

UNIVERSITY OF LOUISIANA SYSTEM
A COMPONENT OF THE
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED JUNE 30, 2021
ISSUED DECEMBER 29, 2021

**UNIVERSITY OF LOUISIANA SYSTEM
1201 NORTH THIRD STREET, SUITE 7-300
BATON ROUGE, LOUISIANA 70802**

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UNIVERSITY OF LOUISIANA SYSTEM

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LOUISIANA LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

December 29, 2021

Independent Auditor's Report

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are nonprofit corporations included as blended component units in the basic financial statements representing approximately 29.9%, 22.4%, 4.6%, and 5.3% of total assets, liabilities, revenues, and expenses, respectively. We also did not audit the financial statements of the University of Louisiana at Lafayette Foundation, Inc., which is a discretely presented component unit included in the basic financial statements of the System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts reported for these component units, are based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the NSU Facilities Corporation and University Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the System as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages vii through xiv, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 79, the Schedule of System's Employer Contributions on page 82, and the Schedule of the System's Proportionate Share of the Total Collective OPEB Liability on page 85 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by GASB, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management

about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplemental information schedules, including the Combining Schedule of Net Position; the Combining Schedule of Revenues, Expenses, and Changes in Net Position; and the Combining Schedule of Cash Flows, on pages 89 through 102, for the fiscal year ended June 30, 2021, are presented for the purposes of additional analysis and are not required parts of the basic financial statements.

These schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the schedules for the fiscal year ended June 30, 2021, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole for the year ended June 30, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the University of Louisiana System as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 22, 2020, which contained unmodified opinions on the respective financial statements of the business-type activities. The Combining Schedule of Net Position; the Combining Schedule of Revenues, Expenses, and Changes in Net Position; and the Combining Schedule of Cash Flows on pages 103 through 116 for the year ended June 30, 2020, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the 2020 financial statements. The combining schedules for the fiscal year ended June 30, 2020, have been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the schedules for the fiscal year ended June 30, 2020, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole for the year ended June 30, 2020.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

AM:CR:RR:EFS:ch

ULS 2021

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

MANAGEMENT'S DISCUSSION
AND ANALYSIS



INTRODUCTION

This section of the University of Louisiana System's (System) annual financial report presents a discussion and analysis of the System's financial performance during the fiscal year that ended June 30, 2021. Please read this section in conjunction with the System's financial statements, which follow this section. The System is comprised of the following entities:

- Grambling State University
- Louisiana Tech University
- McNeese State University
- Nicholls State University
- Northwestern State University
- Southeastern Louisiana University
- University of Louisiana at Lafayette
- University of Louisiana at Monroe
- University of New Orleans
- Board of Supervisors

FINANCIAL HIGHLIGHTS

The System's net position overall changed from (\$322) million (restated) to (\$74) million, an approximate 77% increase from June 30, 2020, to June 30, 2021. Total revenues exceeded expenses by \$248 million, which represents a \$207 million increase from the fiscal year ended June 30, 2020. Net tuition and fees decreased by \$8 million, which was caused by lower regular student enrollment and by increased scholarships. State appropriations decreased by \$101 million, or 35.2%, as supplemental appropriations received in 2020 were not continued into 2021. Investment earnings increased by \$62 million, or 717%. Other nonoperating revenue increased by \$303 million, or 140.3%, primarily from Higher Education Emergency Relief Funds (HEERF) provided to institutions in 2021, and from the Historically Black Colleges and Universities (HBCU) Loan Forgiveness Program at Grambling State University, and hurricane insurance recoveries at McNeese State University. In addition, capital appropriations increased by \$95 million, or 452%, primarily from construction related to tornado damage at Louisiana Tech University and hurricane damage at McNeese State University.

The System's operating revenues decreased by approximately 2.7%, to \$903 million, from June 30, 2020, to June 30, 2021, primarily from decreases in net student tuition and in auxiliary enterprise revenues, net of scholarship discounts and allowances. Operating expenses increased by approximately 5.0%, to \$1.479 billion, for the year ended June 30, 2021.

Nonoperating revenues (expenses) fluctuate depending upon levels of state appropriations, interest earnings/expense, and other nonoperating revenue. The change in nonoperating revenues minus nonoperating expenses amounted to \$694 million in 2021 from \$494 million in 2020 is attributable to an increase in federal nonoperating revenues from increases in HEERF, an increase in investment earnings, and an increase in other nonoperating revenue primarily from debt relief provided by the HBCU Loan Forgiveness Program and insurance recoveries.

OVERVIEW OF THE FINANCIAL STATEMENTS

This financial report consists of three parts: Management's Discussion and Analysis (this section), the Basic Financial Statements, and the Notes to the Financial Statements. The Basic Financial Statements present information for the System as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the *Statement of Net Position*; the *Statement of Revenues, Expenses, and Changes in Net Position*; and the *Statement of Cash Flows*.

The *Statement of Net Position* (pages 1-2) presents the current and long-term portions of assets and liabilities separately. The difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is net position and may provide a useful indicator of whether the financial position of the System is improving or deteriorating.

The *Statement of Revenues, Expenses, and Changes in Net Position* (pages 3-4) presents information showing how the System's assets changed as a result of current-year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, transactions are included that will not affect cash until future fiscal periods.

The *Statement of Cash Flows* (pages 5-7) presents information showing how the System's cash changed as a result of current-year operations. The *Statement of Cash Flows* is prepared using the direct method and includes a reconciliation of operating loss to net cash used by operating activities (indirect method) as required by Governmental Accounting Standards Board (GASB) Statement No. 34.

The System's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America as applied to governmental entities. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the *Statement of Revenues, Expenses, and Changes in Net Position*. All assets and liabilities associated with the operation of the System are included in the *Statement of Net Position*.

The System has one foundation that is discretely presented in its Basic Financial Statements - the University of Louisiana at Lafayette Foundation, Inc. The financial data of the foundation is presented separately in the *Statement of Financial Position* (page 8) and the *Statement of Activities* (pages 9-10). Additional information about the foundation is contained in the Notes to the Financial Statements.

FINANCIAL ANALYSIS

Net Position

The System's total net position at June 30, 2021, increased by approximately \$248 million, a 77% increase from June 30, 2020 (Table A-1). Total assets increased 5.0%, to \$2.75 billion, and total liabilities increased 2%, to \$3.13 billion.

Table A-1				
University of Louisiana System				
Comparative Statement of Net Position				
As of June 30, 2021 and June 30, 2020				
(in millions of dollars)				
	2021	(Restated) 2020	Variance	Percent Variance
Assets:				
Current and other assets	\$998	\$898	\$100	11.1%
Capital assets	1,756	1,725	31	1.8%
Total assets	2,754	2,623	131	5.0%
Deferred outflows:				
Deferred outflows for debt refunding		3	(3)	(100.0%)
Deferred outflows related to pensions	369	297	72	24.2%
Deferred outflows related to other postemployment benefits (OPEB)	91	58	33	56.9%
Total deferred outflows	460	358	102	28.5%
Liabilities:				
Current liabilities	217	200	17	8.5%
Noncurrent liabilities	2,911	2,866	45	1.6%
Total liabilities	3,128	3,066	62	2.0%
Deferred inflows:				
Deferred inflows related to pensions	38	74	(36)	(48.6%)
Deferred inflows related to OPEB	122	163	(41)	(25.2%)
Total deferred inflows	160	237	(77)	(32.5%)
Net position:				
Net investment in capital assets	1,106	989	117	11.8%
Restricted	544	472	72	15.3%
Unrestricted	(1,724)	(1,783)	59	3.3%
Total net position	(\$74)	(\$322)	\$248	77.0%

Table A-1 was prepared from the System's Statement of Net Position as shown on pages 1-2, which is presented on an accrual basis of accounting, whereby assets are capitalized and depreciated.

Significant *Statement of Net Position* changes from 2020 include the following:

- Capital assets increased from construction-in-progress and purchases of capital assets offset by current-year depreciation, transfers, and retirements.
- Noncurrent liabilities increased from an increase in the System's share of the net pension liability and an increase in the System's share of the collective total OPEB liability offset by a decrease in bonds payable.
- Net investment in capital assets increased primarily from capital construction-in-progress and bond principal payments offset by current year depreciation.
- Unrestricted net position increased from an increase in the operating loss offset by an increase in net nonoperating revenues.

Net investment in capital assets consists of capital assets net of accumulated depreciation reduced by the amount of outstanding indebtedness attributable to the acquisition, construction, or improvement of those assets. Restricted net position represents those assets that are not available for unrestricted spending as a result of legislative requirements, donor agreements, debt covenants, or grant requirements. Conversely, unrestricted net position represents assets that do not have any limitations on how these amounts may be spent.

Changes in Net Position

The change in net position at June 30, 2021, is approximately \$248 million, or 504.9% higher than at June 30, 2020. The changes in net position are detailed in Table A-2; educational and general expenses are detailed in Table A-3.

The System's total operating revenues decreased by 2.7%, to approximately \$903 million, and total operating expenses increased by 5.0%, to approximately \$1.5 billion. The change in operating revenues is primarily the result of decreases in net student tuition revenues and auxiliary revenues. Nonoperating revenues increased 38.3%, most significantly from Higher Education Emergency Relief Funds, investment earnings, debt forgiveness, and insurance recoveries, which were offset by reduction in state appropriations of 35.2%.

Table A-2
University of Louisiana System
Comparative Statement of Changes in Revenues, Expenses, and Net Position
For the Fiscal Years Ended June 30, 2021, and June 30, 2020
(in millions of dollars)

	2021	(Restated) 2020	Variance	Percent Variance
Operating revenues:				
Student tuition and fees, net	\$555	\$563	(\$8)	(1.4%)
Auxiliary	152	165	(13)	(7.9%)
Other	196	200	(4)	(2.0%)
Total operating revenues	<u>903</u>	<u>928</u>	<u>(25)</u>	<u>(2.7%)</u>
Nonoperating revenues:				
State appropriations	186	287	(101)	(35.2%)
Gifts	21	22	(1)	(4.5%)
Other	519	216	303	140.3%
Total nonoperating revenues	<u>726</u>	<u>525</u>	<u>201</u>	<u>38.3%</u>
Other revenues:				
Capital appropriations	116	21	95	452.4%
Capital grants and gifts	12	3	9	300.0%
Additions to permanent endowments	2	3	(1)	(33.3%)
Total other revenues	<u>130</u>	<u>27</u>	<u>103</u>	<u>381.5%</u>
Total revenues	<u>1,759</u>	<u>1,480</u>	<u>279</u>	<u>18.9%</u>
Operating expenses:				
Educational and general	1,274	1,189	85	7.1%
Other	205	219	(14)	(6.4%)
Total operating expenses	<u>1,479</u>	<u>1,408</u>	<u>71</u>	<u>5.0%</u>
Other nonoperating expenses, net	<u>32</u>	<u>31</u>	<u>1</u>	<u>3.2%</u>
Total expenses	<u>1,511</u>	<u>1,439</u>	<u>72</u>	<u>5.0%</u>
Change in net position	<u>248</u>	<u>41</u>	<u>207</u>	<u>504.9%</u>
Net position, beginning of the year, restated	<u>(322)</u>	<u>(363)</u>	<u>41</u>	<u>11.3%</u>
Total net position	<u><u>(\$74)</u></u>	<u><u>(\$322)</u></u>	<u><u>\$248</u></u>	<u><u>77.0%</u></u>

Table A-3
University of Louisiana System
Comparative Schedule of Educational and General Expenses
For the Fiscal Years Ended June 30, 2021, and June 30, 2020
(in millions of dollars)

	<u>2021</u>	<u>2020</u>	<u>Variance</u>	<u>Percent Variance</u>
Instruction	\$420	\$425	(\$5)	(1.2%)
Research	106	104	2	1.9%
Public service	39	41	(2)	(4.9%)
Academic support	94	99	(5)	(5.1%)
Student services	74	75	(1)	(1.3%)
Institutional support	171	145	26	17.9%
Operations and plant maintenance	100	103	(3)	(2.9%)
Depreciation	140	94	46	48.9%
Scholarships and fellowships	130	103	27	26.2%
Total	<u><u>\$1,274</u></u>	<u><u>\$1,189</u></u>	<u><u>\$85</u></u>	<u><u>7.1%</u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, and 2020, the System's capital assets, at cost, totaled approximately \$3.58 billion and \$3.47 billion (restated), respectively. Net of accumulated depreciation, the System's capital assets at June 30, 2021, total approximately \$1.76 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$31 million, or 1.8%, from June 30, 2020. The increase resulted from storm related damage reconstruction, construction financed through long-term obligations and purchases of capital assets, offset by current-year depreciation, transfers, and retirements.

Debt Administration

The System had bonds totaling \$683 million, net of bond discounts, premiums, deferred amounts on debt refunding, and issuance costs outstanding at June 30, 2021, compared to \$795 million at June 30, 2020.

Bond activity during the fiscal year ended June 30, 2021, follows:

- During Fiscal Year 2021, as a part of the HBCU Loan Forgiveness Program, the 2016-4 bond was completely forgiven leaving a balance as of June 30, 2021, of \$0, and the 2016-5 bond was partially forgiven leaving a balance as of June 30, 2021, of \$980,067. \$79,850,872 in principal was forgiven on the 2016-4 bond, and \$6,895,560 in principal was forgiven on the 2016-5 bond.
- Nicholls State University's blended component unit, NSU Facilities Corporation, issued \$8.4 million of refinancing bonds.
- Southeastern Louisiana University's blended component unit, University Facilities, Inc., issued \$20.5 million in revenue refunding bonds to refinance its Student Union 2010 bonds.
- The University of Louisiana at Monroe drew down \$550,000 of Series 2020 revenue bonds.
- The University of New Orleans drew down \$2.8 million of revenue bonds for the ERP Workday System.

**CURRENTLY-KNOWN FACTS,
DECISIONS, OR CONDITIONS**

The following currently-known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- McNeese State University has suffered significant damage from hurricanes Laura and Delta, which hit Louisiana in August and October of 2020. Significant facility repair has been completed, and students have returned to campus; however, additional reconstruction will be necessary.
- Although in-person classes have resumed, continuing effects of the COVID-19 pandemic include:
 - Future COVID-19 outbreaks are possible and could require universities to transition to increased online instruction.
 - To ensure social distancing, some universities have reduced available housing for students, which reduces meal plan revenues along with reductions in housing revenues.
- Changes in current enrollment
- Changes in tuition and fees
- Changes in state appropriations

- Changes in the System's proportionate share of the net pension liability and the total collective OPEB liability.

**CONTACTING UNIVERSITY OF LOUISIANA
SYSTEM'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our legislature, state officials, the Louisiana Legislative Auditor, patrons, and other interested parties with a general overview of the System's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Vice President for Business and Finance at (225) 319-0260.

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

BASIC FINANCIAL STATEMENTS:
UNIVERSITY OF LOUISIANA SYSTEM



**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Net Position
June 30, 2021**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$222,270,816
Investments (note 3)	20,261,328
Receivables, net (note 4)	160,617,693
Due from State Treasury	892,176
Due from federal government	63,427,981
Inventories	3,164,898
Prepaid expenses and advances	12,317,396
Notes receivable	1,688,057
Other current assets	380,413
Total current assets	<u>485,020,758</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (note 2)	150,629,078
Investments (note 3)	351,370,466
Receivables, net (note 4)	1,118,839
Notes receivable, net	10,399,976
Investments (note 3)	33,177
Capital assets, net (note 5)	1,755,566,574
Other noncurrent assets	340,909
Total noncurrent assets	<u>2,269,459,019</u>

Total assets	<u>2,754,479,777</u>
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DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows relating to pensions (note 8)	368,600,385
Deferred outflows relating to other postemployment benefits (OPEB) (note 10)	<u>91,394,045</u>
Total deferred outflows of resources	<u>459,994,430</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities (note 6)	81,537,130
Due to State Treasury	3,894

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT A**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Net Position
June 30, 2021****LIABILITIES (CONT.)**

Current liabilities: (Cont.)

Unearned revenues	\$56,051,975
Amounts held in custody for others	11,367,449
Compensated absences payable (notes 7 and 12)	4,511,866
Capital lease obligations (notes 11 and 12)	1,240,648
Notes payable (note 12)	1,207,913
Contracts payable	19,781
Bonds payable (note 12)	26,298,995
OPEB liability (note 10)	30,746,000
Other current liabilities	4,490,633
Total current liabilities	<u>217,476,284</u>

Noncurrent liabilities:

Unearned revenues	1,748,498
Compensated absences payable (notes 7 and 12)	49,344,941
Capital lease obligations (notes 11 and 12)	3,394,474
Notes payable (note 12)	3,997,292
Bonds payable (note 12)	656,426,836
Net pension liability (note 8)	1,258,218,970
Total OPEB liability (note 10)	926,354,318
Other noncurrent liabilities	10,929,489
Total noncurrent liabilities	<u>2,910,414,818</u>

Total liabilities 3,127,891,102

DEFERRED INFLOWS OF RESOURCES

Deferred inflows relating to pensions (note 8)	38,187,469
Deferred inflows relating to OPEB (note 10)	121,996,087
Total deferred inflows of resources	<u>160,183,556</u>

NET POSITION

Net investment in capital assets	1,106,458,401
Restricted for:	
Nonexpendable (note 17)	222,720,141
Expendable (note 17)	320,834,289
Unrestricted	<u>(1,723,613,282)</u>
Total net position	<u>(\$73,600,451)</u>

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2021**

OPERATING REVENUES

Student tuition and fees (net of scholarship allowances of \$209,736,692)	\$555,221,814
Federal grants and contracts	70,563,837
State and local grants and contracts	56,193,282
Nongovernmental grants and contracts	34,088,359
Sales and services of educational departments	9,359,797
Auxiliary enterprise revenues (net of scholarship allowances of \$23,334,912 including revenues used as security for revenue bonds)	151,834,940
Other operating revenues	26,275,896
	<hr/>
Total operating revenues	903,537,925

OPERATING EXPENSES

Educational and general:	
Instruction	420,287,567
Research	105,766,497
Public service	39,545,742
Academic support	93,608,809
Student services	73,796,040
Institutional support	171,030,716
Operations and maintenance of plant	99,766,466
Depreciation	140,025,645
Scholarships and fellowships	130,091,445
Auxiliary enterprises	199,801,773
Other operating expenses	4,844,808
	<hr/>
Total operating expenses	1,478,565,508

OPERATING LOSS

(575,027,583)

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT B**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2021**

NONOPERATING REVENUES (Expenses)	
State appropriations	\$185,559,605
Gifts	20,968,063
Federal nonoperating revenues	286,972,348
Net investment income	70,770,178
Interest expense	(29,525,013)
Payments to or on behalf of the university	618,829
Loss on sale/exchange of capital assets	(103,121)
Forgiveness of loans	90,072,671
Insurance recoveries	52,580,957
Other nonoperating revenues	18,342,814
	<hr/>
Net nonoperating revenues	696,257,331
	<hr/>
INCOME BEFORE OTHER REVENUES AND EXPENSES	121,229,748
	<hr/>
Capital appropriations	115,496,257
Capital grants and gifts	12,172,054
Additions to permanent endowments	1,985,770
Other expenses, net	(2,086,887)
	<hr/>
CHANGE IN NET POSITION	248,796,942
	<hr/>
NET POSITION - BEGINNING OF YEAR, Restated (note 16)	(322,397,393)
	<hr/>
NET POSITION - END OF YEAR	<u><u>(\$73,600,451)</u></u>

(Concluded)

STATEMENT C

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANAStatement of Cash Flows
For the Fiscal Year Ended June 30, 2021**CASH FLOWS FROM OPERATING ACTIVITIES:**

