

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

September 21, 2023

In Open Session

Members of the Finance Committee of the University of Louisville Board of Trustees met on September 21, 2023, at 2:15 p.m., in the Jefferson Room, Grawemeyer Hall, Belknap Campus, with members present and absent as follows:

Present: Dr. Larry Benz, Chair
Dr. Raymond Burse
Ms. Katie Hayden
Ms. Diane Medley, Chair Pro Tem, presiding
Dr. Eugene Mueller

Absent: Mr. Brian Lavin

Other Trustees

Present: Mr. Jerry Abramson
Mr. Al Cornish
Ms. Mary Nixon
Mr. Kevin Ledford
Mr. Jim Rogers
Ms. Sherrill Zimmerman

From the

University: Dr. Kim Schatzel, President
Dr. Gerry Bradley, Interim Provost
Dr. Kevin Gardner, Executive Vice President for Research and Innovation
Mr. Dan Durbin, Executive Vice President for Finance and Administration
Ms. Angela Curry, General Counsel and Vice President for Legal Affairs
Dr. Michael Mardis, Vice President for Student Affairs, Dean of Students
Mr. Lee Gill, Vice President for Institutional Equity
Ms. Sandy Russell, Vice President for Risk, Audit, and Compliance
Mr. Josh Heird, Vice President for Athletics and Athletic Director
Mr. John Drees, Vice President for Communications & Marketing
Mr. Brent Pieper, Vice President for University Advancement
Dr. Jeff Bumpous, Interim Vice President for Academic Medical Affairs
Ms. Julie Dials, Assistant Vice President for University Advancement
Mr. Rick Graycarek, Vice President for Budget and Finance
Ms. Shannon Rickett, Assoc. Vice President for Government Relations
Dr. Gail DePuy, Senior Vice Provost
Mr. Robert Goldstein, Vice Provost for Assessment & Univ. Decision Support
Dr. Cherie Dawson-Edwards, Vice Provost for Faculty Affairs
Mr. Jim Begany, Vice Provost for Strategic Enrollment Management
Mr. Nick Bowes, Deputy Athletic Director and CFO, ULAA

Mr. Zach Brooks, Asst. AD for Capital Projects & Administration, ULAA
Mr. John Karman, Executive Director of Communications
Ms. Becky Patterson, Executive Director and Lead Statistician, IRP
Dr. Leslie Harper, Program Approval & Review Coordinator, OAPA
Mr. Jerry Johnson, Chief of Staff to the EVP for Finance and Administration
Dr. Lee W. Bewley, Assoc. Professor, Dir., Health Management Program, SPHIS
Mr. Chris Wooton, Associate Director of Communications and Marketing
Mr. Jake Beamer, Dir. of Governance & Strategic Initiatives & Asst. Secretary

From the UofL

Foundation: Mr. Keith Sherman, Executive Director and COO

I. Call to Order

Chair Pro Tem Medley stated that Chair Benz asked her to chair the meeting as he was participating the proceedings virtually. There were no objections.

Ms. Medley called the roll and having determined a quorum present, called the meeting to order at 2:15 p.m.

Approval of Minutes, 6-22-2023

Dr. Burse made a motion, which Dr. Mueller seconded, to approve the minutes of the June 22, 2023, meeting.

The motion passed.

II. Report of the Executive Vice President for Finance and Administration

The EVFA's report consisted of two updates: financial activity from fiscal year 2023, and a budget to actual comparison for August 2024.

Preliminary FY 2023 Financial Results

Mr. Durbin provided the committee highlights of draft financial activity from FY 2023, using the **attached** presentation, noting that the financial statement audit is underway and on schedule; the university ended FY 2023 with a positive margin, as projected; total revenues are \$14M less than the prior year; total expenses increased by \$11M; liquidity remains stable; and the balance sheets and cash flows documents are being finalized.

August Budget to Actual FY 24

Using the **attached** presentation, Mr. Durbin shared an actual-to-budget report, updates regarding dollar amounts of liquid cash, and days of cash on hand.

He then fielded questions from the committee.

Chair Pro Tem Medley thanked the CFO for his report.

III. Adjournment

Having no other business to come before the committee, Dr. Burse made a motion, which Dr. Benz seconded, to adjourn.

