 30, 2020, eligible employees not contributing to the Retirement Plan were entitled to a 7.5% of base salary contribution on their behalf from the University and an additional match of 2.5% employee contributions. The University amended the Retirement Plan during the year and discontinued base salary and matching contributions from May 1, 2020 through July 30, 2020. Beginning August 1, 2020, base salary and matching contributions were reinstated with an amendment to the plan where eligible employees not contributing to the Retirement Plan are entitled to a 2.5% match of base salary and an additional contribution of 2.5%. Beginning February 1, 2021, the additional contribution was increased to 6.0%.

The Association recorded expenses related to the defined contribution plan of approximately \$2.2 million and \$1.3 million for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, the Association had no outstanding liability related to the Retirement Plan.

13. Post Employment Healthcare Benefits

a. Plan Description

University and Association personnel are eligible for post employment healthcare benefits as described in The University of Louisville Group Health Plan (Plan), administered by the University. The Plan is a single-employer plan and the University's Board of Trustees determines the eligibility requirements related to the Plan. The Plan does not issue stand-alone financial reports and is not included in the report of any entity.

To be eligible for the Plan, a retired employee must be the earlier of the attainment of age 60 with seven years of service in eligible faculty or staff status, or the date that the sum of the employee's age and years of regular service of not less than 80% full-time equivalent at the University equals or exceeds 75.

At July 1, 2021, the following employees were covered by the benefit terms.

Inactive plan members	1,586
Active plan members	4,701
Total	6,287

b. Funding Policy

The Plan is funded on a pay-as-you-go basis. The contribution requirements of the contributing members are determined by the University's management on an annual basis. During the years ended June 30, 2022 and 2021, the University contributed approximately \$2.2 million and \$2.1 million to the Plan, approximately 60% and 60% of total premiums, respectively. Retired Plan members under age 65 receiving benefits contributed approximately \$924 thousand and \$959 thousand, approximately 25% and 27% of total premiums for the years ended June 30, 2022 and 2021, respectively. Health plan rates remained unchanged for the year ended June 30, 2022. Retired Plan members made monthly contributions according to the rate schedule below.

	PPO		EPO		PCA High		PCA Low	
Employee	\$	364	\$	385	\$	306	\$	257
Employee and Spouse	\$	874	\$	924	\$	734	\$	617

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Medicare-eligible retirees receive a monthly benefit of \$108 per individual covered. For the years ended June 30, 2022 and 2021, the University contributed \$2.2 million and \$1.9 million for Medicare-eligible retirees, respectively.

c. Annual Other Postemployment Benefit (OPEB) Cost and Net OPEB Obligation

The University's total OPEB liability was measured by an actuarial valuation as of June 30, 2021. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Inflation	2.25%
Salary Increases	5.00%, average
Investment rate of return	NA
Healthcare cost trend rates	6.4% for 2021, decreasing 0.10%-0.25% per year to an ultimate rate of 4.15% for 2034 and later years

The investment rate of return is shown as not applicable (NA) since the University contributes only the amount necessary to pay current benefits. The discount rate is 1.92% as of the Measurement Date, 2.45% as of the beginning of the Measurement Period.

The following table shows the components of the University's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the University's net OPEB obligation (in thousands):

	Total OPEB Liability
Balances at 6/30/2021	\$ 80,238
Changes for the year:	
Service cost	2,795
Interest	1,956
Differences between expected and actual experience	(458)
Changes of assumptions	4,967
Benefit payments	(3,558)
Net Changes	5,702
Balances at 6/30/2022	\$ 85,940

The following reflects the sensitivity of the net OPEB liability to changes in the discount rate and healthcare cost trend rate. The schedule below presents the University's OPEB liability, as well as what the University's OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate (in thousands):

	1% Decrease (0.92)%	Discount Rate (1.92)%	1% Increase (2.92)%
Net OPEB liability	\$ 96,719	\$ 85,940	\$ 76,935

The schedule below presents the University's OPEB liability, as well as what the University's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower (5.4% for 2021, decreasing 0.10%-0.25% per year to an ultimate rate of 3.25% for 2033) or 1 percentage point higher (7.4% for 2021, decreasing 0.10%-0.25% per year to an ultimate rate of 5.25% for 2033) than the current healthcare cost trend rate (in thousands):