Tuition and fees	\$548,201,660
Grants and contracts	88,115,159
Sales and services of educational departments	8,039,395
Auxiliary enterprise receipts	155,300,024
Payments for employee compensation	(598,729,163)
Payments for benefits	(246,594,756)
Payments for utilities	(40,301,323)
Payments for supplies and services	(309,394,601)
Payments for scholarships and fellowships	(137,882,409)
Loans to students	(946,697)
Collection of loans to students	2,767,236
Other receipts	26,500,901
	<hr/>
Net cash used by operating activities	(504,924,574)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	235,078,109
Gifts and grants for other than capital purposes	24,306,838
Pell Grant receipts	142,867,812
Private gifts for endowment purposes	1,585,770
TOPS receipts	160,590,939
TOPS disbursements	(161,383,606)
CARES Act receipts	126,106,465
Direct lending receipts	344,816,804
Direct lending disbursements	(344,615,154)
Other sources	153,825,024
	<hr/>
Net cash provided by noncapital financing sources	683,179,001

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from capital debt	36,867,804
Capital appropriations received	58,000
Capital grants and gifts received	996,863
Proceeds from sale of capital assets	602,000
Purchases of capital assets	(45,436,042)
Principal paid on capital debt and leases	(150,730,446)
Interest paid on capital debt and leases	(28,474,092)
Deposits with trustees	1,733,620
Other uses	(1,195,335)
	<hr/>
Net cash used by capital financing activities	(185,577,628)

(Continued)

STATEMENT C

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021

CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	\$34,117,319
Interest received on investments	3,201,029
Purchases of investments	<u>(33,997,723)</u>
Net cash provided by investing activities	<u>3,320,625</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,002,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>376,902,470</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$372,899,894</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$575,027,583)
Adjustments to reconcile net income (loss) to net cash used by operating activities:	
Depreciation expense	140,025,645
Retirement contributions paid by third parties	3,975,866
Amortization of bond issuance costs	328,870
Loss on refinancing	(411,486)
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) Decrease in accounts receivable, net	(74,992,861)
(Increase) Decrease in inventories	1,823,325
(Increase) Decrease in prepaid expenses and advances	861,859
(Increase) Decrease in notes receivable	3,884,343
(Increase) Decrease in other assets	325,847
(Increase) Decrease in deferred outflows related to pensions	(71,650,391)
(Increase) Decrease in deferred outflows related to OPEB	(33,292,751)
Increase (Decrease) in accounts payable and accrued liabilities	7,396,512
Increase (Decrease) in unearned revenue	4,739,017
Increase (Decrease) in amounts held in custody for others	776,266
Increase (Decrease) in compensated absences	420,512
Increase (Decrease) in net pension liability	115,619,412
Increase (Decrease) in total OPEB liability	47,413,675
Increase (Decrease) in other liabilities	(462,226)
Increase (Decrease) in deferred inflows related to pensions	(35,350,903)
Increase (Decrease) in deferred inflows related to OPEB	<u>(41,327,522)</u>
Net cash used by operating activities	<u>(\$504,924,574)</u>

(Continued)

STATEMENT C

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2021**

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET POSITION:**

Cash and cash equivalents classified as current assets	\$222,270,816
Cash and cash equivalents classified as noncurrent assets	<u>150,629,078</u>
Total cash and cash equivalents	<u><u>\$372,899,894</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital appropriations	\$115,438,257
Change in fair market value of investments	\$57,516,873
Private gifts for endowment purposes	\$400,000
Capital gifts and grants	\$11,021,682
Capital assets acquired through capital leases, notes, and accounts payable	\$951,613
Disposition of capital assets	(\$120,824)
Retirement contributions paid by third parties	\$3,729,987
Other	(\$838,835)

(Concluded)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

BASIC FINANCIAL STATEMENTS: COMPONENT UNIT



STATEMENT D**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****UNIVERSITY OF LOUISIANA AT LAFAYETTE
FOUNDATION, INC. (COMPONENT UNIT)
Statement of Financial Position, June 30, 2021****ASSETS**

Cash and cash equivalents (note 2)	\$22,848,377
Cash - restricted for collateral (note 2)	466,000
Investments (note 3)	223,235,301
Accrued interest receivable	48,360
Accounts receivable	577,415
Contributions receivable, net	31,830,582
Prepaid expenses	137,508
Fixed assets, net (note 5)	12,081,230
Other assets	1,478,504
	<hr/>
Total assets	<u>\$292,703,277</u>

LIABILITIES

Accounts payable and accruals	\$2,499,051
Accrued expenses	2,805,691
Amounts held in custody for others	52,140,475
Notes payable (note 12)	530,584
Other liabilities	3,733,333
	<hr/>
Total liabilities	<u>61,709,134</u>

NET ASSETS

Without donor restrictions (note 17)	16,399,553
With donor restrictions (note 17)	214,594,590
	<hr/>
Total net assets	<u>230,994,143</u>
	<hr/>
Total liabilities and net assets	<u>\$292,703,277</u>

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA

UNIVERSITY OF LOUISIANA AT LAFAYETTE
FOUNDATION, INC. (COMPONENT UNIT)

Statement of Activities

For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, losses, and other support			
Contributions	\$206,783	\$38,236,322	\$38,443,105
Contributions - artwork and other property	27,000		27,000
Interest and dividends	94,278	(255,737)	(161,459)
Gains and losses on investments:			
Realized	166,981	6,375,750	6,542,731
Unrealized	1,090,670	34,690,998	35,781,668
Other income	1,348,162	78,760	1,426,922
Loss on disposal of fixed assets and artwork	(5,742)		(5,742)
Net assets released from restrictions:			
Satisfaction of purpose restrictions	17,453,770	(17,453,770)	
Transfers between net asset classifications	21,380	(21,380)	
	<u>20,403,282</u>	<u>61,650,943</u>	<u>82,054,225</u>
Expenses			
Grants paid to benefit University of Louisiana at Lafayette for:			
Projects specified by donors	11,514,574		11,514,574
Fundraising:			
Salaries and benefits	371,275		371,275
Other expenses	299,190		299,190
Supporting services:			
Salaries and benefits	1,339,603		1,339,603
Insurance	90,292		90,292
Office operations	506,607		506,607
Travel	13,646		13,646
Professional services	355,814		355,814
Dues and subscriptions	81,122		81,122
Meetings and development	337		337
Interest	17,213		17,213
Depreciation	316,166		316,166
Bad debt expense	3,148,371		3,148,371
	<u>18,054,210</u>	<u>NONE</u>	<u>18,054,210</u>

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT E**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
FOUNDATION, INC. (COMPONENT UNIT)
Statement of Activities
For the Year Ended June 30, 2021**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in net assets	\$2,349,072	\$61,650,943	\$64,000,015
Net assets at beginning of year	<u>14,050,481</u>	<u>152,943,647</u>	<u>166,994,128</u>
Net assets at end of year	<u>\$16,399,553</u>	<u>\$214,594,590</u>	<u>\$230,994,143</u>

(Concluded)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

BASIC FINANCIAL STATEMENTS:
NOTES TO THE FINANCIAL STATEMENTS



INTRODUCTION

The University of Louisiana System (System) is a publicly-supported institution of higher education. The System is a component unit of the State of Louisiana within the executive branch of government. The universities that comprise the System are under the management and supervision of the University of Louisiana System Board of Supervisors; however, the annual budget of the System and changes to the degree programs, departments of instruction, *et cetera*, of the individual institutions require the approval of the Board of Regents for Higher Education. The Board of Supervisors is comprised of 15 members appointed for staggered six-year terms by the Governor, with the consent of the Senate, and one student member appointed for a one-year term by a council composed of the student body presidents of the universities within the System. As state universities, operations of the universities' instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the System is the president.

The System is comprised of nine universities located in nine cities as follows: Grambling State University at Grambling; Louisiana Tech University at Ruston; McNeese State University at Lake Charles; Nicholls State University at Thibodaux; Northwestern State University at Natchitoches; Southeastern Louisiana University at Hammond; University of Louisiana at Lafayette; University of Louisiana at Monroe; and University of New Orleans. The universities had approximately 90,111 students enrolled during the fall semester of the 2020/2021 academic year and employed approximately 10,703 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB. The accompanying financial statements have been prepared in accordance with such principles.

B. REPORTING ENTITY

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of Louisiana. The System is considered a component unit of the State of Louisiana because the State exercises oversight responsibility and has accountability for fiscal matters as follows: (1) the majority of the members of the governing board are appointed by the Governor; (2) the State has control and exercises authority over budget matters; (3) the State issues bonds to finance certain construction; and (4) the universities within the System primarily serve State residents. The accompanying financial statements present information only as to the transactions of the programs of the System as authorized by Louisiana statutes and administrative regulations.

Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The State of Louisiana's and the System's financial statements are audited annually by the Louisiana Legislative Auditor.

Blended Component Units

The following are Louisiana nonprofit corporations that are considered blended component units of eight of the universities included in the System because they are fiscally dependent on their respective universities:

- Black and Gold Facilities, Inc., at Grambling State University
- Innovative Student Facilities, Inc., at Louisiana Tech University
- Cowboy Facilities, Inc., at McNeese State University
- NSU Facilities Corporation at Nicholls State University
- University Facilities, Inc., at Southeastern Louisiana University
- Ragin' Cajun Facilities, Inc., at the University of Louisiana at Lafayette
- University of Louisiana at Monroe Facilities, Inc., at the University of Louisiana at Monroe
- University of New Orleans Research and Technology Foundation, Inc., at the University of New Orleans

The purpose of these organizations is to promote, assist, and benefit the mission of the universities through the acquisition, construction, development, management, lease or otherwise assisting in the acquisition, construction, development, management, or lease, of student housing or other facilities on behalf of the universities. Although these facility corporations are legally separate, they are reported as a part of the System because:

- The majority of their revenues comes from leasing facilities to the university, and/or
- In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and 34*, a component unit shall be blended with its primary government if the component unit's total outstanding debt, including leases, is expected to be repaid entirely or almost entirely with the resources of its primary government.

To obtain the corporations' latest audit reports, write to:

- Black and Gold Facilities, Inc., c/o Ms. Sheilah Faucette, Grambling State University, P.O. Box 4287, Grambling, Louisiana 71245
- Innovative Student Facilities, Inc., c/o Mrs. Lisa Cole, Louisiana Tech University, P.O. Box 7924, Ruston, Louisiana 71272
- Cowboy Facilities, Inc., c/o Ms. Mona White, McNeese State University, 4205 Ryan Street, Lake Charles, Louisiana 70605
- NSU Facilities Corporation, c/o Mr. Terry Braud Jr., Nicholls State University, P.O. Box 2003, Thibodaux, Louisiana 70310
- University Facilities, Inc., c/o Mr. Sam Domiano, Southeastern Louisiana University, SLU Box 10709, Hammond, Louisiana 70402
- Ragin' Cajun Facilities, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504
- University of Louisiana at Monroe Facilities, Inc., c/o Dr. William Graves, University of Louisiana at Monroe, 700 University Avenue, Monroe, Louisiana 71209
- University of New Orleans Research and Technology Foundation, Inc., c/o Mr. Keith Hemel, University of New Orleans Research and Technology Foundation, 2021 Lakeshore Drive, Suite 420, New Orleans, Louisiana 70122

Discretely-presented Component Unit

The University of Louisiana at Lafayette Foundation, Inc. (Foundation) is a legally separate, tax-exempt organization and is reported within the System as a discrete component unit.

The Foundation acts primarily as a fundraising organization to supplement the resources available to the University of Louisiana at Lafayette (ULL) in support of its programs. Although ULL does not control the timing or amount of receipts from the Foundation, the majority of resources or income the Foundation holds and invests is restricted to the activities of ULL by the donors. Because these restricted resources held by the Foundation can only be used by or for the benefit of ULL, the Foundation is considered a component unit of ULL and is discretely presented in the financial statements.

During the year ended June 30, 2021, the Foundation made distributions of \$11,514,574, on behalf of ULL for unrestricted purposes.

To obtain the Foundation's latest audit report, write to:

- University of Louisiana at Lafayette Foundation, Inc., c/o Mrs. Debbie Calais, University of Louisiana at Lafayette, P.O. Box 42651, Lafayette, Louisiana 70504

The blended and discretely-presented component units are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB *Accounting Standards Codification* (ASC) §958, *Not-for-Profit Entities* (as amended by FASB *Accounting Standards Update No. 2016-14 – FASB ASC §958*). As such, certain revenue recognition criteria, presentation, and disclosure requirements are different from GASB revenue recognition criteria and presentation features. With the exception of presentation adjustments, no modifications have been made to these component units' financial information in the System's report for these differences. Accordingly, the financial data of the discretely presented component unit is shown on a statement of financial position and a statement of activities.

Every three years, in accordance with GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, the System evaluates whether discretely-presented component units reported in prior financial statements continue to meet the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy's guidelines requiring their presentation in the System's financial statements. The University of Louisiana at Lafayette Foundation, Inc. continues to meet the criteria for presentation in the System's financial statements.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the System is considered a special-purpose government engaged only in business-type activities. All activities of the System are accounted for within a single proprietary (enterprise) fund. Accordingly, the System's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-system transactions have been eliminated.

Discrete Component Unit

As discussed in note 1.B. above, the Foundation follows the provisions of FASB ASC §958 and includes the financial statements and the classifications of resources into separate classes of net assets as follows:

- *Net Assets without Donor Restrictions* - the portion of net assets that is not subject to donor-imposed restrictions.

- *Net Assets with Donor Restrictions* - the portion of net assets that is subject to donor-imposed restrictions.

D. BUDGET PRACTICES

The State of Louisiana's appropriation is an annual lapsing appropriation established by legislative action and by Title 39 of the Louisiana Revised Statutes (R.S.). The statutes require that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive branches of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except: (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) inventories are recorded as expenditures at the time of purchase.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes cash on hand (petty cash), demand deposits, and interest-bearing demand deposits. Cash equivalents include certificates of deposit and all highly liquid investments each with maturities of three months or less when purchased. Under State law, the System may deposit funds within a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the System may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents reported on the Statement of Net Position include all negotiable certificates of deposit, regardless of maturity.

The System follows R.S. 49:327 as applicable to institutions of higher education in establishing investment policy. R.S. 49:327 authorizes the System to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds.

Funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. The universities' foundations may hold and manage funds the universities receive for the Endowed Chair and Endowed Professorship programs; the Louisiana Board of Regents has established investment policies and procedures related to how endowment funds may be invested.

Investments are reported at fair value, or net asset value where applicable, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in the carrying value of investments,

resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. For purposes of the Statement of Cash Flows, the System considers all highly-liquid investments (including restricted assets) with maturities of three months or less when purchased to be cash equivalents.

F. NONCURRENT RESTRICTED ASSETS

Cash, investments, receivables, and other assets that are externally restricted for grants, endowments, debt service payments, maintenance of sinking or reserve funds, or to purchase or construct capital assets are classified as noncurrent restricted assets in the Statement of Net Position.

G. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the System's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of \$1,000,000 or more, and three to 10 years for internally generated software with development costs of \$1,000,000 or more.

H. UNEARNED REVENUES

Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year that are related to the subsequent accounting period. Unearned revenues also include amounts received from grant and contract sponsors that have not yet been earned.

I. COMPENSATED ABSENCES

The System's compensated absences liability is computed in accordance with GASB Codification Section C60.

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having nonexempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and nonclassified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and nonclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System (LASERS), upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave, which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

Upon termination or transfer, a classified employee will be paid for any one and one-half hour compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid is based on the classified employee's hourly rate of pay at termination or transfer.

J. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; amounts for accrued compensated absences; the System's proportionate shares of the LASERS and Teachers' Retirement System of Louisiana (TRSL) actuarially accrued net pension liability; the System's proportionate shares of the Office of Group Benefits' (OGB) and LSU Health Plan's actuarially accrued liabilities for other postemployment benefits (OPEB); and other liabilities that will not be paid within the next fiscal year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of LASERS and TRSL, and additions to/deductions from the retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The plans' investments are reported at fair value; however, synthetic guaranteed investment contracts are reported at contract value.

K. NET POSITION

The System's net position is classified as follows:

(1) Net Investment in Capital Assets

Net investment in capital assets represents the System's total investment in capital assets, net of accumulated depreciation and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital assets.

(2) Restricted Net Position – Expendable

Restricted expendable net position includes resources that the System is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(3) Restricted Net Position – Nonexpendable

Restricted nonexpendable net position consists of endowment and similar type funds that donors or other outside sources have stipulated, as a condition of the gift instrument, that principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(4) Unrestricted Net Position

Unrestricted net position represents resources derived from student tuition and fees, state appropriations, sales and services of educational departments, and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the System and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense that can be paid using either restricted or unrestricted resources is incurred, the System's policy is to first apply the expense toward unrestricted resources, and then toward restricted resources.

L. CLASSIFICATION OF REVENUES AND EXPENSES

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

(1) Operating Revenue

Operating revenue includes activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances; (b) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (c) most federal, state, and local grants and contracts, and federal appropriations.

(2) Nonoperating revenue

Nonoperating revenue includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, and investment income.

(3) Operating expenses

Operating expenses generally include transactions resulting from providing goods or services, such as (a) payments to vendors for goods or services; (b) payments to employees for services; and (c) payments for employee benefits.

(4) Nonoperating expenses

Nonoperating expenses include transactions resulting from financing activities, capital acquisitions, and investing activities.

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues and certain other revenues from students are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Position. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the System and the amount that is paid by students and/or third parties making payments on the students' behalf.

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2021, there were no new GASB pronouncements affecting the System's financial statements.

2. CASH AND CASH EQUIVALENTS

At June 30, 2021, the System has cash and cash equivalents (book balances) of \$372,899,894, as follows:

Demand deposits	\$215,997,624
Certificates of deposit	17,558,119
Money market funds	5,053,667
Short-term investments	36,328,467
Petty cash	276,918
Time deposits	1,999,466
Blended component unit cash	<u>95,685,633</u>
Total	<u><u>\$372,899,894</u></u>

Custodial credit risk is the risk that in the event of a bank failure the System's deposits may not be returned to it. Under State law, the System's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the System or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2021, \$13,639 of the System's bank balance totaling \$364,832,360 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

The disclosure requirements in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are not applicable to the Foundation's cash and cash equivalents, which totaled \$23,314,377 at June 30, 2021, as shown on the Statement of Financial Position (Statement D).

3. INVESTMENTS

At June 30, 2021, the System reported investments totaling \$407,993,438, which includes \$309,501,558 held by the universities' foundations. In addition, \$36,328,467 of short-term investments are reported on the Statement of Net Position as current cash equivalents.

Fair Value Measurements

GASB Statement No. 72 requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels.

(1) Level 1

Valuations are based on quoted market prices for identical assets or liabilities traded in active markets.

(2) Level 2

Valuations are based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability.

(3) Level 3

Valuations are determined by using the best information available under the circumstances and might include the government's own data. In developing unobservable inputs, a government may begin with its own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data, or (b) there is something particular to the government that is not available to other market participants.

In addition, certain alternative investments (e.g., some equity funds, unit investment trusts and limited partnerships, hedge funds) may be reported at their net asset values, which do not have readily determinable fair values.