The motion passed and the meeting adjourned at 2:37 p.m.

Approved by:



Assistant Secretary

Highlights of DRAFT FY 2023 Financial Activity

(Based on unaudited statement activity)

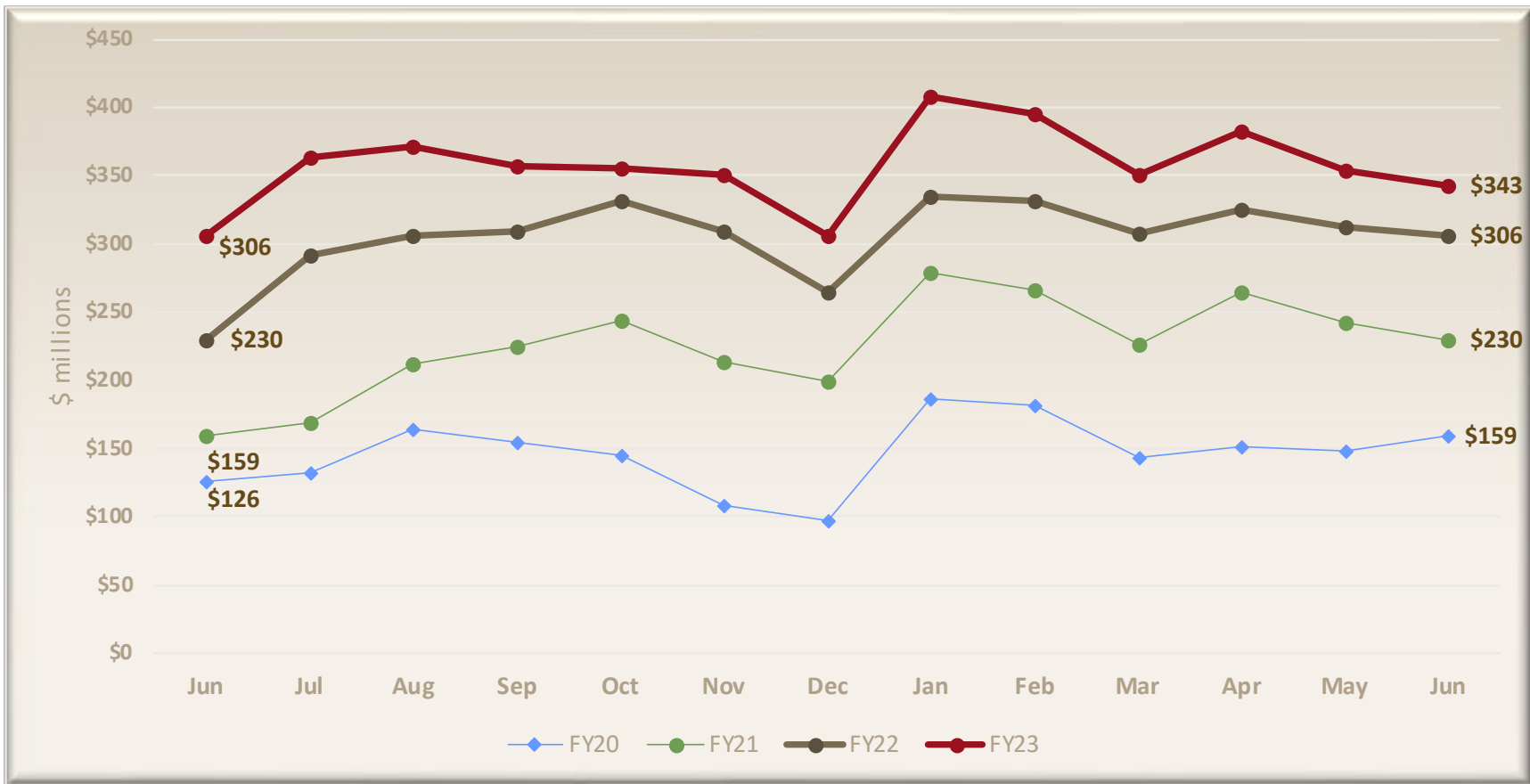
- **Financial statement audit is underway and on schedule**
- **University ended FY 23 with a positive margin - as projected**
- **Total Revenues are \$14 mill less than prior year**
 - CARES Funds in FY 22 only
 - No ULH Margin Share declared for FY 23
- **Total Expense increased by \$11 mill**
 - Salary increase programs increased wage and fringe expense
 - Offset by reduction of scholarship expense, no CARES funds
- **Continued positive change in Net Position**
- **Liquidity remains stable**
- **Balance Sheet and Cash Flows being finalized**