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	1% Decrease (5.4)%	Healthcare Cost Trend Rates (6.4)%	1% Increase (7.4)%
Net OPEB liability	\$ 82,316	\$ 85,940	\$ 90,197

For the year ended June 30, 2022, the University recognized OPEB expense of \$2.7 million. At June 30, 2022, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,151	\$ 3,651
Changes of assumptions	11,732	17,525
Contributions made in fiscal year ending 6/30/2022 after the measurement date of 6/30/2021	3,684	—
Total	\$ 16,567	\$ 21,176

The amount reported as contributions after the measurement date included in deferred outflows will be recognized as benefit payments during the following fiscal year.

Amounts reported as differences between expected and actual experience and changes in assumptions included under deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Year ended June 30:	
2023	\$ (2,032)
2024	(2,032)
2025	(2,032)
2026	(1,615)
2027	(1,515)
Thereafter	933
Total	\$ (8,293)

d. Funded Status and Funding Progress

As of June 30, 2021, the most recent actuarial valuation date, the plan was 0% funded. The unfunded OPEB liability for benefits was \$85.9 million and \$80.2 million and there were no assets, resulting in an unfunded net OPEB liability of \$85.9 million and \$80.2 million as of June 30, 2022 and 2021, respectively. The covered payroll (annual payroll of active employees covered by the plan) was \$434.9 million and \$490.2 million, and the ratio of the unfunded net OPEB liability to the covered payroll was 20% and 16%, for the years ended June 30, 2022 and 2021, respectively.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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e. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2021, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 6.4% initially, reduced by increments to an ultimate rate of 1.92% after 13 years. The increase in the benefit obligation recognized during the fiscal year ending June 30, 2020 was due to a change in the discount rate from 2.45% as of the beginning of the reporting year to 1.92% as of the measurement date, and updates to the retirement rates, participation rates and health care trend rates. The gains on the benefit obligation recognized during the fiscal year ended June 30, 2021 was due to updates made on expected future health claims and an increase in the discount rate from 2.45% as of the beginning of the reporting year to 1.92% as of the measurement date, and changes in the assumed per capita cost.

14. Commitments

At June 30, 2022 and 2021, the Association had approximately \$6.7 million and \$0.2 million, respectively, in encumbrances for future expenditures.

a. Litigation

While the Association is a party to various legal actions and other claims in the normal course of business, there are no legal actions against the Association at this time.

b. NCAA Investigation

The University received a Notice of Allegation from the NCAA on May 4, 2020 as a result of information obtained during the federal criminal charges against former Adidas representatives, and the subsequent investigation. A number of other university athletic programs with Adidas contracts similarly received a Notice of Allegation from the NCAA. The outcome of the NCAA's allegations against the University and the future impact on the financial position of the Association cannot be estimated at the time of issuance of the audited financial statements.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ending
(in thousands)

	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB liability					
Service Cost	\$ 2,795	\$ 2,538	\$ 2,437	\$ 4,630	\$ 5,203
Interest	1,956	2,318	2,497	3,296	2,728
Difference between expected and actual experience	(458)	(1,687)	1,923	(1,718)	(2,608)
Changes of assumption	4,967	5,757	5,488	(27,504)	(5,495)
Benefit payments	(3,558)	(2,927)	(2,836)	(2,817)	(3,007)
Net change in OPEB Liability	\$ 5,702	\$ 5,999	\$ 9,509	\$ (24,113)	\$ (3,179)
OPEB liability - beginning of year	80,238	74,239	64,730	88,843	92,022
OPEB liability - end of year	\$ 85,940	\$ 80,238	\$ 74,239	\$ 64,730	\$ 88,843
Covered employee payroll	\$ 434,864	\$ 490,221	\$ 493,893	\$ 450,332	\$ 445,356
Total OPEB liability as a percentage of covered employee payroll	19.76 %	16.37 %	15.03 %	14.37 %	19.95 %

This schedule is to be built prospectively. Until a full 10-year trend is compiled, the schedule will show information for those years for which data is available.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Fiscal Year Ending
(in thousands)