Fair values of investments measured on a recurring basis at June 30, 2021, follow:

	Fair Market Value				Investments Measured at Net Asset Value
	Totals	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	
U.S. government securities:					
U.S. Treasury Notes	\$191,715		\$191,715		
Common and preferred stock	16,228,973	\$16,228,973			
Mutual funds	20,145,384	20,145,384			
Money market funds	2,181,375		2,181,375		
Louisiana Asset Management Pool (LAMP)	36,328,467		36,328,467		
Investments held by foundations:					
U.S. government securities:					
U.S. Treasury Notes	8,210,105	1,905,638	6,304,467		
Government National Mortgage Association	653,767		653,767		
Federal Home Loan Mortgage Corporation	2,553,947		2,553,947		
Federal National Mortgage Association	2,669,541		2,669,541		
Federal Home Loan Bank	1,098,494		1,098,494		
Other fixed income securities	854,757	324,356	530,401		
Mutual funds	88,419,657	75,540,472	12,879,185		
Money market accounts	9,261,913	9,145,085	116,828		
Equity funds	7,444,050	7,444,050			
Common and preferred stock	74,082,664	74,082,664			
Corporate bonds/obligations	20,188,534		20,188,534		
Certificates of deposit					
Other	910,428	444,458	462,531	\$3,439	
Hedge funds and other alternatives:					
Unit investment trusts and limited partnerships					
Equity - long/short	16,305,249				\$16,305,249
Distressed opportunity	3,338,175				3,338,175
Multi-strategy	313,737				313,737
Other credit	18,833,135				18,833,135
Private equities	15,593,666				15,593,666
Other hedge funds	12,073,938				12,073,938
	875,063				875,063
Subtotal	358,756,734	\$205,261,080	\$86,159,252	\$3,439	\$67,332,963
Not categorized	49,236,704				
Total	\$407,993,438				

Fair values for the System's investments categorized in Level 1 (e.g., equity securities, certain mutual funds, money market accounts) have been obtained using quoted prices from active markets in which these securities are traded (e.g., New York Stock Exchange). Fair values for investments categorized in Level 2 (e.g., United States government securities, certain mutual funds, corporate bonds and obligations) have been provided by the universities' investment advisors, financial institutions, or other sources and are based on other observable inputs. Fair values for investments categorized in Level 3 have been provided by the universities' investment advisors, financial institutions, or other sources and are based on other available information.

Investments not categorized totaling \$49,236,704 represent the System's investments held in external investment pools, which GASB Statement No. 72 excludes from the fair value disclosures, and investments held by the System's blended component units reported under FASB ASC §958.

Investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented are intended to permit the reconciliation of the fair value hierarchy to the amounts presented on the Statement of Net Position. Net asset values for the investments held by foundations in unit investment trusts and limited partnerships were determined based on the foundations' proportionate share of the assets of the trusts and partnerships as of their balance sheet dates.

Hedge Funds and Other Alternative Investments Measured at Net Asset Value

Following is a summary of the fair value and unfunded commitments for the hedge funds and alternative investments that are held by foundations for four of the System's universities and included in investments measured at net asset value above, as of June 30, 2021:

	Fair Value	Unfunded Commitments
Alternative investment:		
Unit investment trusts and limited partnerships	\$16,305,249	
Hedge funds:		
Equity long/short	3,338,175	
Distressed opportunity	313,737	
Multi-strategy	18,833,135	
Other credit	15,593,666	
Private equities	12,073,938	\$1,864,987
Other	875,063	
	<u>\$67,332,963</u>	<u>\$1,864,987</u>
Totals	<u>\$67,332,963</u>	<u>\$1,864,987</u>

Disclosures related to these hedge fund and alternative investments for the universities follow.

University of Louisiana at Lafayette (ULL)

As of June 30, 2021, the ULL Foundation held investments in ULL's endowment funds totaling \$133,041,244, of which \$62,568,369 was invested in hedge funds and alternative investments. The table below summarizes the terms of the hedge fund investments with respect to lockup periods, redemption frequencies, and notice periods for the hedge fund and alternative investments:

	Lockup Period	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity - long/short	N/A	Monthly	30 days
Private equities	4-13 years	Manager discretion	N/A
Other credit	0-10+ years	Daily, quarterly, manager discretion	0-60 days
Multi-strategy	0-25 months	Monthly, quarterly, annual	5-90 days

The equity long/short category includes investments in hedge funds that seek to generate capital appreciation while maintaining a balanced level of risk by investing in a number of long/short equity-based funds and other direct investments. Net asset values of the funds are determined by using the latest unaudited or audited financial statements and performance reports of hedge funds in which the equity funds are invested. Any listed investments are valued at the last sales price on the date of determination. Any investments not listed are valued at the mean between the last closing and asking prices as reported in the over-the-counter market, if available. For those investments with no quotations, the investments are valued at estimated fair values as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

Private equities include investments in funds whose primary strategy is to build diversified portfolios of top-performing private equity positions in both funds and direct investments in companies and corporations. Net asset values of the funds are determined by using the latest unaudited or audited financial statements and performance reports of hedge funds in which the private equity funds are invested. Any listed investments are valued at the last sales price on the date of determination. Any investments not listed are valued at the last closing bid price (or average of bid prices) last quoted on such date as reported by an established quotation service for over the counter securities. For those investments with no quotations, the investments are valued at their estimated fair values as determined by the investment manager of the fund based upon relevant factors of the investees such as current financial position, historical operating results, and/or recent sales prices in the same or similar securities. Net asset values are computed monthly.

Other credit investments include investment in various funds that primarily invest in debt instruments of private and public companies, United States government and municipal securities, mortgage-backed securities, and/or asset-backed securities and provide mezzanine capital to middle market businesses. The net asset values of these funds are determined based on portfolio valuations using different valuation techniques depending on the investment involved. Market quotes are used where available. For those equity and debt securities for which prices are not observable (generally private investments in equity and debt securities of operating companies), fair values are determined by reference to public market or private transactions for comparable assets. Net asset values are computed on a monthly basis. Two business days' written notice is required to redeem investments.

Multi-strategy investments consist of investments in various funds. The funds primarily invest in other funds that use a variety of different investment strategies across a wide range of financial instruments, including but not limited to fixed income securities, equities, mutual funds, futures, forward and option contracts, physical commodities, distressed securities, swaps, and other derivative products. The net asset values of some funds use various inputs, including portfolio valuations that are received directly from independent sources. For those assets for which no independent sources are available, the investment managers determine the fair values by other means that may include obtaining appraisals. Some funds use a third party to provide the net asset calculation or rely on the latest unaudited or audited financial statements and performance reports of various investments in which the funds invest. Any listed investments are valued at the last sales price on the date of determination. For those investments with no quotations, the fair values are estimated at their net asset values calculated by the fund managers.

McNeese State University (McNeese)

As of June 30, 2021, the McNeese State University Foundation held investments in McNeese's endowment funds totaling \$25,091,314 of which \$1,242,800 was invested in a multi-strategy, multi-manager program designed to achieve an optimal balance of upside return potential and downside protection, offering a diversified strategy protecting and preserving the University's capital and a hedged equity strategy providing long-term capital growth.

Nicholls State University (Nicholls)

As of June 30, 2021, the Nicholls State University Foundation held investments in Nicholls's endowment funds totaling \$18,119,699, of which \$1,049,385 and \$582,425 are invested in global equity long/short funds and multi-strategy hedge funds, respectively.

The global long/short equity funds are invested in the ACAP Strategic Fund. This fund has no lockup period; carries a redemption frequency of quarterly tender offers up to 25% of the fund at the discretion of the board of directors; and specifies a redemption notice period with a paperwork deadline generally 14 days prior to fiscal quarter-end. These investments seek to generate capital appreciation while maintaining a balanced level of risk by investing in a number of long/short equity-based funds and other direct investments. Net asset values of the funds are determined by using the latest unaudited or audited financial statements and performance reports of hedge funds in which the private equity funds are invested. Any listed investments are valued at the last sales price on the date of determination. Any investments not listed are valued at the mean between the last closing and asking prices as reported in the over-the-counter market, if available. Investments with no quotations are valued at their estimated fair values as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

The multi-strategy funds are invested in the Hatteras Core Alternatives TEI Fund, L.P. This fund has no lockup period; carries a redemption frequency with anticipated quarterly tender offers at the discretion of the board of directors, subject to an early repurchase fee of 5% if requested within the first 12 months of the investment; and specifies a redemption notice period as the tender window. These are investments in various funds that use a variety of different investment strategies across a wide range of financial instruments, including but not limited to fixed income securities, equities, mutual funds, futures, forward and option contracts, physical commodities, distressed securities, swaps and other derivative products. The net asset values of some funds use various inputs, including portfolio valuations that are received directly from independent sources. For those assets for which no independent sources are available, the investment managers determine the fair values by other means that may include obtaining appraisals. Some funds use a third party to provide the net asset calculation or rely on the latest unaudited or audited financial statements and performance reports of various investments in which the funds invest. Any listed investments are valued at the last sales price on the date of determination. Fair values for investments with no quotations are estimated at their net asset values calculated by the fund managers.

Investments in these two funds have no unfunded commitments.

University of Louisiana at Monroe (ULM)

As of June 30, 2021, the University of Louisiana at Monroe Foundation held investments in ULM's endowment funds totaling \$41,746,794 of which \$1,889,984 was invested in hedge fund and other alternative investments as follows:

	Fair Value
Equity long/short	\$338,307
Distressed opportunity	313,737
Multi-strategy	311,847
Other credit	51,030
Other	875,063
	<hr/>
Total	\$1,889,984
	<hr/> <hr/>

These hedge funds are invested with Hedge Fund Managers (Strategic), Ltd., whose parent company is Goldman Sachs Hedge Fund Strategies, LLC. The fund has a one-year lockup period, with quarterly liquidity, and a 91-day redemption notice period.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, individual System universities do not have policies to limit interest rate risk. The System's fixed-income investments and maturities at June 30, 2021, follow:

Type of Investment	Investments	Totals	Investment Maturities in Years				
			Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 20 Years
U.S. government securities:							
U.S. Treasury Notes	0.05%	\$191,715	\$191,715				
Common and preferred stock	3.98%	16,228,973					
Mutual funds	4.94%	20,145,384					
Money market funds	0.53%	2,181,375					
Louisiana Asset Management Pool (LAMP)	8.90%	36,328,467					
Investments held by foundations:							
External investment pools	6.33%	25,820,738					
U.S. government securities:							
U.S. Treasury Notes	2.01%	8,210,105	1,108,573	\$5,095,452	\$1,707,084		\$28,997
Government National Mortgage Association	0.16%	653,767		6,903	311,931	\$95,817	239,116
Federal Home Loan Mortgage Corporation	0.63%	2,553,947		208,445	1,154,247	\$271,325	919,930
Federal National Mortgage Association	0.65%	2,669,541		219,609	389,826	318,518	1,741,588
Federal Home Loan Bank	0.27%	1,098,494		999,558	98,936		
Other fixed income securities	0.21%	854,757		854,757			
Mutual funds	21.67%	88,419,657	27,901,919	1,910,956	59,887		
Money market funds	2.27%	9,261,913	201,151				
Equity funds	1.82%	7,444,050					
Common and preferred stock	18.16%	74,082,664					
Corporate bonds/obligations	4.95%	20,188,534	1,077,155	9,316,497	6,392,098	1,387,513	645,325
Unit investment trusts and limited partnerships	4.00%	16,305,249					
Hedge funds and other alternatives	12.51%	51,027,714	1,889,984				
Other	0.22%	910,428					
Held by blended component units	5.74%	23,415,966					
Totals	100.00%	\$407,993,438	\$32,370,497	\$18,612,177	\$10,114,009	\$2,073,173	\$3,574,956

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the System will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. For U.S. Treasury obligations and U.S. government agency obligations, the System universities' investment policies generally require that issuers must provide the universities with safekeeping receipts, collateral agreements, and custodial agreements.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. State law requires that at no time shall the funds invested in U.S. government agency obligations exceed 60% of all monies invested with maturities of 30 days or longer. In addition, State law limits the investment in commercial paper and corporate notes and bonds to 20% of all investments. Individual System universities do not have policies to further limit concentration of credit risk.

Of the \$309,501,558 reported as investments held by foundations, the amounts held by the discretely presented component unit (the ULL Foundation) total \$133,041,244.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated in note 1.E, the System follows R.S. 49:327 to limit credit risk. Individual System universities do not have policies to further limit credit risk. The universities' foundations follow guidelines established by the Board of Regents to limit credit risk for the universities' endowment investments the foundations hold.

Investments held by the UNO Foundation, a private foundation, in an external investment pool are managed in accordance with the terms outlined in a management agreement executed between the University of New Orleans (UNO) and the UNO Foundation. UNO is a voluntary participant. This investment totaling \$25,820,738 has no credit quality rating.

Rating Agency	Rating	Totals
Standard & Poor's	AAA	\$1,038,598
Standard & Poor's	AA+	11,518,332
Standard & Poor's	AA	869,611
Standard & Poor's	AA-	660,085
Standard & Poor's	A+	1,535,482
Standard & Poor's	A	1,859,239
Standard & Poor's	A-	2,742,464
Standard & Poor's	AAAm	34,090,717
Standard & Poor's	BBB+	3,990,263
Standard & Poor's	BBB	1,989,057
Standard & Poor's	BBB-	1,022,080
Moody's	Aaa	2,018,471
Moody's	Aa1	121,017
Moody's	Aa2	147,035
Moody's	Aa3	79,852
Moody's	A1	320,571
Moody's	A2	363,651
Moody's	A3	543,615
Moody's	Baa1	279,650
Moody's	Baa2	481,691
Moody's	Baa3	206,886
Fitch	AAA	1,553,520
Fitch	A	109,923
Fitch	BBB+	227,680
Unrated		340,223,948
	Totals	<u>\$407,993,438</u>

Investments – University of Louisiana at Lafayette (ULL) Foundation, Inc.

The ULL Foundation's investments totaling \$223,235,301 as shown on Statement D at June 30, 2021, follow:

Certificates of deposit	\$828,975
Equities	22,884,825
Mutual and exchange traded funds	75,444,740
Hedge funds and alternative investments	94,725,624
Unit investment trusts and limited partnerships	29,119,724
Derivative assets	231,413
	<u>231,413</u>
Total	<u>\$223,235,301</u>

4. RECEIVABLES

Receivables, net of an allowance for doubtful accounts, at June 30, 2021, reported on the Statement of Net Position are composed of the following:

<u>Type</u>	<u>Accounts Receivable</u>	<u>Allowance for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>	<u>Restricted Portion</u>
Student tuition and fees	\$58,747,406	(\$22,834,953)	\$35,912,453	\$545,955
Auxiliary enterprises	14,153,030	(4,778,581)	9,374,449	111,763
Contributions and gifts	10,488,216		10,488,216	100,000
Federal, state, and private grants and contracts	42,531,092	(30,340)	42,500,752	346,777
Insurance recoveries	53,026,972		53,026,972	
Other	10,553,357	(119,667)	10,433,690	14,344
	<u>10,433,690</u>	<u>(119,667)</u>	<u>10,433,690</u>	<u>14,344</u>
Total	<u>\$189,500,073</u>	<u>(\$27,763,541)</u>	<u>\$161,736,532</u>	<u>\$1,118,839</u>

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2021, follow:

University of Louisiana System

	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:							
Land	\$101,014,387		\$101,014,387	\$220,000		(\$500,000)	\$100,734,387
Land improvements	7,978,485		7,978,485				7,978,485
Capitalized collections	321,621		321,621				321,621
Livestock	38,000		38,000	1,300		(\$7,000)	32,300
Construction-in-progress	35,356,563	(\$2,866,545)	32,490,018	143,936,492	(\$29,959,307)		146,467,203
Other	233,110		233,110				233,110
Total assets not being depreciated	144,942,166	(2,866,545)	142,075,621	144,157,792	(29,959,307)	(507,000)	255,767,106
Capital assets being depreciated:							
Infrastructure	33,673,430		33,673,430				33,673,430
Land improvements	120,475,031		120,475,031	1,829,276	2,671,988	(1,258,773)	123,717,522
Buildings	2,654,531,229		2,654,531,229	9,461,478	27,227,460	(51,210,550)	2,640,009,617
Equipment (including library books)	504,845,470		504,845,470	16,215,124	59,859	(9,268,620)	511,851,833
Software (internally generated and purchased)	18,620,398		18,620,398				18,620,398
Total capital assets being depreciated	3,332,145,558	NONE	3,332,145,558	27,505,878	29,959,307	(61,737,943)	3,327,872,800
Less accumulated depreciation:							
Infrastructure	(15,295,508)		(15,295,508)	(839,523)			(16,135,031)
Land improvements	(54,317,655)		(54,317,655)	(6,455,888)		1,258,773	(59,514,770)
Buildings	(1,240,153,142)		(1,240,153,142)	(114,046,751)		51,057,747	(1,303,142,146)
Equipment	(421,208,822)		(421,208,822)	(18,677,888)		9,217,389	(430,669,321)
Software (internally generated and purchased)	(18,603,731)		(18,603,731)	(8,333)			(18,612,064)
Total accumulated depreciation	(1,749,578,858)	NONE	(1,749,578,858)	(140,028,383)	NONE	61,533,909	(1,828,073,332)
Total capital assets, net	\$1,727,508,866	(\$2,866,545)	\$1,724,642,321	\$31,635,287	NONE	(\$711,034)	\$1,755,566,574

ULL Foundation

	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:						
Real estate	\$2,356,413		\$2,356,413	\$180,031		\$2,536,444
Art and collectibles	3,021,214		3,021,214	16,680		3,037,894
Construction-in-progress	3,266		3,266		(\$3,266)	0
Total assets not being depreciated	5,380,893	NONE	5,380,893	196,711	(3,266)	5,574,338
Capital assets being depreciated:						
Buildings	11,127,248		11,127,248	23,468		11,150,716
Vehicles, furniture, and equipment	848,026		848,026	13,109		861,135
Software (internally generated/purchased)	76,703		76,703			76,703
Total assets being depreciated	12,051,977	NONE	12,051,977	36,577	NONE	12,088,554
Less accumulated depreciation	(5,265,496)		(5,265,496)	(316,166)		(5,581,662)
Total capital assets, net	\$12,167,374	NONE	\$12,167,374	(\$82,878)	(\$3,266)	\$12,081,230

The capital asset disclosure for the ULL Foundation has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the ULL Foundation.

Capitalized Collections

Southeastern Louisiana University and the University of New Orleans capitalize collections, which include various works of art and historical items, including sculptures, statues, portraits, murals, book collections, war artifacts, and maps.

Although not capitalized, the University of Louisiana at Lafayette maintains the Louisiana Room, the Rare Book Room, the University Archives and Acadiana Manuscripts Collection, the Cajun and Creole Music Collection, the University Records Management Program, the Microforms Collection, and the Ernest J. Gaines Center. In addition, the University of Louisiana at Monroe maintains the Thomas Gilhula War Collection, the Friends of the Library of Louisiana Collection of parish histories, the James A. Noe Collection, the Otto E. Pressman Collection, an African Artifacts collection, a geosciences collection, an herbarium collection, and various artifacts in the Natural History Museum.

The System universities generally do not capitalize collections of works of art or historical treasures either because they do not have any or because they meet the following criteria for exclusion from capitalization in accordance with the requirements of GASB Statement No. 34: (1) held for public exhibition, education, or research in furtherance of public service rather than financial gain; (2) protected, kept unencumbered, cared for, or preserved; and (3) subject to an organizational policy that requires the proceeds from sales of the items to be used to acquire other items for the collection.

6. PAYABLES

Payables and accrued expenses at June 30, 2021, are summarized in the following:

<u>Account Name</u>	
Vendor payables	\$30,904,488
Accrued salaries and payroll deductions	43,869,410
Accrued interest	4,419,729
Other	<u>2,343,503</u>
Total payables	<u><u>\$81,537,130</u></u>

7. COMPENSATED ABSENCES

At June 30, 2021, employees of the System have accumulated vested annual, sick, and compensatory leave, the total balance of which is recorded in the accompanying financial statements and is summarized as follows:

Leave Type	Leave Balance
Annual	\$28,425,933
Sick	24,259,697
Compensatory	<u>1,171,177</u>
Total compensated absences	<u><u>\$53,856,807</u></u>

8. PENSION LIABILITY

The System is a participating employer in two State public employee retirement systems, the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL). Both systems have separate boards of trustees and administer cost-sharing, multiple-employer defined benefit pension plans, including classes of employees with different benefits and contribution rates (sub-plans). Article X, Section 29(F) of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions of all sub-plans administered by these systems to the State Legislature. LASERS and TRSL each issue public reports that include financial statements and required supplementary information. Copies of these reports may be obtained at www.lasersonline.org and www.trsl.org, respectively.