UNIVERSITY OF LOUISVILLE AND AFFILIATED CORPORATIONS
DRAFT & UNAUDITED Statements of Revenues, Expenses, and Changes in Net Position
Years ended June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>	<u>Difference</u>	
Revenues:				
Gross tuition and fees	340,023	335,805	4,218	
Less: scholarship allowance	(112,478)	(95,745)	(16,733)	Increased discount is countered by decrease in scholarship expense
Student tuition and fees, net	227,545	240,060	(12,514)	
State appropriations	147,718	131,725	15,992	
Clinical services and practice plan	404,014	404,628	(614)	Includes IGT volume reconciliation
Grants and contracts	184,356	216,203	(31,847)	CARES revenues of \$35M recognized in FY22, \$0 in FY23
Facilities and administrative cost recoveries	34,381	38,714	(4,334)	
Intercollegiate athletics	97,351	96,940	411	
Gifts, donations (incl UL Foundation)	94,305	77,701	16,604	
Auxiliary enterprises, net	20,180	16,961	3,218	
Other revenue	35,112	34,301	812	
Capital appropriations and gifts	7,689	9,798	(2,108)	
Total Revenues	1,252,652	1,267,032	(14,380)	
Expenses:				
Instruction, Research and Public Service	612,319	591,371	20,947	Includes impact of salary increases
Academic Support and Student Services	221,107	205,325	15,781	Includes impact of salary increases and retention efforts
Institutional support	82,458	90,985	(8,527)	COVID related spending decreased in FY23-funded from CARES dollars
Plant operation, maintenance and depreciation	133,701	126,485	7,216	
Scholarships and fellowships	39,483	58,654	(19,170)	Decreases attributed to CARES funding in FY22 and shift to discount (payment type)
Auxiliary enterprises	10,576	8,400	2,176	
Intercollegiate athletics	114,764	121,536	(6,772)	
Interest expense	10,673	11,060	(387)	
Total Expenses	1,225,080	1,213,816	11,264	
Change in Net Position	27,572	53,216	(25,644)	