DRAFT

RECOMMENDATION TO THE UofL ATHLETIC ASSOCIATION BOARD OF DIRECTORS
REGARDING THE TURF REPLACEMENT AT CARDINAL STADIUM

Finance and Budget Committee – October 28, 2022
Board of Directors – October 28, 2022

RECOMMENDATION:

The Athletic Director recommends that the Board of Directors authorize the replacement of the playing surface at Cardinal Stadium at a cost not to exceed \$1,000,000.00

BACKGROUND:

Athletics is seeking approval to replace the turf playing surface at Cardinal Stadium. The existing turf was installed in 2013 and has exceeded its life expectancy. The new turf, which will be installed by FieldTurf under an existing state contract, will have a 10-year warranty. Work will begin in July 2023 and be completed by Sept 2, 2023.

The scope of work will include replacing 104,474 square feet of turf, upgrading electrical service to the field, and installing a monitoring system to track turf depletion and weathering. The cost of the project will not exceed \$1 million and is included in the state capital budget.

This capital expense will be in fiscal year 2023-24 and will be included in the ULAA FY24 budget. It is anticipated that a minimum of 75% of the cost of the project to be funded from proceeds of a major concert being held at Cardinal Stadium in July. The remaining balance will be funded from the 2023-24 operating budget.

Pursuant to the ULAA Financial Transactions Policy, the Board of Trustees must approve any athletic capital project that exceeds \$500,000.

COMMITTEE ACTION:

Passed X

Did Not Pass _____

Other _____

 ns
Signature on file _____

Assistant Secretary

ULAA BOARD ACTION:

Passed X

Did Not Pass _____

Other _____

 ns
Signature on file _____

Assistant Secretary

BOT Board Action:

Passed X

Did Not Pass _____

Other _____

 ns
Signature on file _____

Assistant Secretary

University of Louisville Athletic Association

FY22 & 1st Quarter Financial Review

FY22 FINANCIAL REVIEW



FY22 Overview

- Results drawn from draft audited statements:
 - Unmodified ("clean") opinion expected
 - Audit has cleared University and CLA personnel. Under CLA Quality Review (final step)
 - Full accrual basis (reflects commitments and economic value)
 - Prior year (FY21) restated due to new lease accounting standard and correction of accounting error
- FY22 reflects a decrease in net position of \$8.7M
- Decrease driven by one-time & extraordinary entries of \$9.9M
 - Full recognition of MBB coach buyout of \$4.7M
 - Timing on Crum Hall gift revenues and financing payments of \$4.6M
 - Lease accounting adoption-accounting standard change of .6
- When Normalized, change in net position is a positive \$1.2M

Impact of extraordinary & one-time events:	<u>FY 2022</u>	
ULAA Change in Net Position	\$	(8,660)
Extraordinary items impacting Net Position:		
Impact of Lease Accounting Standard Adoption	\$	618
		all accrual based- no cash impact
Men's Basketball Coach buy-out	\$	4,705
		recognition of full cost but paid over multiple years
Timing on Crum Hall Revenues & Expenses	\$	4,625
		Gifts collected in FY21 to meet FY22 obligations
CARES/HEERF revenues	\$	(100)
		Lost revenues and expense reimbursements
Normalized FY 2022 Margin	\$	1,188

- Cash decreased \$1.7M to \$24.3M due to payments on capital projects



Revenue by Category

	FY 2022	FY 2021	Change	
	Actuals DRAFT	RESTATED DRAFT	Dollars	Pct
Revenues				
Football	48,794,907	32,158,439	16,636,468	52%
Cardinal Stadium	926,256	881,486	44,771	5%
Men's Basketball	23,494,096	12,677,339	10,816,757	85%
Women's Basketball	1,030,952	370,585	660,367	178%
Other Olympic Sports	312,751	103,940	208,811	201%
Annual Seat Donations	14,721,952	4,667,784	10,054,168	215%
NCAA/ACC Distribution	2,725,397	725,646	1,999,751	276%
Marketing	20,472,479	18,406,532	2,065,947	11%
Student Fee	900,000	987,500	(87,500)	-9%
Gender Equity Commitment	940,000	940,000	(0)	0%
Other	3,131,719	2,793,386	338,333	12%
Post Season	2,384,402	119,769	2,264,632	1891%
Restricted (Gifts, Plant Fund, Transfers In)	33,637,509	43,043,368	(9,405,859)	-22%
Total Revenues	153,472,419	117,875,775	35,596,645	30%