TRSL also administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 9 below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

Louisiana State Employees' Retirement System

LASERS administers a plan to provide retirement, disability, and survivor benefits to eligible state employees and their beneficiaries as defined in R.S. 11:411-417. The age and years of creditable service (service) required for a member to receive retirement benefits are established by R.S. 11:441 and vary depending on the member's hire date, employer, and job classification. The computation of retirement benefits is defined in R.S. 11:444. Act 992 of the 2010 Regular Legislative Session closed existing sub-plans for members hired before January 1, 2011, and created new sub-plans for regular members, hazardous duty members, and judges. Act 226 of the 2014 Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members.

The substantial majority of the System's members are regular plan members. Regular plan members hired prior to July 1, 2006, may retire with full benefits at any age upon completing 30 years of service, at age 55 upon completing 25 years of service, and at age 60 upon completing 10

years of service. Regular plan members hired from July 1, 2006, through June 30, 2015, may retire with full benefits at age 60 upon completing 5 years of service. Regular plan members hired on or after July 1, 2015, may retire with full benefits at age 62 upon completing 5 years of service. Additionally, all members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. Average compensation for regular plan members is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or the highest 60 consecutive months of employment for members employed after that date. A member leaving service before attaining minimum retirement eligibility but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions.

Eligibility requirements and benefit computations for disability benefits are provided for in R.S. 11:461. Generally, active plan members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age. Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the LASERS Board of Trustees.

Provisions for survivor benefits are provided for in R.S. 11:471-478. Under these statutes, the deceased member, hired before January 1, 2011, who was in state service at the time of death must have a minimum of five years of service, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18 or age 23 if the child remains a full-time student.

The minimum service requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child. The deceased member, hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The minimum service credits for a surviving spouse include active service at the time of death and a minimum of 10 years of service credit with two years being earned immediately prior to death, or a minimum of 20 years regardless of when earned. In addition, the deceased member's spouse must have been married for at least one year before death.

Teachers' Retirement System of Louisiana

TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. The age and years of creditable service (service) required for a member to receive retirement benefits are established by R.S. 11:761 and vary depending on the member's hire date. The calculation of retirement benefits

is defined in R.S. 11:768. Statutory changes closed existing sub-plans, and created new sub-plans for members hired on or after January 1, 2011.

Most of the System's TRSL members are participants in the Regular Plan. In the regular plan, eligibility for retirement is determined by the date the member joined TRSL. Members hired prior to January 1, 2011, are eligible to receive retirement benefits (1) at the age of 60 with five years of service; (2) at the age of 55 with at least 25 years of service; or (3) at any age with at least 30 years of service. Members hired between January 1, 2011, and June 30, 2015, are eligible to retire at age 60 with five years of service. Members hired on or after July 1, 2015, are eligible to retire at age 62 with five years of service. All regular plan members are eligible to retire at any age with 20 years of service and a reduced benefit if member is hired on or after July 1, 1999. Retirement benefits for regular plan members are calculated by applying a percentage ranging from 2% to 2.5% of final average compensation multiplied by years of creditable service. Average compensation is defined in R.S. 11:701 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to January 1, 2011, or the highest 60 consecutive months of employment for members employed on or after that date.

Under R.S. 11:778 and 11:779, members who have suffered a qualified disability are eligible for disability benefits if they were employed prior to January 1, 2011, and attained at least five years of service, or if they were employed on or after January 1, 2011, and attained at least 10 years of service. Members employed prior to January 1, 2011, receive disability benefits equal to 2.5% of average compensation multiplied by the years of service, but not more than 50% of their average compensation subject to statutory minimums. Members employed on or after January 1, 2011, receive disability benefits equivalent to the regular retirement formula without reduction by reason of age.

Survivor benefits are provided for in R.S. 11:762. In order for survivor benefits to be paid, the deceased member must have been in state service at the time of death and must have a minimum of five years of service, at least two of which were earned immediately prior to death, or must have had a minimum of 20 years of service regardless of when earned in order for a benefit to be paid to a minor or handicapped child.

The minimum service credit requirement is 10 years for a surviving spouse with no minor children. Surviving spouse benefits are equal to 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of the years of service or age, or \$600 per month, whichever is greater. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified handicapped child. Benefits are paid for life to a surviving spouse unless the deceased active member has less than 20 years of creditable service and the surviving spouse remarries before the age of 55.

Deferred Retirement Option Plan

Both LASERS and TRSL have established a Deferred Retirement Option Plan (DROP). When members enter DROP, their statuses change from active member to retiree even though they continue to work and draw their salaries for a period up to three years. The election is irrevocable

once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual's DROP account. Upon leaving DROP and terminating employment, members must choose among available alternatives for the distribution of benefits that have accumulated in their accounts.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial lump-sum benefit option in an amount of up to 36 months of benefits, with an actuarial reduction of their future benefits.

Cost of Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow the payment of cost of living adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. Both LASERS and TRSL have established an Experience Account to fund permanent benefit increases for retirees. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as these ad hoc COLAs are deemed not to be substantively automatic.

Contributions

Article X, Section 29(E)(2)(a) of the Louisiana Constitution of 1974 assigns the Legislature the authority to determine employee contributions. Employer contributions are actuarially determined using statutorily established methods on an annual basis and are constitutionally required to cover the employer's portion of the normal cost and provide for the amortization of the unfunded accrued liability. Employer contributions are adopted by the Legislature annually upon recommendation of the Public Retirement Systems' Actuarial Committee. Each LASERS and TRSL sub-plan pays a separate actuarially determined-employer contribution rate. However, all assets of the pension plan are used for the payment of benefits for all classes of members, regardless of the sub-plan membership. For those members participating in the TRSL ORP (the defined contribution plan), a portion of the employer contributions is used to fund the TRSL defined benefit plan's unfunded accrued liability.

Employer contributions to LASERS for fiscal year 2021 were \$29,499,060 with active regular plan member contributions ranging from 7.5% to 8%, and employer contributions of 40.1%. Employer defined benefit plan contributions to TRSL for fiscal year 2021 were \$105,504,704, with active regular plan member contributions of 8%, and employer contributions of 25.0% and 21.8% for the defined benefit plan and ORP employees, respectively. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenues, totaled \$3,729,987, and were recognized as revenue in fiscal year 2021 by the System.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the System reported liabilities of \$296,694,662 and \$961,524,308 under LASERS and TRSL, respectively, for its proportionate share of the net pension liability (NPL).

The NPL for LASERS and TRSL was measured as of June 30, 2020, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The System's proportions of the NPL were based on projections of the System's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2020, the most recent measurement date, the System's proportions and the changes in proportion from the prior measurement date were 3.58731%, a decrease of 0.21845% for LASERS, and 8.64403%, a decrease of 0.09056% for TRSL.

For the year ended June 30, 2021, the System recognized a pension expense of \$23,674,482 for LASERS and \$123,662,367 for TRSL for a total of \$147,336,849.

The System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows			Deferred Inflows		
	LASERS	TRSL	Totals	LASERS	TRSL	Totals
Differences between expected and actual experience				\$2,849,347	\$15,434,601	\$18,283,948
Changes in assumptions	\$949,328	\$57,201,168	\$58,150,496			
Net difference between projected and actual earnings on pension plan investments	43,371,074	\$74,223,947	117,595,021			
Changes in proportion and differences between employer contributions and proportionate share of contributions	79,460	57,771,644	57,851,104	7,539,770	12,363,751	19,903,521
Employer contributions subsequent to the measurement date	29,499,060	105,504,704	135,003,764			
Total	<u>\$73,898,922</u>	<u>\$294,701,463</u>	<u>\$368,600,385</u>	<u>\$10,389,117</u>	<u>\$27,798,352</u>	<u>\$38,187,469</u>

Deferred outflows of resources related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30,	LASERS	TRSL	Total
2022	(\$1,936,454)	\$35,000,830	\$33,064,376
2023	\$12,507,386	\$52,652,737	\$65,160,123
2024	\$13,402,768	\$46,682,210	\$60,084,978
2025	\$10,037,045	\$27,062,630	\$37,099,675

Actuarial Assumptions

The total pension liability for LASERS and TRSL in the June 30, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LASERS	TRSL
Valuation Date	June 30, 2020	June 30, 2020
Method	Entry Age Normal	Entry Age Normal
Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.55% per annum, net of investment expense	7.45% per annum, net of investment expense
Inflation Rate	2.3% per annum	2.3% per annum
Mortality Rates	<p>General active members: RP-2014 Blue Collar Employee tables, adjusted by 0.978 for males and 1.144 for females</p> <p>General retiree/inactive members (males): RP-2014 Blue Collar Healthy Annuitant table, adjusted by 1.280</p> <p>General retiree/inactive members (females): RP-2014 White Collar Healthy Annuitant table, adjusted by 1.417</p> <p>Mortality assumptions for non-disabled members include improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis.</p> <p>Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 1.009 for males and 1.043 for females, with no projection for improvement</p>	<p>Active members: 'RP-2014 White Collar Employee tables, adjusted by 1.010 for males and by 0.997 for females.</p> <p>Non-disabled retiree/inactive members: RP-2014 White Collar Healthy Annuitant tables, adjusted by 1.366 for males and by 1.189 for females</p> <p>Disabled retiree members: RP-2014 Disability tables, adjusted by 1.111 for males and by 1.134 for females</p> <p>Mortality base tables were adjusted from 2014 to 2018 using the MP-2017 generational improvement table, with continued future mortality improvement projected using the MP-2017 generational mortality improvement tables.</p>
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2014-2018) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five year (2013-2017) experience study of the plan's members
Projected Salary Increases	Salary increases were projected based on a 2014-2018 experience study of the plan's members. The projected salary increase for regular plan members ranges from 3.0% to 12.8% depending on duration of service.	Salary increases were projected based on a 2013-2017 experience study of the System's members. The projected salary increase for regular plan members ranges from 3.1% to 4.6% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

The projected benefit payments do not include provisions for potential future increases not yet authorized by the LASERS and TRSL Boards of Trustees as these ad hoc COLAs were deemed not to be substantively automatic. However, the LASERS and TRSL assumptions include an adjustment to recognize that investment earnings will be allocated to the experience account to fund potential future increases.

Changes in assumptions for the June 30, 2020, valuations follow:

- The LASERS and TRSL Boards adopted plans to gradually reduce the discount rate from 7.75% to 7.50% in .05% annual increments, beginning July 1, 2017. Therefore, the discount rate was reduced from 7.60% to 7.55% for the LASERS June 30, 2020 valuation. The TRSL Board accelerated the plan with a .10% reduction in the discount rate for the June 30, 2019 valuation and adopted further reductions in the discount rate for the June 30, 2020 valuation. Therefore, the discount rate was reduced from 7.55% to 7.45% for the TRSL June 30, 2020 valuation. In fiscal year 2021, the LASERS Board and TRSL Board adopted additional reductions to the discount rate beyond the original plan and a 7.40% rate was used to determine the projected actuarially required contribution rates for the 2021/2022 fiscal year.
- The LASERS and TRSL Boards reduced the inflation assumption from 2.50% to 2.30%, effective July 1, 2020. Since the inflation assumption is also a component of the salary increase assumption, all salary increase assumptions for these plans were reduced by .20%.

For LASERS and TRSL, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.3% and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25%, and 8.17%, for LASERS and TRSL, respectively. The target allocation and best estimates of arithmetic/geometric real rates of return as of June 30, 2020, for each major asset class are summarized for each plan in the following table:

	LASERS (Geometric)		TRSL (Arithmetic)	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	0.00%	(0.59%)		
Domestic equity	23.00%	4.79%	27.00%	4.60%
International equity	32.00%	5.83%	19.00%	5.40%
Domestic fixed income	6.00%	1.76%	13.00%	0.69%
International fixed income	10.00%	3.98%	5.50%	1.50%
Alternative investments	29.00%	6.69%		
Other alternative investments:				
Private equity			25.50%	8.62%
Other private assets			10.00%	4.45%
Risk Parity	0.00%	4.20%		
Total	100.00%	5.81%	100.00%	

Discount Rate

The discount rates used to measure the total pension liability were 7.55% and 7.45% for LASERS and TRSL, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendations of the respective pension systems' actuaries. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the NPL to Changes in the Discount Rate

The following presents the System's proportionate share of the NPL for LASERS and TRSL using the current discount rate as well as what the System's proportionate share of the NPL would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	1.0% Decrease	Current Discount Rate	1.0% Increase
	LASERS	(6.55%) \$364,591,578	(7.55%) \$296,694,662
	1.0% Decrease	Current Discount Rate	1.0% Increase
	TRSL	(6.45%) \$ 1,225,188,766	(7.45%) \$ 961,524,308

Pension Plan Fiduciary Net Position

Detailed information about LASERS and TRSL fiduciary net position is available in the separately issued financial reports at www.lasersonline.org and www.trsl.org, respectively.

Payables to the Pension Plan

At June 30, 2021, the System had \$2,604,211 and \$7,882,742 payable to LASERS and TRSL, respectively, for the June 2021 employee and employer legally required contributions.

9. OPTIONAL RETIREMENT SYSTEM

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than TRSL and purchase retirement and death benefits through fixed and/or variable annuity contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or TRSL. Such benefits and other rights of ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

R.S. 11:927 sets the contribution requirements of the ORP plan members and the employer. Each plan member shall contribute monthly to ORP an amount equal to the contribution rates established for the regular retirement plan of TRSL as disclosed in note 8. Each higher education board created by Article VIII of the Constitution of Louisiana is required to establish, by resolution, the portion of the employer contribution to be transferred to the ORP participants' accounts (transfer amount). In addition, the employer contribution rate for amounts credited to the ORP participants must be the greater of: (1) the employer normal cost contribution for the TRSL Regular Plan; or (2) 6.2%.

Employer ORP contributions to TRSL for fiscal year 2021 totaled \$54,612,473, which represents pension expense for the system. Employee contributions totaled \$15,593,796. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 21.8% made to the TRSL defined benefit plan described in note 8 above.

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, promulgates the accounting and financial reporting requirements by employers who offer other postemployment benefits (OPEB) besides pensions. Both medical coverage plans and life insurance plans are subject to the provisions of this statement.

The System provides certain continuing health care and life insurance benefits for its retired employees, offering them the opportunity to participate in one of two medical coverage plans - the state's Office of Group Benefits (OGB), which offers a life insurance plan, and the Louisiana State University (LSU) System Health Plan (LSU Health Plan). The LSU Health Plan is offered only to retired employees of the University of New Orleans (UNO) who were participating in the plan as of June 30, 2012. Substantially, all System employees become eligible for these benefits if they reach normal retirement age while working for the System.

The plans are not administered as formal trusts; therefore, there are no assets accumulated in trusts that meet the criteria of paragraph 4 of GASB Statement No. 75 to pay future OPEB obligations. The plans are financed on a pay-as-you-go basis. The pay-as-you-go expense is the net expected cost of providing retiree benefits and includes all expected claims and related expenses offset by retiree contributions – contributions to the plans are generally made at about the same time and in about the same amount as benefit payments become due. The plans do not issue publicly available financial statements; however, the entities are included in the Louisiana Annual Comprehensive Financial Report (ACFR), a copy of which may be obtained from the Division of Administration's Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Information about these two plans is presented below.

Plan Descriptions

State OGB Plan

System employees voluntarily participate in the State of Louisiana's health insurance plan. OGB provides medical, prescription drug, and life insurance benefits to eligible retirees, disabled retirees, and their beneficiaries through premium subsidies. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in their applicable retirement systems (LASERS and TRSL); or they retire from a participating employer that meets the qualifications in Louisiana Administrative Code 32:3.303; and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a multiple-employer defined benefit plan. R.S. 42:801-883 provide the authority to establish and amend benefit provisions of the plan.

LSU Health Plan

The System offers eligible UNO retirees and their beneficiaries the opportunity to participate in comprehensive health and preventive care coverage under the LSU Health Plan that gives members a consumer-driven health care approach to pay routine health expenses and provides coverage for major healthcare expenses. The LSU Health Plan is defined as a single-employer defined benefit health care plan. Within the LSU Health Plan, members have a choice of selecting between two options. The LSU System selects claim and pharmaceutical administrators to manage the program through a formal request for proposal process. The LSU Health Plan's benefit provisions are established by or may be amended under the authority of R.S. 42:851.

*Funding Policy**State OGB Plan*

The contribution requirements of plan members and the System are established and may be amended by R.S. 42:801, 42:821, and 42:851. Employees do not contribute to their postemployment benefit costs until they become retirees and begin receiving those benefits. They contribute to the cost of retiree health care based on a service schedule. Contribution amounts vary depending on what health care provider is selected from the plan and if the member has Medicare coverage. OGB offers four self-insured healthcare plans and one fully insured plan for both active and retired employees. In addition, retired employees who have Medicare Part A and Part B coverage also have access to several OGB Medicare Advantage plans and an Individual Market Exchange plan that provides monthly health reimbursement arrangement credits.

Employees who were active plan participants before January 1, 2002, and continue medical participation until retirement, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost).

Employees who begin participation or rejoin the plan on or after January 1, 2002, pay a percentage of the total premiums contributed by the employer based on the following schedule:

<u>Participation</u>	<u>Employer Contribution Percentage</u>	<u>Employee Contribution Percentage</u>
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

All members who retire on or after July 1, 1997, must have Medicare Parts A and B to qualify for reduced premium rates.

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The employer pays approximately 50% of the individual retiree's premium. The retiree is responsible for 100% of the premiums for dependents. Effective January 1, 2018, the total monthly premium for retirees varies according to age group.

LSU System Health Plan

Plan rates are actuarially determined and approved by the LSU Health Plan Benefits Oversight Committee. Plan rates are in effect for one year, and members have the opportunity to switch health plans during the annual enrollment period, which usually occurs in October. Employer contributions are based on plan premiums and the employer contribution percentage. These percentages are identical to the OGB percentages above.

OPEB Obligation

At June 30, 2021, the System reported an OPEB liability totaling \$957,100,318 for its proportionate share of the total collective OPEB liability. The OGB and LSU Health plans' total collective OPEB liabilities were measured as of July 1, 2020, and June 30, 2021, respectively. The System's proportionate share of the total collective LSU Health Plan's OPEB liability at June 30, 2021, totaling \$15,259,919, was determined by an actuarial valuation as of January 1, 2020, which was rolled forward to the measurement date of June 30, 2021, using a discount rate of 2.16%.

The System's proportionate share percentage is based on the employer's individual OPEB actuarial accrued liability in relation to the total OPEB liability for all participating entities included in the state of Louisiana reporting entity.

At June 30, 2021, the System's proportion of the OGB liability was 11.3684%, representing a decrease of 0.2144% in the System's proportion. At June 30, 2021, the System's proportion of the LSU Health Plan liability was 1.0373%, which represents a decrease of 0.0480% from the June 30, 2020, proportion of the liability.

Actuarial Methods and Assumptions

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 trend. 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.

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

A summary of the actuarial assumptions follows:

	State OGB Plan	LSU System Health Plan
Actuarial valuation date	July 1, 2020	January 1, 2020
Actuarial cost method	Entry Age Normal, based on a level percentage of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.	Entry Age Normal, based on a level percentage of projected salary.
Estimated remaining service lives	4.5	6.6
Inflation rate (consumer price index)	2.8%	2.5%
Salary increase rate	Consistent with pension plans disclosed in note 8	2.0% per annum
Discount rate¹	2.66%	2.16%
Mortality rates - non-disabled	<p>For LASERS Active Lives: RP-2014 Blue Collar Employee Table, adjusted by 0.978 for males and 1.144 for females, projected on a fully generational basis by Mortality Improvement Scale MP-2018</p> <p>For LASERS Healthy Retire Lives: RP-2014 Blue Collar Healthy Annuitant Table, adjusted by 1.280 for males and RP-2014 White Collar Healthy Annuitant Table adjusted by 1.417 for females, projected from 2014 on a fully generational basis by Mortality Improvement Scale MP-2018</p> <p>For TRSL participants: Consistent with the TRSL pension plan disclosed in note 8</p>	Pub-2010 Mortality Table with generational scale MP-2019
Mortality rates - disabled	<p>For LASERS participants: RP-2000 Disabled Retiree Mortality table, adjusted by 1.009 for males and 1.043 for females, with no projected mortality improvement</p> <p>For TRSL participants: Consistent with the TRSL pension plan disclosed in note 8</p>	Pub-2010 Disabled Mortality rates with generational MP-2019 scaling
Termination and Retirement Tables		TRSL and LASERS 2019 Actuarial Valuation

¹The discount rate for the OGB Plan is based on the June 30, 2020, Standard & Poors 20-year municipal bond index rate. The LSU Health Plan discount rate is based on the Bond Buyer 20-Bond GO Index.