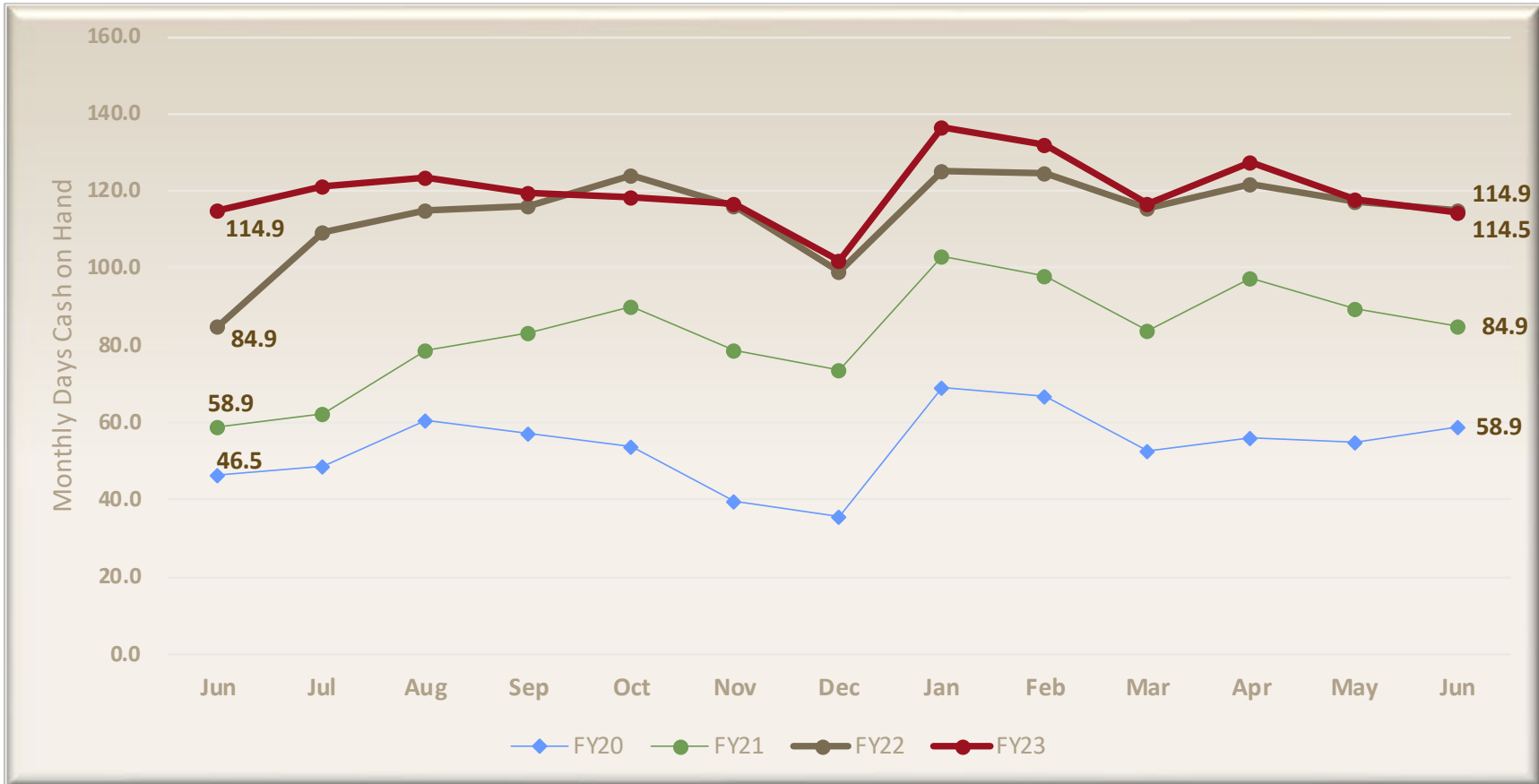
Liquid Cash – FY 2020 to FY 2023

Actual dollar amounts through June 2023, FY 2023



Liquid Cash – FY 2020 to FY 2023

Days Cash on Hand amounts through June 2023, FY 2023



FY 2023 days of cash has been recalculated to reflect the higher expense levels in the current year.



















Actual-to-Budget FYTD through August 31, 2023









September 21, 2023

FYTD Actual-to-Budget Report thru August 2023

(modified-cash basis)