Expense by Category

	FY 2022	FY 2021	Change	
	Actuals	RESTATED	Dollars	Pct
	DRAFT	DRAFT		
Expenses				
Football Program	25,188,277	18,178,704	7,009,574	39%
Cardinal Stadium	2,861,691	1,742,674	1,119,017	64%
Men's Basketball Program	7,851,438	5,493,650	2,357,788	43%
Women's Basketball Program	5,441,424	3,954,915	1,486,510	38%
Other Olympic Sports	22,512,445	17,738,942	4,773,503	27%
Administration	3,517,360	2,936,466	580,894	20%
Marketing and Development	5,114,740	3,288,469	1,826,271	56%
Support Services	18,048,520	11,405,030	6,643,489	58%
Spirit Groups	410,520	282,141	128,380	46%
Facilities/Game Management	2,879,411	2,762,682	116,729	4%
Arena Related	5,640,050	3,285,751	2,354,299	72%
Debt Service	1,594,139	2,094,259	(500,120)	-24%
Post Season	4,560,063	620,933	3,939,130	634%
Other Expenses	9,532,288	8,853,352	678,936	8%
Contingency	2,677,964	1,879,576	798,388	42%
Restricted (Gifts, Plant Fund, Transfers Out)	44,302,566	42,973,181	1,329,385	3%
Total Expenses	162,132,898	127,490,724	34,642,174	27%
Change in Net Position	(8,660,479)	(9,614,950)		

FY23-1st Quarter Review



FY23 YTD Highlights

Revenues

- 40% of budgeted operating revenues have been realized through September, compared to 45% in prior year. (\$9M decrease from the prior year)
 - \$6.5M is due to Chic-Fil-A game and one extra home football game in the prior year.
 - Estimated \$8M in timing of MBB payment plans (payment plan due date changed from October 1 to January 1).

Expenses

- 26% of budgeted operating expenses have been spent through September.
- Operating expenses tracking well to budget.
- Salaries, student meals and equipment expenses slightly higher from last year

Net Operating

- Positive operating margin of \$14M through September



Revenue by Category

REVENUES	2022-23			2021-22		
	Original Budget	Actual YTD	Percent of Budget Realized	Actual YTD	Year Over Year \$ Change	Year Over Year % Change
Operating Funds						
ACC/NCAA	39,397,200	1,066,907	3%	1,057,654	9,253	1%
Ticket Sales	22,128,500	16,735,349	76%	23,786,050	(7,050,700)	-30%
Marketing	19,830,400	7,430,422	37%	7,757,659	(327,237)	-4%
Donations	15,965,000	11,788,761	74%	12,722,382	(933,621)	-7%
Rentals/suites	7,310,000	4,044,657	55%	4,662,975	(618,318)	-13%
Concessions/Parking	3,669,600	994,193	27%	1,037,917	(43,724)	-4%
Game Guarantees	250,000	0	0%	0	0	NA
University Support	2,831,300	2,831,300	100%	2,577,217	254,083	10%
Other	3,418,000	505,987	15%	745,090	(239,103)	-32%
Operating Total	114,800,000	45,397,576	40%	54,346,943	(8,949,368)	-16%
Restricted Funds						
Admin/Support	0	1,292,039	NA	2,171,903	(879,864)	-41%
Sport Restricted	0	469,400	NA	623,278	(153,879)	-25%
Capital/Debt	0	3,496,605	NA	2,716,126	780,479	29%
Transfers	0	0	NA	0	0	NA
Restricted Total	0	5,258,043	NA	5,511,308	(253,264)	-5%
Total Revenues	\$114,800,000	\$50,655,619		59,858,251	(9,202,632)	-15%