Participation Rates

The percentage of employees and their dependents eligible for early retiree benefits that will participate in the retiree medical plan is outlined in the table below. Active participants who have been covered continuously under the medical plan since before January 1, 2002, are assumed to participate at a rate of 88%. This rate assumes that a one-time irrevocable election to participate is made at the time of retirement.

<u>Years of Service</u>	<u>Participation %</u>
Under 10 years	33%
10 - 14 years	60%
15 - 19 years	80%
20+ years	88%

Future retirees are assumed to participate in the life insurance benefit at a 36% rate and elect a total of \$45,000 in basic and supplemental life insurance coverage, before any age reductions. Spouses are assumed to elect \$2,000 of coverage.

Changes in Assumptions

Changes of assumptions and other inputs for OGB follow:

- A change in the discount rate from 2.79% as of July 1, 2019, to 2.66% as of July 1, 2020.
- The OGB valuation relies upon the pension plans covering the same participants for the retirement, termination, disability, and salary scale assumptions. Baseline per capita costs were adjusted to reflect 2020 claims and enrollment for prescription drug costs and retiree contributions were updated based on 2021 premiums. The 2020 medical claims and enrollment experience was not included in the projection of expected 2021 plan costs due to the COVID-19 pandemic which resulted in 2020 medical claims experience which is not reflective of what is expected in future years.
- Plan claims and premiums increased less than had been expected, and the estimate of future savings from Employer Group Waiver Plans that manage Medicare benefits was increased based on recent experience.
- The salary scale assumptions were revised for the Louisiana State Employees' Retirement System and the Teachers' Retirement System of Louisiana.
- Medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan election percentages have all been updated based on a review of OPEB experience from July 1, 2017, through June 30, 2020.

Changes of assumptions and other inputs for the LSU Health Plan follow:

- A change in the discount rate from 2.21% as of July 1, 2020, to 2.16% as of June 30, 2021.

Health Care Cost Trend Rates

OGB's healthcare cost trend rates were developed using the National Health Care Trend Survey, and the ultimate trend was developed using a building block approach that considers Consumer Price Index, Gross Domestic Product, and technology growth. The OGB healthcare cost trend rates follow:

<u>Year</u>	<u>Medical and Drug Pre-65</u>	<u>Medical and Drug Post-65</u>
2020-2021	6.75%	5.25%
2021-2022	6.50%	5.00%
2022-2023	6.25%	4.75%
2023-2024	6.00%	4.50%
2024-2025	5.75%	4.50%
2025-2026	5.50%	4.50%
2026-2027	5.25%	4.50%
2027-2028	5.00%	4.50%
2028-2029	4.75%	4.50%
2029+	4.50%	4.50%

The LSU Health Plan's healthcare cost trend rates follow (rates are applied on a select and ultimate basis with the select trend reduced 0.5% each year until reaching the ultimate trend):

<u>Benefit</u>	<u>Select</u>	<u>Ultimate</u>
Pre-65 Medical and Drug	5.50%	4.50%
Post-Medicare	4.50%	4.50%
Stop Loss Fees	5.50%	4.50%
Administrative Fees	4.50%	4.50%

Proportionate Shares of the OPEB Liability Based on Changes in the Discount Rate

The following schedule presents the sensitivity of the System's proportionate share of the total collective OPEB liability based on changes in the discount rate that are one percentage point lower and one percentage point higher than the current rates:

Proportionate Share of Total Collective OPEB Liability Based on Changes in the Discount Rate

	<u>1.0% Decrease</u>	<u>Current Rate</u>	<u>1.0% Increase</u>
OGB Plan:			
Discount Rate	1.66%	2.66%	3.66%
Proportionate Share of Total	\$1,104,515,797	\$941,840,399	\$813,073,591
LSU Health Plan:			
Discount Rate	1.16%	2.16%	3.16%
Proportionate Share of Total	\$18,904,947	\$15,259,919	\$12,525,998

Proportionate Shares of the OPEB Liability Based on Changes in the Healthcare Cost Trend Rates

The following schedule presents the sensitivity of the System's proportionate share of the total collective OPEB liability based on changes in the healthcare cost trend rate that are one percentage point lower and one percentage point higher than the current rates:

	<u>1.0% Decrease</u>	<u>Current Rate</u>	<u>1.0% Increase</u>
	Pre-65 Rates 5.75% decreasing to 3.5%	6.75% decreasing to 4.5%	7.75% decreasing to 5.5%
	Post-65 Rates 4.25% decreasing to 3.5%	5.25% decreasing to 4.5%	6.25% decreasing to 5.5%
OGB Plan:	\$806,646,347	\$941,840,399	\$1,116,292,292
	Pre-65 Rates 4.5% decreasing to 3.5%	5.5% decreasing to 4.5%	6.5% decreasing to 5.5%
	Post-65 Rates 3.50%	4.50%	5.50%
LSU Health Plan:	\$12,383,111	\$15,259,919	\$19,078,733

Per Capita Health Care Claim Costs

The OGB expected per capita costs for the self-insured plans administered by Blue Cross/Blue Shield were based on prescription drug claims for retired participants for the period January 1, 2019 through December 31, 2020 and medical claims for retired participants for the period January 1, 2018, through December 31, 2019. The claims experience was trended to the valuation date. The last month of prescription drug claims was adjusted for incurred but not reported claims using completion factors based on prior year data. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2021 premiums adjusted to the valuation date using the trend assumptions above. In addition, per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy.

For the LSU Health Plan, the expected annual claim costs were developed using 24 months of historical claim experience through December 31, 2019, for Option 1 (primarily for future retirees under 65 without Medicare coverage).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the System recognized OPEB expense totaling \$3,398,252, comprised of \$3,161,896 and \$236,356 for the OGB and LSU Health plans, respectively. The System reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows			Deferred Inflows		
	OGB	LSU Health	Totals	OGB	LSU Health	Totals
Changes in employer's proportionate share of total OPEB liability	\$11,882,436		\$11,882,436	\$19,747,087		\$19,747,087
Difference between proportionate share of employer benefit payments and actual benefit payments	548,921		548,921	7,366,221		7,366,221
Differences between expected and actual experience	21,660,983		21,660,983	1,812,794	\$2,710,481	4,523,275
Changes in assumptions	24,624,127	\$2,522,063	27,146,190	90,127,088	232,416	90,359,504
Employer contributions subsequent to the measurement date	30,155,515		30,155,515			
Total	<u>\$88,871,982</u>	<u>\$2,522,063</u>	<u>\$91,394,045</u>	<u>\$119,053,190</u>	<u>\$2,942,897</u>	<u>\$121,996,087</u>

Deferred outflows of resources related to OPEB from the System's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ending June 30, 2022. Because the LSU Health Plan's measurement date was June 30, 2021, there are no deferred outflows for System benefit payments at June 30, 2021, for the LSU Health Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

<u>Fiscal year ending June 30,</u>	<u>OGB</u>	<u>LSU Health</u>	<u>Total</u>
2022	(\$34,878,674)	(\$95,075)	(\$34,973,749)
2023	(\$22,595,227)	(\$95,075)	(\$22,690,302)
2024	(\$5,931,242)	(\$69,206)	(\$6,000,448)
2025	\$3,068,420	(\$66,672)	\$3,001,748
2026		(\$117,690)	(\$117,690)
2027		\$22,884	\$22,884

11. LEASE OBLIGATIONS*Operating Leases*

For the year ended June 30, 2021, the total rental expense for all operating leases was \$813,872. The following is a schedule, by years, of future minimum annual rental payments required under operating leases:

Fiscal Year Ending June 30,	Office Space	Equipment	Land	Other	Total Minimum Payments Required
2022	\$271,623	\$71,891	\$123,627	\$120,117	\$587,258
2023	282,927	16,065	126,172	125,926	551,090
2024	110,545	8,360	128,777	94,862	342,544
2025	87,307		131,441		218,748
2026	89,130		134,168		223,298
2027-2031	22,401		268,973		291,374
2032-2036	5		52,933		52,938
2037-2041	5		68,839		68,844
2042-2046	4		89,529		89,533
2047-2051			116,442		116,442
Thereafter			609,934		609,934
Total	\$863,947	\$96,316	\$1,850,835	\$340,905	\$3,152,003

Capital Leases

The System records items under capital leases as assets and obligations in the accompanying financial statements. The System's capital leases at June 30, 2021, consist of various leases as follows:

<u>Nature of Lease</u>	Buildings	Equipment	Total
Gross amount of leased assets (historical cost)	\$5,523,464	\$5,727,326	\$11,250,790
Remaining interest to end of lease	\$5,968	\$281,143	\$287,111
Remaining principal to end of lease	\$545,000	\$2,655,118	\$3,200,118

The following is a schedule of future minimum lease payments under these capital leases, together with the present value of minimum lease payments at June 30, 2021:

Fiscal Year Ending June 30,

2022	\$1,329,899
2023	778,934
2024	778,934
2025	778,932
2026	778,937
2027-2031	428,987
2032-2036	<u>47,610</u>
Total minimum lease payments	4,922,233
Less - amount representing interest	<u>(287,111)</u>
Present value of net minimum lease payments	<u><u>\$4,635,122</u></u>

Lessor - Operating Leases

The System's leasing operations consist primarily of leasing property for providing food services to students; bookstore operations; and office space for postal services, banking services, and vending operations.

The following schedule provides an analysis of the System's investment in property on operating leases and property held for lease by major classes as of June 30, 2021:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Carrying Amount</u>
Office space	\$38,513,486	(\$19,551,275)	\$18,962,211
Buildings	109,471,114	(49,852,126)	59,618,988
Equipment	343,214	(132,534)	210,680
Land	9,742,058		9,742,058
Other	<u>10,988,873</u>	<u>(5,750,373)</u>	<u>5,238,500</u>
Total	<u><u>\$169,058,745</u></u>	<u><u>(\$75,286,308)</u></u>	<u><u>\$93,772,437</u></u>

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2021:

Fiscal Year Ending June 30,	Office Space	Buildings	Land	Other	Total
2022	\$6,092,115	\$4,596,577	\$153,409	\$1,850,681	\$12,692,782
2023	4,199,796	4,624,556	169,475	1,850,681	10,844,508
2024	3,761,791	4,317,098	151,201	1,850,681	10,080,771
2025	3,382,083	2,525,185	143,493	255,057	6,305,818
2026	2,174,358	2,431,805	144,950	110,000	4,861,113
2027-2031	5,164,268	8,650,187	701,122	550,000	15,065,577
2032-2036	1,933,061	5,604,980	702,134	550,000	8,790,175
2037-2041	5	1,223,756	728,102	533,334	2,485,197
2042-2046	2		764,127	500,000	1,264,129
2047-2051			801,155	137,500	938,655
Thereafter			5,089,926		5,089,926
Total minimum future rentals	<u>\$26,707,479</u>	<u>\$33,974,144</u>	<u>\$9,549,094</u>	<u>\$8,187,934</u>	<u>\$78,418,651</u>

Minimum future rentals do not include contingent rentals that may be received as stipulated in the lease contracts. These contingent rental payments occur as a result of sales volume or customer usage of services provided. Contingent rentals received from operating leases of office space, buildings, and land for the year ended June 30, 2021, were \$1,302,715, \$1,133,919, and \$1,038,518, respectively.

12. LONG-TERM LIABILITIES

Following are summaries of bond and other long-term debt transactions of the System for the year ended June 30, 2021:

University of Louisiana System

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and notes payable:					
Notes payable	\$4,498,385	\$1,643,724	(\$936,904)	\$5,205,205	\$1,207,913
Publicly offered	554,150,295	\$32,420,480	(49,481,944)	537,088,831	15,654,885
Direct borrowing/placements	240,988,869	4,954,104	(100,305,973)	145,637,000	10,644,110
Total bonds payable	795,139,164	37,374,584	(149,787,917)	682,725,831	26,298,995
Total bonds and notes payable	799,637,549	39,018,308	(150,724,821)	687,931,036	27,506,908
Other liabilities:*					
Accrued compensated absences payable	53,373,262	9,850,782	(9,367,237)	53,856,807	4,511,866
Capital lease obligations	4,265,253	1,435,004	(1,065,135)	4,635,122	1,240,648
Total other liabilities	57,638,515	11,285,786	(10,432,372)	58,491,929	5,752,514
Total	<u>\$857,276,064</u>	<u>\$50,304,094</u>	<u>(\$161,157,193)</u>	<u>\$746,422,965</u>	<u>\$33,259,422</u>

*See notes 8 and 10 for the required disclosures related to changes in the net pension and total OPEB liabilities.

University of Louisiana at Lafayette Foundation

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Notes payable	<u>\$534,370</u>	<u>\$219,755</u>	<u>(\$223,541)</u>	<u>\$530,584</u>	<u>\$24,805</u>

Details of all debt outstanding at June 30, 2021, are as follows:

Bonds Payable - Publicly Offered

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Louisiana Tech University								
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing and Related Refunding Bonds - Series 2013	June 6, 2013	\$19,065,000	\$14,260,000	(\$845,000)	\$13,415,000	2034	3.00 - 5.00%	\$3,636,814
Student Housing and Related Facilities Refunding Bonds - Series 2015	December 29, 2015	43,020,000	38,235,000	(1,395,000)	36,840,000	2038	2.00 - 5.00%	16,797,350
Student Housing - Series 2016 A	August 16, 2016	36,695,000	35,465,000	(575,000)	34,890,000	2047	2.50 - 4.00%	21,361,675
Student Housing - Series 2020	May 28, 2020	49,145,000	49,145,000		49,145,000	2051	3.00 - 5.00%	35,832,594
McNeese State University								
Cowboy Facilities, Inc. (blended component unit):								
Calcasieu Parish Trust Authority:								
University Student Lease Revenue Bonds - Series 2011	December 7, 2011	18,655,000	12,935,000	(760,000)	12,175,000	2033	4.00 - 5.00%	4,022,475
Louisiana Local Government Environmental Facilities and Community Development Authority								
University Student Parking Bonds - Series 2011	December 28, 2011	13,850,000	11,720,000	(325,000)	11,395,000	2042	3.50 - 5.00%	7,015,106
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Self-Assessed Fees - Series 2010	December 15, 2010	10,860,000	9,190,000	(9,190,000)				
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Self-Assessed Fees - Series 2021	March 11, 2021	8,415,000		8,415,000	8,415,000	2041	4.00%	4,047,867
Southeastern Louisiana University								
University Facilities, Inc. (blended component unit):								
Intermodal Parking - Series 2007 A and B	March 14, 2007	8,035,000	3,530,000	(235,000)	3,295,000	2037	4.00 - 4.375%	916,432
Student Union - Series 2010	November 17, 2010	31,255,000	25,565,000	(25,565,000)				
Student Housing - Series 2013 Refunding Bonds	November 13, 2013	40,910,000	23,280,000	(3,415,000)	19,865,000	2027	4.00 - 5.25%	2,261,768
Housing Project - Series 2017 Revenue Bonds	June 6, 2017	35,465,000	35,465,000		35,465,000	2048	5.00%	23,667,875
Student Housing - Series 2019 Refunding Bonds	February 7, 2019	11,960,000	11,960,000		11,960,000	2035	4.00 - 5.00%	5,233,125
LCDA Revenue Refunding Bonds Series 2020	November 24, 2020	20,535,000		20,535,000	20,535,000	2041	2.00-4.00%	9,226,950
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Lafayette Public Trust Financing Authority:								
Student Union and University Facilities								
Project - Series 2010	November 15, 2010	22,200,000	18,110,000	(530,000)	17,580,000	2041	3.50 - 5.00%	9,747,888
Housing and Parking Project - Series 2010	December 1, 2010	100,050,000	2,190,000	(2,190,000)				
Refunding Bonds Series 2012	October 30, 2012	14,740,000	11,600,000	(690,000)	10,910,000	2033	3.00 - 5.00%	2,724,385
Louisiana Local Government Environmental Facilities and Community Development Authority -								
Lewis Street Parking Garage Project, Series 2013	November 21, 2013	25,205,000	22,615,000	(560,000)	22,055,000	2044	3.00 - 5.00%	14,206,907
Athletic Facilities Project Series 2013	November 26, 2013	23,605,000	21,175,000	(525,000)	20,650,000	2044	3.00 - 5.00%	13,289,459
Ragin' Cajun Facilities, Inc. -								
Cajundome Project, Series 2015	August 18, 2015	18,500,000	18,500,000		18,500,000	2045	3.50 - 4.125%	12,626,705
Revenue Refunding Bonds - Student								
Housing and Parking Project - Series 2017	April 19, 2017	95,945,000	94,410,000	(465,000)	93,945,000	2042	3.00 - 5.00%	51,018,100
Housing Project - Series 2018	May 23, 2018	47,410,000	47,410,000		47,410,000	2049	5.00%	57,958,375
University of New Orleans								
UNO Research and Technology Foundation:*								
Louisiana Public Facilities Authority								
Revenue Refunding Bonds Series 2014	August 28, 2014	36,000,000	32,240,000	(1,135,000)	31,105,000	2036	3.00% - 5.00%	12,490,750
Total		731,520,000	539,000,000	(19,450,000)	519,550,000			
Discounts			(806,393)	27,070	(779,323)			
Premiums			28,200,278	1,584,157	29,784,435			
Deferred loss on refunding			(535,074)	474,022	(61,052)			
Bond issuance costs			(11,708,516)	303,287	(11,405,229)			
Total		\$731,520,000	\$554,150,295	(\$17,061,464)	\$537,088,831			\$308,082,600