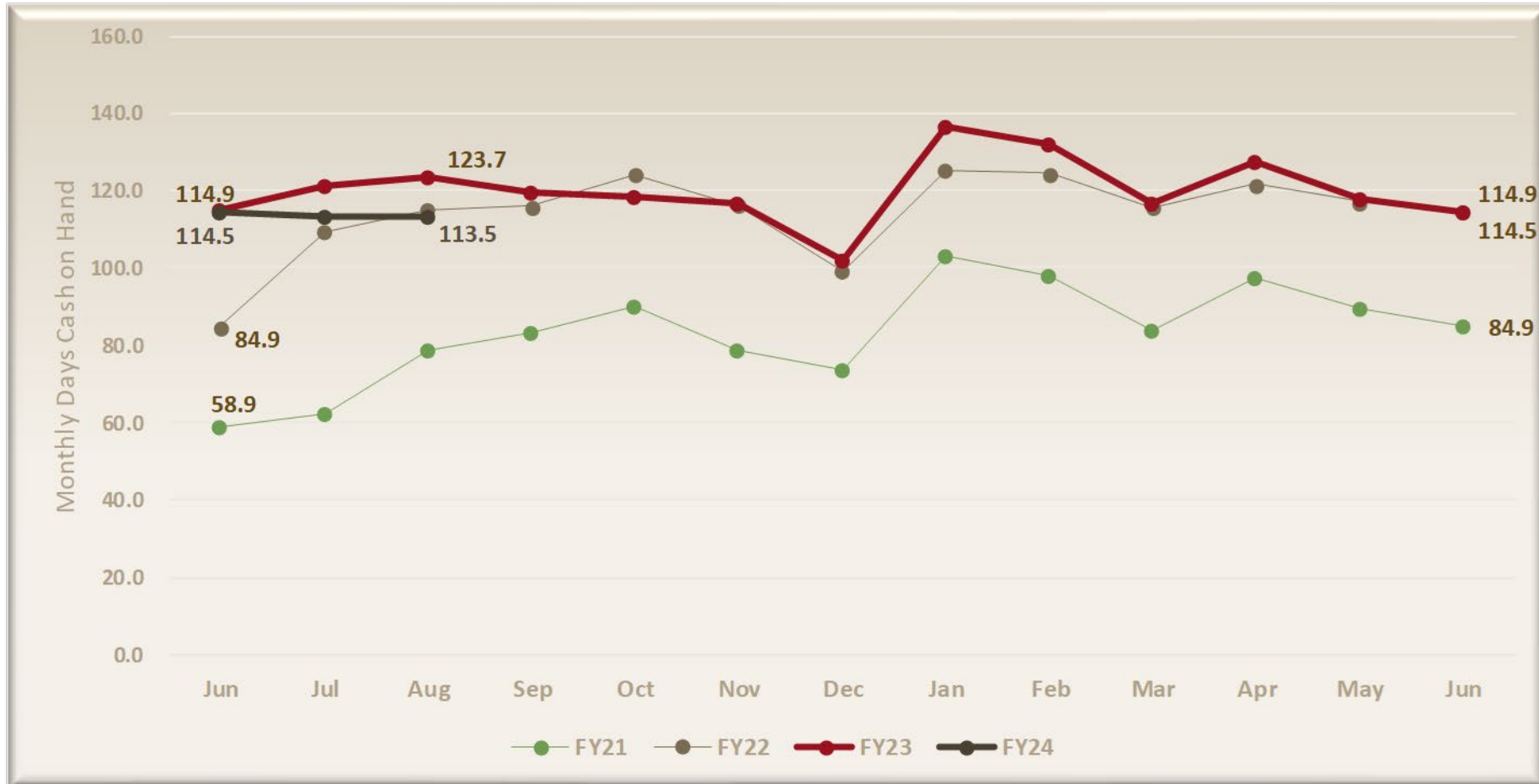
Status Indicators	
Better than Expected	
As Expected	
Worse than Expected	

Revenues	FY 2024			
	Annual Budget	YTD August	% Realized	Status
<u>General Funds</u>				
Tuition and Fees	349,751,124	177,003,241	50.6%	
State Appropriations	145,051,400	43,515,400	30.0%	
Transfers In	30,586,292	1,110,282	3.6%	
Other Revenue	24,216,493	7,910,045	32.7%	
Auxiliaries	19,830,610	9,249,219	46.6%	
Hospital-Related	1,350,669	144,116	10.7%	
General Funds Total	570,786,588	238,932,302	41.9%	
<u>Non-General Funds</u>				
UL Research Foundation	708,024,772	112,950,463	16.0%	
UL Athletic Association	166,100,000	59,475,122	35.8%	
UL Foundation	77,630,926	6,153,488	7.9%	
Internally Designated	88,264,325	5,163,541	5.9%	
Non-General Funds Total	1,040,020,023	183,742,614	17.7%	
Total Revenues	\$1,610,806,611	\$422,674,917	26.2%	
<i>General funds received in prior years</i>	456,298			
<i>Non-general funds received in prior years</i>	36,246,292			
Total Funds Available	\$1,647,509,201			

Expenses	FY 2024			
	Annual Budget	YTD August	% of Budget	Status
<u>All Funds</u>				
Salary	606,306,934	97,145,559	16.0%	
Fringe Benefits	173,135,891	29,092,981	16.8%	
Operating	562,227,997	92,645,064	16.5%	
Financial Aid	168,227,366	78,975,017	46.9%	
Capital Asset & Debt Service	33,476,992	2,696,827	8.1%	
Asset Preservation	76,943,000	5,869,952	7.6%	
Utilities	27,191,021	1,201,496	4.4%	
Total Expenses	\$1,647,509,201	\$307,626,895	18.7%	
Revenue Over/(Under) Expenses	\$0	\$115,048,021		

Liquid Cash – FY 2021 to FY 2024

Days Cash on Hand Amounts through August 2023, FY 2024



Beginning with FY 2023, days of cash recalculated to reflect higher annual expense levels.