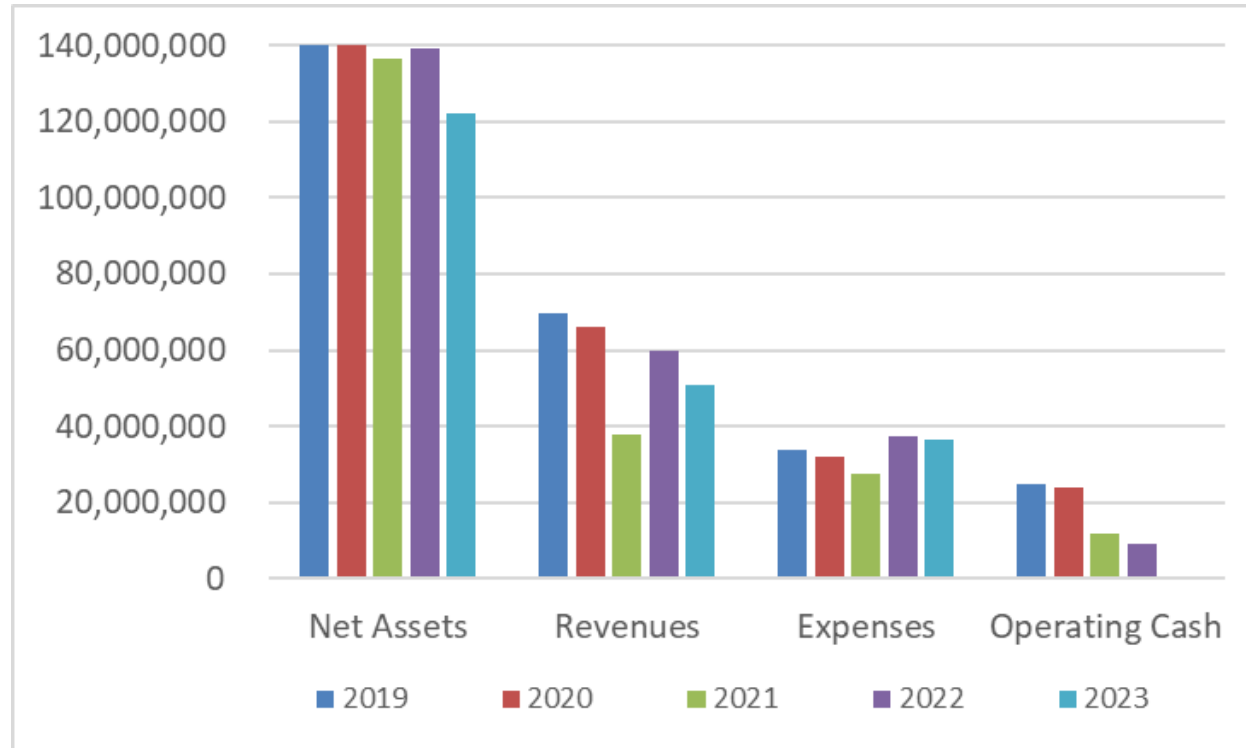


Expense by Category

EXPENSES	2022-23			2021-22		
	Original Budget	Actual YTD	Percent of Budget Realized	Actual YTD	Year Over Year \$ Change	Year Over Year % Change
All Funds						
Salaries & Benefits	47,459,428	11,872,929	25%	11,177,157	695,773	6%
Administrative	23,443,320	10,579,032	45%	11,705,672	(1,126,640)	-10%
Financial Aid	16,362,410	6,797,659	42%	6,753,900	43,759	1%
Game Expense	9,360,190	616,500	7%	1,364,745	(748,245)	-55%
Team Travel	6,035,565	1,030,749	17%	953,790	76,958	8%
Student Meals	1,618,960	872,132	54%	549,888	322,244	59%
Equipment	1,509,063	832,561	55%	659,912	172,649	26%
Recruiting	1,768,443	579,672	33%	579,444	228	0%
Non-Recruiting Travel	144,687	44,735	31%	37,074	7,661	21%
Transfers	7,097,934	3,109,511	44%	3,415,497	(305,986)	-9%
	<u>114,800,000</u>	<u>36,335,480</u>	<u>32%</u>	<u>37,197,079</u>	<u>(861,599)</u>	<u>-2%</u>
Revenues Over/(Under) Expenses		14,320,139		22,661,172	(8,341,033)	-37%



Financial Metrics Through September 30th





QUESTIONS

Or email questions to:

jeffs@Gocards.com

ANNUAL REPORT OF FINANCIAL MATTERS

July 1, 2021 Through June 30, 2022

Following is the annual financial report required under Section IV of the ULAA Financial Transactions policy approved by the ULAA Board of Directors on October 18, 2019.