*For the year ended December 31, 2020

Bonds Payable – Direct Borrowings/Placements

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Grambling State University								
Future and Advance Project Funding Bonds:								
Series 2016-4	November 30, 2016	\$91,171,636	\$83,989,852	(\$83,989,852)				
Series 2016-5 (see footnote 1 below)	November 30, 2016	8,000,000	6,408,084	(5,428,017)	\$980,067	2047	2.69%	269,169
Louisiana Tech University								
Revenue Refunding Bonds - Series 2012	October 24, 2012	3,975,000	870,000	(430,000)	440,000	2022	2.05%	9,020
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
University Athletic and Related Facilities								
Series 2014	April 10, 2014	9,000,000	7,640,000	(265,000)	7,375,000	2039	4.48%	3,524,864
Student Housing Bonds - Series 2016 B	June 7, 2016	4,000,000	4,000,000		4,000,000	2047	4.50%	3,624,300
McNeese State University								
Field House - Series 2009	August 6, 2009	6,000,000	3,570,000	(300,000)	3,270,000	2030	3.93%	611,508
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Revenue Housing - Series 2007 B	August 23, 2007	32,380,000	32,380,000		32,380,000	2039	4.49%	17,032,133
Streets and Parking Revenue Bonds - Series 2016 A								
Cafeteria and Student Union Revenue Bonds - Series 2016 B	February 16, 2016	1,975,000	1,095,000	(210,000)	885,000	2025	2.30%	51,290
Student Housing Revenue Refunding Bonds - Series 2017	February 16, 2016	4,000,000	2,910,000	(245,000)	2,665,000	2030	3.71%	517,916
December 1, 2017		10,605,000	6,360,000	(1,525,000)	4,835,000	2024	2.86%	279,279
Northwestern State University								
Wellness, Recreation, and Activity Center Bonds - Series 2011								
October 25, 2011		4,500,000	1,625,000	(385,000)	1,240,000	2024	3.8%	95,380
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority - Baseball Stadium Project - Series 2017								
September 27, 2017		10,145,000	9,165,000	(515,000)	8,650,000	2034	3.50%	2,039,363
Cajundome Refunding Lease, Revenue Bonds Series 2016								
August 2, 2016		11,005,000	8,770,000	(790,000)	7,980,000	2030	2.47%	841,900
July 10, 2019		2,600,000	2,600,000	(155,000)	2,445,000	2034	2.91%	468,292
University of Louisiana at Monroe								
ULM Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing, Infirmary, and Student Center:								
Revenue Bonds Series 2004 A & A-T	June 30, 2004	35,210,000	26,145,000	(1,410,000)	24,735,000	2035	2.92%	5,409,762
Revenue Bonds Series 2004 C & C-T	December 8, 2004	33,680,000	24,670,000	(1,100,000)	23,570,000	2036	2.92%	6,006,788
Revenue and Refunding Bonds - Series 2014 Stadium and Scoreboard								
Revenue Refunding Bonds, Student Center - Series 2014	June 30, 2014	1,845,000	810,000	(195,000)	615,000	2024	2.92%	30,065
July 9, 2014		1,645,000	1,015,000	(130,000)	885,000	2027	3.14%	87,390
Revenue Bonds, Student Center - Series 2016	March 8, 2016	6,000,000	5,140,000	(240,000)	4,900,000	2036	2.62%	1,114,155
Revenue Bonds - Series 2017	June 14, 2017	4,000,000	2,915,000	(385,000)	2,530,000	2027	2.75%	248,875
Revenue Bonds - Series 2018	August 1, 2018	2,000,000	1,595,000	(205,000)	1,390,000	2027	3.56%	178,356
Revenue Bonds - Series 2020	December 1, 2020	550,000		550,000	550,000	2035	3.07%	128,433
University of New Orleans								
Revenue Bonds - Series 2012	August 22, 2012	9,700,000	5,575,000	(625,000)	4,950,000	2028	2.99%	535,061
Revenue Bonds Series 2015	February 27, 2015	2,990,000	2,950,000	(10,000)	2,940,000	2031	3.47%	851,363
Revenue Bonds Series 2015 B	May 29, 2015	3,580,000	2,091,000	(324,000)	1,767,000	2026	2.90%	156,629
Revenue Bonds Series 2020	December 18, 2020	2,830,000		2,830,000	2,830,000	2031	2.55%	292,039
Total		303,386,636	244,288,936	(95,481,869)	148,807,067			
Bond issuance costs and insurance costs			(3,300,067)	130,000	(3,170,067)			
Total		\$303,386,636	\$240,988,869	(\$95,351,869)	\$145,637,000			\$44,403,330

¹On November 30, 2016, Grambling State University entered into an agreement with Rice Financial Products Company whereby the University obtained funding through the Rice Capital Access Program. In accordance with this agreement, the University was granted a line of credit totaling \$8,000,000 (Series 2016-5 bonds) to provide funding for the construction of its new natatorium. As of June 30, 2021, the University had drawn \$8,000,000 from the line of credit, which is reported as bonds payable in the direct borrowings/placements above. The remaining available balance totals \$0. Principal and interest payments began on July 1, 2020, and the bonds mature in fiscal year 2047.

During Fiscal Year 2021, as a part of the HBCU Loan Forgiveness Program, the Grambling State University Future and Advance Project Funding Bond Series 2016-4 was completely forgiven leaving a balance as of June 30, 2021, of \$0, and the Series 2016-5 bonds were partially forgiven, leaving a balance as of June 30, 2021, of \$980,067. \$79,850,872 in principal was forgiven on the 2016-4 bonds, and \$6,895,560 in principal was forgiven on the 2016-5 bonds.

On March 11, 2021, the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) issued \$8,415,000 of non-taxable Series 2021 Bonds pursuant to an Indenture of Trust between the Authority and Regions Bank (the Trustee). Pursuant to loan agreements between the Authority and the NSU Facilities Corporation, a blended component unit of Nicholls State University, the Authority has loaned the proceeds of the bonds to the Corporation. NSU Facilities Corporation used the proceeds to redeem the Series 2010 bonds in the amount of \$8,950,000 and to pay for the cost of issuing the Series 2021 bonds. Additional information on the refunding series can be found in Note 13.

On November 24, 2020, the Louisiana Local Government Environmental Facilities and Community Development Authority (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) issued \$20,535,000 of revenue refunding bonds to refund the Series 2010 A Bonds. Additional information on the refunding series can be found in Note 13.

On December 18, 2020, the System issued revenue draw down bonds (Series 2020) in a principal amount not to exceed \$7,830,000 on behalf of the University of New Orleans to finance the purchase and implementation of an Enterprise Resource Planning system. During the fiscal year ended June 30, 2021, the University drew \$2,830,000 in bond proceeds, which is reported as bonds payable. The remaining balance available is \$5,000,000. Interest payments began June 1, 2021 and principal payments began December 1, 2021. The bonds mature in fiscal year 2031.

On December 1, 2020, the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) issued the Series 2020 Revenue Bonds to the University of Louisiana Monroe Facilities, Inc. (a blended component unit of the University of Louisiana at Monroe) to provide funding for the Student Hub Project. In accordance with the agreement, the Series 2020 Bonds are draw down bonds and the total loaned amount is not to exceed \$5,500,000. As of June 30, 2021, ULM Facilities, Inc. had drawn \$550,000 from the available line of credit, which is reported as bonds payable in the direct borrowings/placements above. The remaining available balance totals \$4,950,000. Principal and interest payments began on June 1, 2021 and the bonds mature in fiscal year 2035.

The annual requirements to amortize all System bonds outstanding at June 30, 2021, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2022	\$15,180,000	\$22,917,966	\$10,760,571	\$5,061,923
2023	16,730,000	22,251,834	9,825,681	4,749,941
2024	17,465,000	21,534,156	10,161,236	4,373,104
2025	18,265,000	20,766,190	9,758,776	4,060,225
2026	19,155,000	19,945,441	9,807,610	3,818,056
2027-2031	108,925,000	85,713,533	47,576,061	14,086,706
2032-2036	114,010,000	59,663,890	38,504,577	6,425,556
2037-2041	94,850,000	35,827,373	10,018,644	1,510,561
2042-2046	74,350,000	16,617,254	1,969,658	307,530
2047-2051	40,620,000	2,844,963	424,253	9,728
Sub-total	519,550,000	308,082,600	148,807,067	44,403,330
Unamortized Discount/ Premium/Issuance Costs	17,538,831		(3,170,067)	
Total	<u>\$537,088,831</u>	<u>\$308,082,600</u>	<u>\$145,637,000</u>	<u>\$44,403,330</u>

Following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2021:

<u>Bond Issue</u>	<u>Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/ (Deficiency)</u>
Publicly Offered:			
Louisiana Tech University			
Innovative Student Facilities, Inc., Revenue Bonds 2013	\$684,484	\$684,484	NONE
McNeese State University			
Cowboy Facilities, Inc.			
Student Parking Bonds 2011	878,954	878,919	35
Student Lease Revenue Bonds 2011	1,356,578	1,356,513	65
Nicholls State University			
NSU Facilities, Inc.			
Revenue Bonds 2021	598,520	598,500	20
Southeastern Louisiana University			
University Facilities, Inc.			
Revenue Bonds 2007	402,458	386,138	16,320
Revenue Bonds 2013	2,136,644	2,045,500	91,144
University of Louisiana at Lafayette			
Ragin' Cajun Facilities, Inc.			
Student Union/University Facilities Project Series 2010	1,379,704	1,379,681	23
Project Series 2013 Lewis Street Parking Garage	1,590,723	1,590,463	260
Project Series 2013 Athletic Facilities Project	1,488,493	1,488,250	243
Total publicly offered	<u>10,516,558</u>	<u>10,408,448</u>	<u>108,110</u>
Direct Placements/Borrowings:			
Grambling State University			
Revenue Bonds Debt Service	1,092,555	1,092,555	NONE
Series A 2016-5 Bonds - Escrow	433,022	433,022	NONE
McNeese State University			
McNeese State University Field House Project, Series 2009	442,637	434,563	8,074
Nicholls State University			
NSU Facilities, Inc.			
Revenue Bonds, Series 2017	3,281,418	3,275,945	5,473
University of Louisiana at Monroe			
ULM Facilities, Inc.			
Student Housing and Student Center Revenue			
Bonds 2004 A & A-T	1,120,511	1,120,465	46
Student Housing and Student Center Revenue			
Bonds 2004 C & C-T	1,021,577	1,021,535	42
University of New Orleans			
Series 2020 Revenue Bonds	783,212	783,000	212
Total direct placements/borrowings	<u>8,174,932</u>	<u>8,161,085</u>	<u>13,847</u>
Notes Payable:			
Grambling State University			
U.S. Department of Education Note	528,000	528,000	NONE
Total reserves	<u>\$19,219,490</u>	<u>\$19,097,533</u>	<u>\$121,957</u>

In addition to the debt reserves above, as permitted by the universities' and/or their respective facility corporations' bond indentures, the universities and/or their respective facility corporations obtained surety bonds that meet the definition as reserve fund investments and guarantee payments to fund reserve requirements as follows:

<u>Bond Issue</u>	<u>Guaranteed Payment Not to Exceed</u>
Publicly Offered Bonds:	
Louisiana Tech University	
Innovative Student Facilities, Inc.:	
Revenue Refunding Bonds - Series 2015	\$3,308,150
Revenue Bonds - Series 2016 A	\$2,583,015
Revenue Bonds - Series 2020	\$2,862,513
Southeastern Louisiana University	
University Facilities, Inc.	
Housing Project - Series 2017 Revenue Bonds	\$4,532,875
Student Housing - Series 2019 Refunding Bonds	\$2,254,200
Revenue Refunding Bonds- Series 2020	\$1,484,100
University of Louisiana at Lafayette	
Ragin' Cajun Facilites, Inc.:	
Refunding Bonds - Series 2012	\$1,171,344
Cajundome Project - Series 2015	\$1,527,385
Housing and Parking Project Refunding Bonds - Series 2017	\$7,121,575
Housing Project Bonds - Series 2018	\$4,642,070
University of New Orleans (UNO)	
UNO Research and Technology Foundation:	
Revenue Refunding Bonds - Series 2014	\$3,037,050
Direct Placement Bonds:	
University of Louisiana at Lafayette	
Ragin' Cajun Facilites, Inc.:	
Cajundome Refunding Lease Revenue Bonds - Series 2016	\$1,020,325
University of New Orleans (UNO)	
Revenue Bonds - Series 2012	\$788,288
Revenue Bonds - Series 2015	\$997,003
Revenue Bonds - Series 2015 B	\$385,243

The bond indentures for both the publicly offered and direct placement bonds include events of default in which all bond principal and accrued interest may become immediately due and payable.

Notes Payable - University of Louisiana System

Note	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Grambling State University								
U.S. Department of Education	May 1, 1993	\$3,500,000	\$586,429	(\$161,363)	\$425,066	2024	3.00%	\$19,318
Louisiana Tech University								
LA Dept of Revenue Flex Fund 2020A	April 23, 2020	1,200,755		773,794	773,794	2030	2.00%	59,039
LA Dept of Revenue Flex Fund 2020B	April 24, 2020	529,840		439,517	439,517	2030	2.00%	41,515
University of Louisiana at Lafayette								
MidSouth Bank I	September 18, 2015	1,300,000	755,384	(130,595)	624,789	2026	4.45%	63,080
University of New Orleans								
UNO Research and Technology Foundation:*								
LPFA	October 19, 1999	1,500,000	657,478	(138,799)	518,679	2025	0%	
Whitney Bank	April 19, 2001	7,350,000	2,501,682	(343,504)	2,158,178	2027	4.10%	276,006
SBA PPP Loan	April 16, 2020	266,913		266,913	266,913	2022	0%	
Total		15,647,508	4,500,973	705,963	5,206,936			
Note issuance costs			(2,588)	857	(1,731)			
Total		<u>\$15,647,508</u>	<u>\$4,498,385</u>	<u>\$706,820</u>	<u>\$5,205,205</u>			<u>\$458,958</u>

*Fiscal year ended December 31, 2020

The University of Louisiana at Lafayette Foundation, Inc. had the following outstanding note payable at June 30, 2021:

Note	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
University of Louisiana at Lafayette Foundation, Inc.								
U.S. Department of Education	June 9, 2011	\$500,000	\$334,470	(\$23,641)	\$310,829	2031	4.75%	\$81,508
CARES Act Paycheck Protection Program Loan	April 23, 2020	199,900	199,900	19,855	219,755	2026	1.00%	4,288
Total		<u>\$699,900</u>	<u>\$534,370</u>	<u>(\$3,786)</u>	<u>\$530,584</u>			<u>\$85,796</u>

The annual requirements to amortize all System notes outstanding at June 30, 2021, follow:

	Principal	Interest
2022	\$1,207,913	\$144,573
2023	968,614	115,808
2024	908,202	85,985
2025	808,383	59,119
2026	608,635	34,178
2027-2031	705,189	19,295
Sub-total	5,206,936	458,958
Unamortized Discount/ Premium/Issuance Costs	(1,731)	
Total	<u>\$5,205,205</u>	<u>\$458,958</u>

The annual requirements to amortize notes outstanding for the University of Louisiana at Lafayette Foundation, Inc. at June 30, 2021, follow:

	<u>Principal</u>	<u>Interest</u>
2022	\$24,805	\$14,428
2023	26,027	13,207
2024	27,276	11,958
2025	28,651	10,582
2026	249,817	13,460
2027-2031	<u>174,008</u>	<u>22,161</u>
Total	<u><u>\$530,584</u></u>	<u><u>\$85,796</u></u>

13. REFUNDING OF BONDS

For the year ended June 30, 2021, the System had the following:

Nicholls State University

On March 11, 2021, the Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) issued \$8,415,000 of non-taxable Series 2021 Bonds pursuant to an Indenture of Trust between the Authority and Regions Bank (the Trustee). Pursuant to loan agreements between the Authority and the NSU Facilities Corporation, the Authority has loaned the proceeds of the bonds to the Corporation.

NSU Facilities Corporation used the proceeds to redeem the Series 2010 bonds in the amount of \$8,950,000 and to pay for the cost of issuing the Series 2021 bonds.

The Series 2021 bonds are payable in semi-annual installments of interest and annual installments of principal in varying amounts through final maturity on October 1, 2041. The average coupon rate of the Series 2021 bonds was 4% as if June 30, 2021.

Southeastern Louisiana University

On November 24, 2020, \$20,535,000 of non-taxable Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Southeastern Louisiana University Student Union/University Facilities, Inc. Project) Series 2020 were issued. The proceeds from the bond issuance, together with an additional rental payment of \$1,000,000 and funds on deposit with the 2010 Debt Service Reserve Fund, were used to refund the Series 2010A Bonds in the amount of \$24,800,000, fund the cost of the issuance of the Series 2020 Bonds, including the premium for the bond insurance policy insuring the Series 2020 Bonds, and the surety bond premium for a debt service reserve fund surety policy for the Series 2020 Bonds. The proceeds from the Series 2010A Bonds financed were used to (i) demolish certain existing facilities and renovate, develop and construct the Student Union, the Center for Student Excellence, Student Health Center, Food Service Areas, the Bookstore and other related facilities on the campus of the University (ii) to fund a deposit to the Debt Service

Reserve Fund, and (iii) to pay the costs of issuance for the Series 2010 Bonds. In November 2020, the Series 2010A Bonds were defeased through the issuance of the Series 2020 Bonds.

14. INTEREST RATE SWAP AGREEMENT

The NSU Facilities Corporation (a blended component unit of Nicholls State University) is reported under FASB accounting standards, the requirements of which differ from the requirements of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*.

The Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued its \$32,380,000 Revenue Bonds (Nicholls State University Student Housing/NSU Facilities Corporation Project) Series 2007B Bonds (Bonds), the proceeds of which were loaned to the NSU Facilities Corporation (Corporation). The Bonds were issued as variable rate securities and bear interest at the variable rate in effect from time to time. On December 8, 2017, the Bonds were remarketed from a variable rate demand bond secured by the existing Assured Guaranty bond insurance and a liquidity facility provided by Regions Bank in the form of a stand-by bond purchase agreement confirmed by a Federal Home Loan Bank-Atlanta letter of credit (Liquidity Facility) to a bond secured by the existing Assured Guaranty bond insurance directly purchased by Regions Capital Advantage, Inc. The necessity of this remarketing was due to the termination of the Liquidity Facility securing the Bonds.

Objective of the Swap: In order to hedge interest rate exposure on the Bonds at the request of the Corporation, the Authority entered into an interest rate swap (Swap) with Morgan Keegan Financial Products, Inc. (Original Provider). The Swap was originally effective as of August 15, 2007, and was subsequently amended on June 20, 2008, as more fully described in the Master Agreement, Schedule to the Master Agreement, Replacement Transaction Agreement and Confirmation dated August 15, 2007, and the Amended Confirmation dated June 20, 2008 (Original Swap Documents). In connection with the remarketing of the Bonds, and pursuant to the terms of the Replacement Transaction Agreement, the Original Provider has assigned its rights under the Original Swap Documents to Deutsche Bank AG, New York Branch (Replacement Provider) and the Original Swap Documents were amended pursuant to an Amended and Restated Confirmation (Amended and Restated Confirmation and, together with the Original Swap Documents, the Swap Documents) between the Authority and the Replacement Provider.

Corporation Liable for Swap Payments: The Corporation is liable to the Authority to make Swap payments and Bond debt service payments pursuant to the terms of the transaction documents. Any amounts owed by the Authority to the Replacement Provider of the Swap are obligations of the Corporation.

Terms: Under the amended terms of the Swap since December 9, 2017, the Authority pays a fixed rate of 5.622%, and the Replacement Provider pays a variable rate equal to 70% of the one month London Interbank Offered Rate (LIBOR) plus 1.50% beginning January 2, 2018, through June 1, 2039, all as more fully described in the Swap Documents.

LIBOR Phase Out: As a result of widespread market manipulation by banks which provide quotes for determining the LIBOR index, LIBOR is being phased out and will likely not be quoted beyond the end of 2021. In response, the Federal Reserve Board and the Federal Reserve Bank of New York created the Alternative Reference Rate Committee, which in 2017 announced that the Secured Overnight Financing Rate had been chosen as the recommended but not mandatory primary replacement index for LIBOR. Both the Swap and the Bonds have variable interest rates based on LIBOR. As of June 30, 2021, the Authority has not yet determined the replacement index for the Swap with the Replacement Provider nor the replacement index for the Bonds with the Bondholder.

Fair Value: The fair value of the Swap agreement as of June 30, 2021, which was provided by Sising Securities Corporation, was \$10,668,000 in favor of the Replacement Provider.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2021, the Authority is not exposed to credit risk because the Swap has a negative fair value. However, should interest rates change and the fair value of the Swap becomes positive, the Authority would be exposed to credit risk in the amount of the Swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a Swap and the associated debt are based on different indexes. Under the Swap, the floating rate paid to the Authority by the Replacement Provider is based on the same floating rate index as the Bonds (70% of one month LIBOR). Therefore, the Authority is not presently exposed to basis risk on the Swap. As part of the phase out of LIBOR, it is possible that the replacement index for the Bonds could be different than the replacement index for the Swap, which would result in basis risk for the Authority. As of June 30, 2021, the Corporation expects to seek to use the same replacement index for the Swap and the Bonds, thereby removing any basis risk, and to direct the Authority to enter into such documents necessary for the implementation thereof. However, the Corporation cannot provide any assurances as to the timing of implementing such replacement index for the Swap or the Bonds, nor the willingness of the Bondholder and the Replacement Provider to voluntarily agree to use the same index. During any time period, temporary or permanent, that the underlying index for the Swap is different than the underlying index for the Bonds, the Authority would be subject to basis risk.

Termination Risk: The Authority or the Replacement Provider may terminate the Swap if the other party fails to perform under the terms of the contract. The Swap may be terminated if either party fails to make payment when due; breaches the Swap Documents; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the Swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination of the Swap has a negative fair value, the Authority would be liable to the Replacement Provider for a payment equal to the Swap's fair value.

Rollover Risk: Rollover risk is the risk that the Swap does not extend to the maturity of the associated debt. The Authority is not exposed to rollover risk because the Swap terminates in conjunction with the maturity of the associated bond. The Swap terminates, and the Bonds mature, on June 1, 2039.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the Bonds are outstanding. The Authority entered into this fixed rate Swap agreement to mitigate interest risk associated with the underlying variable rate Bonds.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit.

Louisiana Tech University

Refunding Revenue Bonds Series 2012

Revenue pledged for this bond is the University's utility charge revenue. The original principal on the bonds totaled \$3,975,000, and the debt secured by the pledge is \$440,000. The bonds were issued for the installation of a turbine generation system. The approximate remaining amount of the pledge is \$449,020 at June 30, 2021, representing principal and interest totaling \$440,000 and \$9,020, respectively. The term of commitment is October 24, 2012, through April 1, 2022. For the year ended June 30, 2021, the requirements for principal and interest were \$430,000 and \$17,835, respectively. The amount of pledged revenues recognized for fiscal year 2021 totaled \$1,974,785.

McNeese State University

McNeese State University Field House Revenue Bonds Series 2009

The pledged revenues for this bond include (1) a university student self-assessed fee in the amount of \$10 per semester obligated and dedicated to the Field House Project and the maintenance and operations; (2) the entirety of the university's portion of the monies in the Calcasieu Parish Higher Education Improvement Fund from the 1% hotel motel occupancy tax; (3) revenues received by the university's athletic department budget from a \$2 increase in ticket sales that began with the 2008 football season, the total dedication not to exceed \$100,000 annually from the university's budget; and (4) all funds and accounts held pursuant to the Bond Resolution, except any fund created to hold monies pending rebate to the United States for payment of costs of issuance of bonds. Pledged revenues shall not include funds appropriated to the board or the university by the State Legislature from time to time. The debt secured by the revenues pledged was for renovation and expansion of the university's athletic field house, including adding a second floor to the facility, funding a debt service reserve fund, funding a maintenance reserve fund, and paying the costs of issuance of the bonds.

The original principal on the bonds totaled \$6,000,000, and the debt secured by the pledge is \$3,270,000. The approximate remaining amount of the pledge is \$3,881,508 at June 30, 2021, representing principal and interest totaling \$3,270,000 and \$611,508 respectively. The revenues are pledged for the period July 2009 through June 2030. For the year ended June 30, 2021, the

requirements for principal and interest were \$300,000 and \$134,406, respectively. Pledged revenues recognized for the period totaled \$1,775,993.

Northwestern State University

Wellness, Recreation, and Activity Center Bonds, Series 2011

Specific pledged revenue for this bond is student self-assessed fees approved for the project by the students of the University in the amount of \$75 per semester. The original principal on the bonds totaled \$4,500,000, and the approximate remaining amount of the pledge is \$1,335,380 at June 30, 2021, representing principal and interest totaling \$1,240,000 and \$95,380, respectively. The term of commitment was 25 years beginning in October 1999 and ending in April 2024. The general purpose for the debt secured by the pledge was the planning, acquisition, construction, and equipping of the university's Student Wellness, Recreation, and Activity Center. The dedicated revenues are pledged 100% annually up to the current amount due for principal and interest. For the year ended June 30, 2021, the requirements for principal and interest were \$385,000 and \$61,750, respectively. The amount of pledged revenues recognized for fiscal year 2021 totaled \$1,466,553.

University of New Orleans

Revenue Bond Series 2012, Recreation and Wellness Center

Revenue pledged for these bonds includes per semester student charges and other fees imposed on users of the fitness center. The original principal on the bonds totaled \$9,700,000, and the bonds were issued for refunding of Series 1998 bonds and the construction of the student fitness center. The debt secured by the pledge is \$6,267,409. The approximate remaining amount of the pledge is \$5,485,061 at June 30, 2021, representing principal and interest totaling \$4,950,000 and \$535,061, respectively. The term of commitment is August 2012 through October 2027. For the year ended June 30, 2021, the requirements for principal and interest were \$625,000 and \$157,349, respectively. The amount of pledged revenues recognized during the period totaled \$1,444,405. These revenues are also pledged for the Series 2015 Recreation and Wellness Center bonds.

Revenue Bond Series 2015, Recreation and Wellness Center

Revenue pledged for these bonds includes per semester student charges and other fees imposed on users of the fitness center. The original principal on the bonds totaled \$2,990,000, and the bonds were issued to refund the Series 1998 bonds, originally issued for the construction of the student fitness center. The debt secured by the pledge is \$3,903,555. The approximate remaining amount of the pledge is \$3,791,363 at June 30, 2021, representing principal and interest totaling \$2,940,000 and \$851,363, respectively. The term of commitment is February 2015 through October 2030. For the year ended June 30, 2021, the requirements for principal and interest were \$10,000 and \$102,192, respectively. The amount of pledged revenues recognized for the fiscal year 2021 totaled \$1,444,405. These revenues are also pledged for the Series 2012 Recreation and Wellness Center bonds.

Revenue Bonds Series 2015, Auxiliaries

Revenue pledged for these bonds includes student housing, food and vending services, the student union, and other miscellaneous auxiliaries. The original principal on the bonds was \$3,580,000, and the bonds were issued for refunding of the auxiliary portion of the Series 2004B bonds. The debt secured by the pledge is \$2,308,268. The approximate remaining amount of the pledge is \$1,923,629 at June 30, 2021, representing principal and interest totaling \$1,767,000 and \$156,629, respectively. The term of commitment is May 2015 through May 2026. For the year ended June 30, 2021, the requirements for principal and interest payments were \$324,000 and \$60,639, respectively. The amount of pledged revenues recognized for the fiscal year 2021 totaled \$9,316,587.

Revenue Bonds Series 2020, ERP Software

Revenue pledged for these bonds includes Facilities Use Maintenance Fund, Building Use Fees, and Student Health Services Fees. The original principal on the bonds was \$2,830,000, and the bonds were issued for the acquisition of a cloud-based enterprise resource planning software; and providing for other matters in connection therewith. The debt secured by the pledge is \$3,132,776. The approximate remaining amount of the pledge is \$3,122,039 at June 30, 2021, representing principal and interest totaling \$2,830,000 and \$292,039, respectively. The term of commitment is December 2020 through December 2030. For the year ended June 30, 2021, the requirements for principal and interest payments were \$0 and \$10,738, respectively. The amount of pledged revenues recognized for the fiscal year 2021 totaled \$2,738,023.

16. RESTATEMENT OF BEGINNING NET POSITION

The beginning net position as reflected on Statement B the System has been restated to reflect the following changes:

Net position at June 30, 2020	(\$319,530,848)
Capital Assets - Louisiana Tech University	<u>(2,866,545)</u>
Net position at June 30, 2020, restated	<u><u>(\$322,397,393)</u></u>

The restatements decreased the System's beginning net position to (\$322,397,393). Had the error corrections totaling (\$2,866,545) affecting fiscal year 2020 been included in the June 30, 2020, Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position totaling \$43,411,319 would have totaled \$40,544,774.

17. RESTRICTED NET POSITION*University of Louisiana System*

The System's has restricted expendable net position at June 30, 2021, follows:

<u>Account Title</u>	<u>Amount</u>
Endowments	\$134,767,071
Student fees	89,560,112
Student loan fund	15,958,295
Auxiliary enterprises	16,710,069
Grants and contracts	11,649,783
Maintenance reserves	14,850,769
Capital construction/plant projects	16,478,326
Debt service/retirement of indebtedness	5,915,805
Scholarships	6,482,784
WRAC Fund	2,677,652
Gifts - restricted by donors	1,053,564
Other	<u>4,730,059</u>
Total expendable	<u><u>\$320,834,289</u></u>

Of the total restricted net position reported on Statement A for the year ended June 30, 2021, \$48,311,165 was restricted by enabling legislation.

The System's restricted nonexpendable net position totaling \$222,720,141 as of June 30, 2021, was comprised entirely of endowment funds.

Donor Restricted Endowments

If a donor has not provided specific instructions, State law permits the System to authorize expenditure of the net appreciation (realized and unrealized) of the investments of endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established.

At June 30, 2021, the System reported restricted-expendable net appreciation of endowments totaling \$134,767,071, of which \$134,426,509 may be spent for restricted purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net position - nonexpendable in the Statement of Net Position; the endowment income is reported in restricted net position - expendable.

University of Louisiana at Lafayette Foundation, Inc.

The ULL Foundation reported its net assets as follows:

Without donor restrictions	\$16,399,553
With donor restrictions	<u>214,594,590</u>
Total net assets	<u><u>\$230,994,143</u></u>

18. CONDENSED FINANCIAL INFORMATION

Following is condensed financial information for the System's eight blended component units.

Statement of Net Position

	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Assets:				
Current assets	\$24,474	\$256,344	\$1,130,000	\$429,050
Capital assets	334,029	131,477,761	17,089,429	40,019,551
Other assets		35,570,270	5,119,883	7,955,065
Total assets	\$358,503	\$167,304,375	\$23,339,312	\$48,403,666
Liabilities:				
Current liabilities		\$6,125,780	\$1,402,375	\$2,544,912
Long-term liabilities		148,882,970	21,508,881	62,437,219
Total liabilities	NONE	\$155,008,750	\$22,911,256	\$64,982,131
Net Position:				
Net investment in capital assets	\$334,029	\$5,898,483	(\$4,419,452)	(\$4,688,856)
Restricted net position - expendable			4,847,508	4,080,620
Unrestricted net position	24,474	6,397,142		(15,970,229)
Total net position	\$358,503	\$12,295,625	\$428,056	(\$16,578,465)
	University Facilities, Inc.	Ragin' Cajun Facilities, Inc.	University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Assets:				
Current assets	\$27,134,219	\$113	\$9,382,303	\$20,081,878
Capital assets	115,119,053	264,413,264	56,143,452	41,014,296
Other assets	2,900,069	9,514,662	7,087,324	30,371,561
Total assets	\$145,153,341	\$273,928,039	\$72,613,079	\$91,467,735
Liabilities:				
Current liabilities	\$7,369,558	\$10,082,494	\$4,874,220	\$4,491,551
Long-term liabilities	91,591,049	250,046,549	53,743,628	33,970,776
Total liabilities	\$98,960,607	\$260,129,043	\$58,617,848	\$38,462,327
Net Position:				
Net investment in capital assets	\$22,191,697	\$12,804,260	(\$1,421,686)	\$38,070,526
Restricted net position - expendable	11,864,271	3,564,417	15,416,917	14,934,882
Unrestricted net position	12,136,766	(2,569,681)		
Total net position	\$46,192,734	\$13,798,996	\$13,995,231	\$53,005,408

*Fiscal year ended December 31, 2020

Statement of Revenues, Expenses, and Changes in Net Position

	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Operating revenues		\$8,300,816	\$1,996,146	\$5,665,152
Operating expenses			(1,627,868)	(73,640)
Depreciation expense		(3,796,572)	(1,510,954)	(3,648,030)
Net operating income	NONE	4,504,244	(1,142,676)	1,943,482
Nonoperating revenues (expenses):				
Investment income		48,420	2,166	809
Interest expense		(5,806,957)	(1,188,876)	(2,616,364)
Other (net)		(391,249)	1,770,647	3,093,514
Capital contributions/additions to permanent and term endowments				
Changes in net position	NONE	(1,645,542)	(558,739)	2,421,441
Net position beginning of the year	358,503	13,941,167	986,795	(18,999,906)
Net position end of the year	\$358,503	\$12,295,625	\$428,056	(\$16,578,465)
	University Facilities, Inc.	Ragin' Cajun Facilities, Inc.	University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Operating revenues	\$19,389,993	\$16,907,758	\$9,873,749	\$9,766,493
Operating expenses	(8,157,324)	(371,641)	(2,739,730)	(5,385,317)
Depreciation expense	(4,195,100)	(13,238,512)	(3,066,151)	(2,550,385)
Net operating income	7,037,569	3,297,605	4,067,868	1,830,791
Nonoperating revenues (expenses):				
Investment income	16,793	1,781	4,035	763,612
Interest expense	(3,756,776)	(11,114,998)	(1,749,679)	(1,303,645)
Other (net)	(603,382)		(884,489)	(561,262)
Capital contributions/additions to permanent and term endowments		3,578,885		
Changes in net position	2,694,204	(4,236,727)	1,437,735	729,496
Net position beginning of the year	43,498,530	18,035,723	12,557,496	52,275,912
Net position end of the year	\$46,192,734	\$13,798,996	\$13,995,231	\$53,005,408

*Fiscal year ended December 31, 2020

Statement of Cash Flows

	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Net cash flows provided (used) by:				
Operating activities		\$8,514,072	\$368,278	\$2,129,074
Noncapital financing		(29,420,296)	1,826,345	(1,458,511)
Capital and related financing			(2,698,316)	
Investing activities		48,420	2,166	
Net increase (decrease) in cash	NONE	(20,857,804)	(501,527)	670,563
Cash, beginning of the year	\$24,474	56,319,158	6,751,410	7,284,502
Cash, end of the year	\$24,474	\$35,461,354	\$6,249,883	\$7,955,065
			University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Net cash flows provided (used) by:				
Operating activities	\$9,044,693	\$8,685,685	\$5,803,533	\$4,185,875
Noncapital financing	(11,274,298)		(5,501,001)	(602,282)
Capital and related financing		(9,211,635)		(1,767,604)
Investing activities	2,234,442		4,035	1,855,497
Net increase (decrease) in cash	4,837	(525,950)	306,567	3,671,486
Cash, beginning of the year	197,137	10,040,612	15,469,004	1,256,806
Cash, end of the year	\$201,974	\$9,514,662	\$15,775,571	\$4,928,292

*Fiscal year ended December 31, 2020

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Totals
Instruction	\$289,591,222	\$98,479,241	\$54,545	\$32,165,226	(\$2,667)		\$420,287,567
Research	59,535,869	20,609,233	2,018,551	22,662,292	940,552		105,766,497
Public Service	22,543,294	9,121,770	17,335	7,855,671	7,672		39,545,742
Academic Support	49,163,656	19,587,113	210,460	24,489,138	158,442		93,608,809
Student Services	37,744,418	14,114,637	232,215	19,725,700	1,979,070		73,796,040
Institutional Support	79,776,373	31,538,193	1,573,014	58,117,089	26,047		171,030,716
Operations and Maintenance of Plant	22,603,111	9,944,798	26,785,161	40,426,745	6,651		99,766,466
Depreciation						\$140,025,645	140,025,645
Scholarships and Fellowships	257,957	375,913		60,028	129,397,547		130,091,445
Auxiliary Enterprises	59,493,791	21,192,740	11,221,527	99,890,577	8,003,138		199,801,773
Other	837,179	546,595		3,461,034			4,844,808
Total operating expenses	\$621,546,870	\$225,510,233	\$42,112,808	\$308,853,500	\$140,516,452	\$140,025,645	\$1,478,565,508

20. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies such as guaranty of mortgage loans on sorority and fraternity houses are considered State liabilities and are paid upon appropriation by the Legislature and not the System. Therefore, the System, through its respective universities' legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. In addition, the System did not incur any claims and/or litigation cost in the current year. Other losses of the System arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

21. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

On-behalf payments for salaries and fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental fundraising foundation affiliated with a governmental university may supplement salaries of certain university employees. Those payments constitute on-behalf payments for purposes of reporting by the System.

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2021, was \$5,392,217, which includes \$3,729,287 for contributions to the TRSL pension plan from non-employer contributing entities reported as other nonoperating revenues on Statement B.

22. FOUNDATIONS AND OTHER RELATED ENTITIES

The accompanying financial statements do not include the accounts of the following foundations and other related entities:

Grambling University Athletic Foundation
Grambling University Foundation, Inc.
Louisiana Tech University Foundation
Louisiana Tech University Alumni Association
McNeese State University Foundation
McNeese State University Alumni Association
Nicholls State University Foundation
Nicholls Alumni Federation
Northwestern State University Foundation
Demons Unlimited Foundation
Lion Athletic Association
Southeastern Louisiana University Foundation
Southeastern Louisiana University Alumni Association, Inc.
The University of Louisiana at Lafayette Alumni Association
The University of Louisiana at Monroe Foundation
The University of Louisiana at Monroe Athletic Scholarship Foundation
The University of Louisiana at Monroe Alumni Association
University of New Orleans Foundation, Inc.
University of New Orleans Alumni Association

These entities are separate corporations whose financial statements are subject to audit by other independent certified public accountants.

23. DEFERRED COMPENSATION PLAN

Certain employees of the System participate in the Louisiana Public Employees' Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available on the Internet at www.la.la.gov.

24. COOPERATIVE ENDEAVOR AGREEMENTS

Northwestern State University/Natchitoches Parish Regional Center

The University has entered into a cooperative endeavor agreement with Natchitoches Parish Regional Center to provide medical services to students participating in any program, game, practice or other scheduled event for the sum of \$630,000 for the period of July 1, 2019, through June 30, 2022. The University's payments total \$420,000 through June 30, 2021.

Northwestern State University/City of Natchitoches

The University has entered into a cooperative endeavor agreement with the City of Natchitoches providing for the sharing of one (1) percent sales tax in the Natchitoches Economic Development District C effective January 1, 2020. The City agrees that it will transfer on a quarterly basis 40% of the fund generated by the sales tax. The University agrees that it will utilize the funds to attract and promote recreation and sporting events for its campus and the City of Natchitoches. The University's receipts total \$158,591 through June 30, 2021.

*Southeastern Louisiana University/Livingston Parish School Board**General*

In October 2017, Southeastern Louisiana University (University) accepted from the Southeastern Educational Foundation, a subsidiary of the Southeastern Louisiana University Foundation (Foundation), its leasehold estate, authority, sublease, and all other rights to the Livingston Parish Literacy and Technology Center (Livingston Center) pursuant to the terms of the Livingston Educational Public Benefit Agreement dated June 18, 2002. The construction and operation of the 39,000 square foot Livingston Center stems from a collaboration between the University and the Livingston Parish School Board (School Board) and was funded through a \$4.5 million 1999 settlement grant to the Foundation from the United States District Court for the Western District of Louisiana. Since its completion, the facility has been utilized by the parties for education programming, including collegiate credit courses and non-credit courses and other programming provided by the University.

Obligations

Pursuant to the cooperative endeavor agreement, the facility is maintained and operated in accordance with guidelines jointly developed by the parties in accordance with the Court Order, with the University serving as a critical operational participant. The Foundation held a leasehold estate in the facility, while the School Board owns the land on which the facility was constructed. Pursuant to the original terms, at the termination of the agreement on June 18, 2027, full ownership of the building reverts to the School Board.

*University of Louisiana at Lafayette**University of Louisiana at Lafayette/CGI Federal, Inc.**General*

In August 2014, the Ragin' Cajun Facilities Corporation (RCFI) entered into a cooperative endeavor agreement (CEA) with: the State of Louisiana (State); the Louisiana Department of Economic Development (LED); the University of Louisiana at Lafayette (University); the Lafayette Economic Development Authority (Authority), and CGI Federal, Inc. (CGI), to induce CGI to relocate to Lafayette, Louisiana to establish and operate an information technology center

of excellence. The other parties to the CEA agreed to provide an operational cost grant, a facility cost grant, a land lease grant, a University grant, and other considerations.