A. Audited Financial Statements:

- Action item presented in the Board materials

B. FY22 Budget to actual analysis:

- Informational item in the Board materials

C. Financial support provided by the University and UofL Foundation

Direct Transfers to ULAA	
HEERF Covid 19 Federal Pass Through Funds	\$99,502
Student Athletic Fee	\$900,000
Gender Equity	\$940,000
Retention Commitment	\$991,300
Total Transfer to ULAA	<u>\$2,930,802</u>
Direct Transfers to University	
Tuition	\$10,399,006
Housing	\$1,515,450
Utilities	\$772,957
IT/Data Network	\$256,759
Physical Plant	\$121,682
Total Transfers to UL	<u>\$13,065,854</u>
Net Payments to the University	\$10,135,052

D. Status of ULAA long-term debt

	Republic Bank Lynn, Patterson, Ulmer, ACCN		Republic Bank Line of Credit		University Original Lynn, Patterson, Ulmer		University Thornton's Academic Ctr		University Cardinal Stadium		First American Stadium WI-Fi/Angel's Envy		IPA/320 Eastern Denny Crum Hall		Total Debt		
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Total pymt
6/30/23	67,192	54,526	337,333	263,700	1,416,649	141,210	689,038	268,604	2,758,731	2,912,480	1,423,893	304,828	357,359	135,940	7,050,196	4,081,288	11,131,484
6/30/24	410,207	320,104	347,217	253,816	1,443,960	115,155	706,372	251,270	3,350,000	2,767,800	1,463,904	264,816	929,618	111,809	8,651,278	4,084,771	12,736,049
6/30/25	423,435	306,877	357,390	243,643	1,467,608	88,106	724,142	233,501	3,520,000	2,600,300	1,505,040	223,681	564,478	83,795	8,562,093	3,779,902	12,341,995
6/30/26	436,186	294,125	367,862	233,171	1,498,110	59,906	742,358	215,284	3,690,000	2,424,300	1,547,331	181,389	307,789	67,440	8,589,637	3,475,615	12,065,252
6/30/27	449,322	280,990	378,640	222,393	1,527,461	30,554	761,033	196,609	3,875,000	2,239,800	1,590,811	137,909	288,331	55,181	8,870,600	3,163,437	12,034,036
6/30/28	462,123	268,189	389,734	211,299	1,558,227		780,178	177,464	4,070,000	2,046,050	1,635,513	93,207	276,306	42,477	9,172,082	2,838,686	12,010,768
6/30/29	476,770	253,542	401,154	199,879			799,804	157,838	4,250,000	1,865,650	1,681,471	47,249	288,740	29,764	7,897,939	2,553,922	10,451,861
6/30/30	491,128	239,184	412,907	188,126			819,924	137,718	4,390,000	1,727,525			301,733	16,478	6,415,693	2,309,030	8,724,723
6/30/31	7,783,636	187,947	425,006	176,027			840,551	117,092	4,605,000	1,508,025			215,311	4,844	13,869,503	1,993,935	15,863,439
6/30/32			437,458	163,575			861,696	95,947	4,840,000	1,277,775					6,139,154	1,537,296	7,676,450
6/30/33			450,276	150,757			883,373	74,270	5,080,000	1,035,775					6,413,649	1,260,802	7,674,450
6/30/34			463,469	137,564			905,595	52,047	5,335,000	781,775					6,704,064	971,386	7,675,450
6/30/35			477,049	123,985			928,377	29,266	5,600,000	515,025					7,005,425	668,275	7,673,700
6/30/36			491,026	110,007			472,910	5,911	5,845,000	263,025					6,808,936	378,943	7,187,879
6/30/37			505,413	95,620											505,413	95,620	601,033
6/30/38			520,222	80,811											520,222	80,811	601,033
6/30/39			535,464	65,569											535,464	65,569	601,033
6/30/40			551,153	49,880											551,153	49,880	601,033
6/30/41			567,302	33,731											567,302	33,731	601,033
6/30/42			583,924	17,109											583,924	17,109	601,033
	11,000,000	2,205,483	9,000,000	3,020,661	8,912,016	434,930	10,915,352	2,012,821	61,208,731	23,965,305	10,847,964	1,253,080	3,529,665	547,729	115,413,728	33,440,009	148,853,737

E. Changes in the debt rating outlook assigned to ULAA's debt

- Athletics does not have an independent debt rating. ULAA's debt is combined with the debt of the University. Moody's has rated the university Baa1 which has not changed since November 2019.

F. The receipt of gifts and pledges

- Following is a list of both annual gifts and capital gifts for FY22. Capital gifts include total value of pledges which are required to be booked as current revenue under accrual accounting.

	Annual	Capital	Total
Seat/Suite Donations	20,931,912		20,931,912
Inventory-Gifts in Kind	3,709,159		3,709,159
Cardinal Trust		120,000	120,000
Denny Crum Hall	0	110,000	110,000
Next Step	10,510	4,099,400	4,109,910
Kueber Center		15,000	15,000
Football Stadium		807,280	807,280
Lynn Soccer Stadium		12,000	12,000
Patterson Baseball Stadium		663,112	663,112
Men's Basketball	448,542		448,542
Football	480,124	10,000	490,124
Women of Influence	4,000		4,000
Baseball	106,386		106,386
Trager Center		408,470	408,470
Women's Basketball	188,200	190,000	378,200
Volleyball	81,550		81,550
Men's Golf	55,681		55,681
Women's Golf	98,040		98,040
Softball	51,450		51,450
Men's Tennis	1,700		1,700
Women's Soccer	18,000		18,000
Swim & Dive	50,110		50,110
Track	20,025		20,025
Field Hockey	26,825		26,825
Women's Tennis	510		510
Thornton's Academic Center		343,105	343,105
The New Standard	502,000	2,682,162	3,184,162
Men's Soccer	15,700		15,700
Rowing	130		130
Cheer/Dance	8,370		8,370
Lacrosse	1,775		1,775
Undesignated	228,274	1,604,755	1,833,029
Write offs/pledge discounts		(1,436,627)	(1,436,627)
	27,038,971	9,628,657	36,667,628

G & H. Total Compensation of all ULAA employees exceeding \$250,000 and those Associate/Assistant AD's reporting directly to the Athletic Director

UNIVERSITY OF LOUISVILLE ATHLETIC ASSOCIATION
Direct Reports to Athletic Director & Staff Exceeding \$250,000 in Compensation
Fiscal Year 2021-22

Name	Title	Department	Base Comp	Bonuses/ Automobile	Total
VP Direct Reports					
Banker,Matthew	Associate Athletics Director	Administration	\$ 141,460		\$ 141,460
Calabrese,Amy	Associate Athletics Director/ Senior Woman Admin	Administration	\$ 152,880		\$ 152,880
Carns,John	Senior Associate Athletics Director	Administration	\$ 187,831		\$ 187,831
Clemente,Laura F	Associate Athletics Director	Administration	\$ 122,504		\$ 122,504
Cowherd,Derek Steven *	Associate Athletics Director	Administration	\$ 76,613		\$ 76,613
Dudas,Michael	Associate Athletics Director	Administration	\$ 145,590		\$ 145,590
Heird,Joshua**	Deputy Athletics Director	Administration	\$ 97,390		\$ 97,390
Ivey,Patrick	Associate Athletics Director	Administration	\$ 187,935		\$ 187,935
Klein,Kenneth	Senior Associate Athletics Director	Administration	\$ 200,532		\$ 200,532
Mitchell,Marvin	Senior Associate Athletics Director	Administration	\$ 209,726		\$ 209,726
Ortman,Michael	Associate Athletics Director	Administration	\$ 145,590		\$ 145,590
Shoemaker,Amy	Associate Athletics Director	Administration	\$ 105,423		\$ 105,423
Spelker,Jeffrey	Associate Athletics Director	Administration	\$ 130,098		\$ 130,098
Stockwell,Lottie	Associate Athletics Director	Administration	\$ 141,460		\$ 141,460
Staff Exceeding \$250,000					
Mack,Christopher L	Head Coach & Severence	Men's Basketball	\$ 4,741,368	\$ 60,500	\$ 4,801,868
Satterfield,Fredric Scott	Head Coach	Football	\$ 3,250,000	\$ 162,000	\$ 3,412,000
Walz,Jeff J	Head Coach	Women's Basketball	\$ 1,568,750	\$ 278,000	\$ 1,846,750
Petrino,Robert P	Serverence	Football	\$ 1,566,670		\$ 1,566,670
McDonnell,Daniel S.	Head Coach	Baseball	\$ 1,250,000	\$ 256,000	\$ 1,506,000
Payne,Kenneth	Head Coach	Men's Basketball	\$ 958,877	\$ 103,435	\$ 1,062,312
Brown,Bryan T	Associate Head Coach	Football	\$ 881,250	\$ 48,500	\$ 929,750
Pegues,Michael Anthony	Assistant Coach	Men's Basketball	\$ 280,556	\$ 344,833	\$ 625,389
Heird,Joshua William	Deputy AD & Interim AD	Administration	\$ 512,217		\$ 512,217
Dennison,Courtney Michael	Assistant Coach & Severence	Football	\$ 496,875	\$ 2,500	\$ 499,375
Williams,Roger W	Associate Head Coach	Baseball	\$ 380,000	\$ 118,500	\$ 498,500
Snider,Eric Thomas	Assistant Coach	Baseball	\$ 355,000	\$ 118,500	\$ 473,500
Tyra,Vincent J	Athletic Director	Administration	\$ 467,467		\$ 467,467
Busboom,Danielle Brooke	Head Coach	Volleyball	\$ 312,500	\$ 107,582	\$ 420,082
Ivey III,Mark N	Assistant Coach	Football	\$ 375,000	\$ 24,750	\$ 399,750
Taylor,Lance	Assistant Coach	Football	\$ 361,905	\$ 2,714	\$ 364,619
Nicholson,Derek H	Assistant Coach	Football	\$ 340,000	\$ 23,000	\$ 363,000
Gasparato,Gregory Anthony	Assistant Coach	Football	\$ 300,000	\$ 21,000	\$ 321,000
Bicknell III,John S	Assistant Coach	Football	\$ 293,569	\$ 26,522	\$ 320,091
Sirignano,Michael G	Head Strength Conditioning Coach	Football	\$ 318,964		\$ 318,964
Albiero JR,Arthur	Head Coach	Swimming & Diving	\$ 280,000	\$ 28,500	\$ 308,500
McMains,Fraser	Assistant Coach	Men's Basketball	\$ 231,429	\$ 51,335	\$ 282,764
Norman,Stephanie Ann	Associate Head Coach	Women's Basketball	\$ 245,000	\$ 30,417	\$ 275,417
Brewer,Gunter S	Assistant Coach	Football	\$ 249,688	\$ 25,250	\$ 274,938
Sims,Joseph	Assistant Coach	Football	\$ 250,000	\$ 18,500	\$ 268,500

* Started mid-year

**Only includes pay as Deputy AD

I. Status of matters approved by the Board during prior twelve months:

Action Item	Approval Date	Status
Denny Crum Hall Financing	October, 2021	Project completed
2021 Audited Financial Statements	October, 2021	No further action
Charitable Gaming License	October, 2021	No further action
Capital-Cardinal Stadium Club Renovation	October, 2021	Completed
2022 Football Ticket Prices	December, 2021	implemented
Dani Busboom Kelly Contract Extension	December, 2021	implemented
Scott Teeter Contract Extension	January, 2022	implemented
Financing-Angel's Envy Club Renovation	January, 2022	Project completed
Financing-Cardinal Stadium Wifi	January, 2022	Project completed
2022 Men's Basketball Ticket Prices	January, 2022	implemented
Jeff Walz Contract Extension	March, 2022	implemented
Hiring of Kenny Payne	March, 2022	implemented
Capital-Field Hockey Turf Replacement	April, 2022	Project completed
John Michael Hayden Contract Extension	April, 2022	implemented
Derek Copeland Contract Extension	April, 2022	implemented
Capital-Patterson Stadium Upgrades	June, 2022	Planning phase
2022-23 Operating Budget	June, 2022	implemented