Obligations

Pursuant to the CEA, RCFI is a party to the facility cost grant portion of the facility agreement, which provides for a grant of \$13.1 million for facility cost reimbursements by the State through LED. As part of the agreement, RCFI will own and operate the facility throughout the term of the agreement and lease the facility to CGI at a cost of \$7 per square foot per year for the first 10 years, with provisions for two five-year extensions. The University will lease the facility site to RCFI at \$1 per year during the construction phase and for the term of the facility lease agreement. The University reserves the right to take ownership of the facility at any time, subject to the lease, and RCFI shall convey ownership of the facility to the University within 60 days of a written request from the University.

The CGI facility was completed during the fiscal year ended June 30, 2017. The University funded the construction costs of \$13.5 million incurred by RCFI as a funding mechanism until the costs were reimbursed by the State.

University of Louisiana at Lafayette/Louisiana Department of Economic Development

General

In July 2014, the University entered into a CEA with the State and the LED for 10 years providing a grant of \$4.5 million to the University for expansion of the School of Computing and Informatics (SCI) and other informatics related initiatives, including the development of the pipeline between the University and the South Louisiana Community College, as well as potential recruitment efforts with high schools in the region, to substantially increase the number of annual graduates in computer science and related fields, in support of CGI's workforce needs, growth of the software development industry, and job creation in the State.

Obligations

Using the LED grant funds together with its own resources, the University will engage in activities reasonably aimed at achieving the project goals and objectives, including increasing enrollment and degree completion goals. Project costs will include additional faculty, faculty incentives and supplements, a facilitator/development position, lab facilities, equipment, scholarships, and other costs in furtherance of the project. Through June 30, 2021, project payments totaling \$1,091,661 were paid.

University of Louisiana at Lafayette/Project Chimps

General

In December 2015 the University entered into a CEA with Project Chimps, Inc. (Project Chimps), a nonprofit corporation established under the laws of the State of Oregon dedicated to and created

for the purpose of providing permanent non-research sanctuary for the lifelong care of chimpanzees. The University's New Iberia Research Center (NIRC) is the nation's largest non-human primate research center, involved in conducting biomedical research aimed at promoting human health and animal welfare, and houses the nation's largest colony of chimpanzees within a biomedical research setting. The University currently bears the cost of providing lifetime care and maintenance for retired chimpanzees. Project Chimps desires to undertake the cost to provide sanctuary for the retired chimpanzees. The University will transfer ownership, rights, and obligations of the chimpanzees to Project Chimps, thus providing relief for the University's costs associated with the chimpanzees. The term of the agreement is five years or until removal of all the chimpanzees from the NIRC.

Obligations

To assist Project Chimps in providing lifetime care, the University agrees to make one-time payments to Project Chimps upon the transfer of each chimpanzee to the sanctuary. At the very most, the University's obligation to pay Project Chimps would be approximately \$4.3 million. Using unrestricted endowment payments for the project, the University has made payments totaling \$698,000 through June 30, 2021.

University of Louisiana at Monroe

University of Louisiana at Monroe/Provident Group – ULM Properties, LLC

General

On May 1, 2019, the University of Louisiana at Monroe (University), and Provident Group – ULM Properties, LLC (Provident) entered into a cooperative endeavor agreement (Agreement) under which Provident will provide a purpose-built student housing facility containing approximately 372 beds [including the buildings, furniture, fixtures, and equipment along with the associated site development and various related amenities and improvements (Project)] on its campus in Monroe, Louisiana. Provident will finance the project with the issuance of \$26,285,000 Louisiana Local Government Environmental Facilities and Community Development Authority student housing revenue bonds.

The University is leasing the land on which the Project will be constructed pursuant to a Ground Lease Agreement. Any portion of the housing charges that may be collected by the University from residents of the Project shall, pending transfer to Provident or to the Trustee on behalf of Provident, be held by the University in trust for, and as agent of, Provident and shall not constitute property of the University.

Obligations

Provident will fund all costs associated with the student housing facility. No System, University, or other State funds will be used to fund the costs to construct and operate the housing facility. In addition, after all debt service payments have been made, and if the Project's annual financial statements, audit report, and supporting calculations result in a fixed charges coverage ratio of at

least 1.20, the Trustee shall transfer all amounts remaining in a surplus fund (established in accordance with the Agreement) to the University as specified in a written invoice approved by the University and Provident.

University of New Orleans (UNO)

UNO/Avondale Maritime Technology Center of Excellence (Avondale)

General

Avondale, a subsidiary of Huntington-Ingalls, donated certain property to the University of New Orleans (University), which is leased to the Foundation pursuant to the terms of a ground lease. A ship design facility (facility), including a laboratory and support area for the UNO School of Naval Architecture and Marine Engineering, has been built on such property by the Foundation and is subleased to Avondale.

Obligations

The Foundation has equipped the facility and leased such equipment to Avondale. Avondale agreed that it will use the facility for the design and construction of vessels pursuant to the Navy LPD-17 contract and other contracts. Furthermore, Avondale agrees that it will provide support to the UNO School of Naval Architecture and Marine Engineering by providing a right-of-use of space to UNO constituting 21,000 square feet in the Facility subleased by Avondale from the Foundation.

On May 16, 1997, the University entered into a nontransferable ground lease agreement with the Foundation. The terms of the lease agreement provide that the University will lease a tract of approximately 4.57 acres of land that is located in Jefferson Parish to the Foundation that will in turn develop, construct, maintain, operate, manage, and lease improvements on such land for the purpose set forth in the Cooperative Endeavor Agreement. The lease agreement is for a term of 50 years.

On May 16, 1997, the Foundation and Avondale entered into a sublease agreement, for a term of 50 years which expires in 2047, which provides for Avondale to lease from the Foundation the land located in Jefferson Parish together with the facilities to be constructed on the land, the facility equipment and the right of uninterrupted access to and from all streets and roads adjoining the land. This property is subject to the ground lease between the University and the Foundation mentioned above.

At the expiration of the lease, the facilities and all furniture, fixtures, equipment, and furnishings permanently affixed to the facilities shall become the property of the University, which is recorded in property and equipment in the Statement of Financial Position, with a remaining net book value of \$5,419,169 as of December 31, 2020.

25. IMPAIRMENT OF CAPITAL ASSETS

On Thursday, August 27, 2020 Hurricane Laura hit Southwest Louisiana with a devastating blow and a short six weeks later on October 9, 2020, Hurricane Delta hit the same area of already damaged facilities. McNeese State University has suffered significant destruction from both hurricanes in addition to a winter freeze February 17-22, 2021, and a flood on May 17, 2021. All four natural disasters left University buildings with significant damage. As a result of these events, the System has reported the impairment loss as an operating expense under depreciation of \$48,244,544. Impaired buildings with a carrying value totaling \$14,854,266 remain idle as of June 30, 2021, and are awaiting restoration or replacement.

26. SUBSEQUENT EVENTS

On August 29, 2021, the state of Louisiana, more specifically the Bayou Region, suffered considerable damage from Hurricane Ida, resulting in the President of the United States declaring Louisiana a major disaster area. Because of the severity of the storm and the resulting losses sustained, it is unknown exactly what economic impact the recovery will have on the university. Nicholls State University suffered moderate damage, however, it is too early in the recovery process to estimate the cost of damages from the hurricane.

On August 29, 2021, Hurricane Ida made landfall and left significant damage in the city of Hammond, the University, and the surrounding areas. Southeastern Louisiana University was closed from August 29 through September 16. The university was able to fully reopen on September 20, 2021. Repairs and cleanup to the University's main campus are well underway. While an enrollment impact is expected, the magnitude of any such impact is unable to be calculated at this time.

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES



**Schedule of the System's Proportionate Share of the
Net Pension Liability**

Schedule 1 is required supplementary information that presents certain specific data regarding the proportionate share of the net pension liability.

**Schedule of System's Employer
Contributions**

Schedule 2 is required supplementary information that presents required employer contributions to the retirement systems, as well as covered payroll amounts.

**Schedule of System's Proportionate Share of the Total Collective
Other Postemployment Benefits (OPEB) Liability**

Schedule 3 presents certain specific data for the System's share of the total collective OPEB liability.

Schedule 1

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2021**

Fiscal Year*	System's Proportion of the Net Pension Liability (Asset)	System's Proportionate Share of the Net Pension Liability (Asset)	System's Covered Payroll	System's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System					
2015	4.31059%	\$269,536,391	\$83,429,752	323%	65.0%
2016	4.12766%	\$280,742,848	\$80,240,614	350%	62.7%
2017	4.05290%	\$318,256,150	\$77,646,503	410%	57.7%
2018	4.04925%	\$285,019,953	\$76,144,048	374%	62.5%
2019	3.93262%	\$268,222,275	\$75,131,857	357%	64.3%
2020	3.80576%	\$275,723,868	\$76,758,505	359%	62.9%
2021	3.58731%	\$296,694,662	\$75,571,023	393%	58.0%
Teachers Retirement System of Louisiana					
2015	7.42707%	\$759,154,018	\$356,854,834	213%	63.7%
2016	7.46121%	\$802,250,525	\$360,842,983	222%	62.5%
2017	7.54949%	\$886,080,065	\$369,791,054	240%	59.9%
2018	7.82500%	\$802,209,384	\$379,818,842	211%	65.6%
2019	8.19433%	\$805,340,481	\$408,252,960	197%	68.2%
2020	8.73459%	\$866,875,690	\$430,608,131	201%	68.6%
2021	8.64403%	\$961,524,308	\$444,876,168	216%	65.6%

*Amounts presented were determined as of the measurement date (previous fiscal year end).

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued)

Schedule 1

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2021

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions for LASERS include:

2015

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.
- B. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

2017

- C. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
- D. Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015, by Act 648 of 2014.

2018

- E. Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate in 0.05% increments, and the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation. A 7.65% discount rate was used to determine the projected contribution requirements for the fiscal year ending June 30, 2019.
- F. The inflation assumption, a component of the salary increase assumption, was reduced from 3.0% to 2.75%, effective July 1, 2017. Therefore, all salary increase assumptions decreased by 0.25%.
- G. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

2019

- H. The discount rate used for the June 30, 2018, valuation was 7.65%, and a 7.60% discount rate was used to determine the projected contribution requirements for the fiscal year ending June 30, 2020.

2020

- I. LASERS changed the average remaining service lives from three to two years, when rounded to the next higher whole number.
- J. The LASERS termination, disability, and retirement assumptions and methods were updated based on experience study for the fiscal years July 1, 2013, through June 30, 2018.

2021

- K. The discount rate used for the June 30, 2020, valuation was 7.55%. The discount rate used to determine the projected contribution requirements for FY2021/2022 was reduced beyond the original plan to 7.40%.
- L. The inflation assumption was reduced from 2.5% to 2.3% and all salary increase assumptions were reduced by 0.2%, effective July 1, 2020.

(Continued)

Schedule 1

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2021**

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions for TRSL include:

2015

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.

2016

B.

Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

2017

- C. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

2018

- D. Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate in 0.05% increments, and the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation and to 7.65% for the June 30, 2018 valuation.

- E. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

2019

- F. The discount rate used to determine the projected contributions for the fiscal year ended June 30, 2019, was 7.65%.

- G. Demographic, mortality, and salary increase assumptions were updated beginning with the June 30, 2018 valuation to reflect the results of the most recent experience study observed for the period July 1, 2012 - June 30, 2017.

- H. On November 1, 2018, the TRSL board accelerated the discount rate reduction plan by one year, using a 7.55% rate to determine the projected contribution requirements for the fiscal year ending June 30, 2020.

2020

- I. TRSL reduced the discount rate from 7.65% to 7.55%.

2021

- J. TRSL reduced the discount rate from 7.55% to 7.45%.

- K. The inflation rate assumption was reduced from 2.5% to 2.3% and all salary increase assumptions were reduced by 0.2% effective July 1, 2020.

(Concluded)

Schedule 2

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANASchedule of System's Employer Contributions
Fiscal Year Ended June 30, 2021

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	System's Covered Payroll	Contributions as a Percentage of Covered Payroll
Louisiana State Employees' Retirement System					
2015	\$29,253,345	\$29,253,345	NONE	\$80,240,614	36.5%
2016	\$28,723,881	\$28,723,881	NONE	\$77,646,503	37.0%
2017	\$27,183,531	\$27,183,531	NONE	\$76,144,048	35.7%
2018	\$28,494,661	\$28,494,661	NONE	\$75,131,857	37.9%
2019	\$29,163,225	\$29,163,225	NONE	\$76,758,505	38.0%
2020	\$30,798,791	\$30,798,791	NONE	\$75,571,023	40.8%
2021	\$29,499,060	\$29,499,060	NONE	\$73,803,804	40.0%
Teachers Retirement System of Louisiana					
2015	\$88,336,007	\$88,336,007	NONE	\$360,842,983	24.5%
2016	\$87,173,106	\$87,173,106	NONE	\$369,791,054	23.6%
2017	\$87,011,542	\$87,011,542	NONE	\$379,818,842	22.9%
2018	\$97,474,077	\$97,474,077	NONE	\$408,252,960	23.9%
2019	\$102,632,466	\$102,632,466	NONE	\$430,608,131	23.8%
2020	\$106,252,899	\$106,252,899	NONE	\$444,876,168	23.9%
2021	\$105,504,704	\$105,504,704	NONE	\$446,511,353	23.6%

*Amounts presented were determined as of the end of the fiscal year.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

(Continued)

Schedule 2

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2021**

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions for LASERS include:

2015

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 102 of the 2014 Louisiana Regular Legislative Session.
- B. Improved benefits for certain members employed by the Office of Adult Probation and Parole within the Department of Public Safety and Corrections as established by Act 852 of 2014.

2017

- C. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.
- D. Added benefits for members of the Harbor Police Retirement System which was merged with LASERS effective July 1, 2015, by Act 648 of 2014.

2018

- E. Effective July 1, 2017, the LASERS board adopted a plan to gradually reduce the discount rate in 0.05% increments, and the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation.
- F. The inflation assumption, a component of the salary increase assumption, was reduced from 3.0% to 2.75%, effective July 1, 2017. Therefore, all salary increase assumptions decreased by 0.25%.
- G. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

2019

- H. The discount rate used for the June 30, 2018, valuation was 7.65%, and a 7.60% discount rate was used to determine the projected contribution requirements for the fiscal year ending June 30, 2020.

2020

- I. LASERS changed the average remaining service lives from three to two years, when rounded to the next higher whole number.
- J. The LASERS termination, disability, and retirement assumptions and methods were updated based on an experience study for the fiscal years July 1, 2013, through June 30, 2018.

2021

- K. The discount rate used for the June 30, 2020, valuation was 7.55%. The discount rate used to determine the projected contribution requirements for FY2021/2022 was reduced beyond the original plan to 7.40%.
- L. The inflation assumption was reduced from 2.5% to 2.3% and all salary increase assumptions were reduced by 0.2%, effective July 1, 2020.

(Continued)

Schedule 2

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2021**

Notes to Required Supplementary Information

Changes of Benefit Terms and Assumptions for TRSL include:

2015

- A. A 1.5% COLA, effective July 1, 2014, provided by Act 204 of the 2014 Louisiana Regular Legislative Session.

2016

- B. Members whose first employment makes them eligible for membership in a Louisiana state retirement system on or after July 1, 2015, may retire with a 2.5% benefit factor after attaining age 62 with at least five years of service credit and are eligible for an actuarially reduced benefit with 20 years of service at any age.

2017

- C. A 1.5% COLA, effective July 1, 2016, provided by Acts 93 and 512 of the 2016 Louisiana Regular Legislative Session.

2018

- D. Effective July 1, 2017, the TRSL board adopted a plan to gradually reduce the discount rate in 0.05% increments, and the discount rate was reduced from 7.75% to 7.70% for the June 30, 2017, valuation and to 7.65% for the June 30, 2018, valuation.
- E. Per Act 94 of 2016 the projected contribution requirements for the fiscal year ending June 30, 2019, include direct funding of administrative expenses, rather than a reduction in the assumed rate of return.

2019

- F. The discount rate used to determine the projected contributions for the fiscal year ended June 30, 2019, was 7.65%.
- G. Demographic, mortality, and salary increase assumptions were updated beginning with the June 30, 2018 valuation to reflect the results of the most recent experience study observed for the period July 1, 2012 - June 30, 2017.
- H. On November 1, 2018, the TRSL board accelerated the discount rate reduction plan by one year, using a 7.55% rate to determine the projected contribution requirements for the fiscal year ending June 30, 2020.

2020

- I. TRSL reduced the discount rate from 7.65% to 7.55%.

2021

- J. TRSL reduced the discount rate from 7.55% to 7.45%.
- K. The inflation assumption was reduced from 2.5% to 2.3% and all salary increase assumptions were reduced by 0.2%, effective July 1, 2020

Schedule 3

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANASchedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2021

Fiscal Year	System's Proportion of the Total Collective OPEB Liability	System's Proportionate Share of the Total Collective OPEB Liability	System's Covered- Employee Payroll	System's Proportionate Share of the Total Collective Liability as a Percentage of the Covered Payroll
Office of Group Benefits:				
2017	11.4227%	\$1,036,402,180	\$409,932,985	253%
2018	11.4227%	\$992,744,345	\$411,139,494	241%
2019	11.4799%	\$979,957,444	\$445,995,246	220%
2020	11.5829%	\$894,468,858	\$466,338,854	192%
2021	11.3684%	\$941,840,399	\$478,292,007	197%
LSU Health Plan				
2017	1.6953%	\$17,110,633	NONE	NONE
2018	1.6066%	\$15,674,996	NONE	NONE
2019	1.5146%	\$16,558,072	NONE	NONE
2020	1.0853%	\$15,217,784	NONE	NONE
2021	1.0373%	\$15,259,919	NONE	NONE

The amounts presented for each fiscal year were determined on the measurement dates. The schedule is intended to show information for 10 years. Additional years will be presented as they become available.

(Continued)

Schedule 3

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANASchedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2021

Notes to Required Supplementary Information

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes of benefit terms and assumptions for the Office of Group Benefits (OGB) include:

2018

- A. A change in the discount rate from 2.71% to 3.13%.

2019

- B. A change in the discount rate from 3.13% to 2.98%
- C. Baseline per capita costs were updated to reflect 2018 claims. Enrollment and retiree contributions were updated based on 2019 premiums. The impact of the High Cost Excise Tax was revised to reflect updated plan premiums.
- D. OGB relies on the demographic assumptions for the Louisiana State Police Retirement System, Louisiana School Employees' Retirement System, and TRSL. These retirement systems performed experience studies and adopted new assumptions for the June 30, 2018, valuation. OGB updated its demographic assumptions to reflect these updated assumptions.
- E. The percentage of future retirees assumed to elect medical coverage was modified based on recent plan experience.
- F. The valuation model was refined to incorporate available census information, including: an adjustment to liabilities to reflect the deferral of benefit commencement and the years of service accrual that occur between the Deferred Retirement Option Program (DROP) entry date and the DROP end date; and reflection of available OGB participation service for employees who transfer between pension plans.

2020

- G. A change in the discount rate from 2.98% to 2.79%.
- H. Baseline per capita costs were updated to reflect 2019 claims, and enrollment and retire contributions were updated based on 2020 premiums. Plan claims and premiums increased less than had been expected. In addition, the estimate of future employer group waiver plan (EGWP) savings was increased based on an analysis of recent EGWP experience.
- I. Life insurance contributions were updated based on updates for 2020 monthly premium rates.
- J. The impact of the High Cost Excise Tax was removed - the tax was repealed in December 2019.
- K. OGB relies upon the demographic assumptions used in the June 30, 2019 actuarial valuations for the four statewide retirement systems. LASERS performed a recent experience study and adopted new assumptions for the June 30, 2019, valuation.

2021

- L. A change in the discount rate from 2.79% to 2.66%.
- M. The baseline per capita costs were updated to reflect 2020 claims and enrollment for prescription drug costs and retiree contributions were updated based on 2021 premiums. The 2020 medical claims and enrollment experience was not included in the projection of expected 2021 plan costs due to the COVID-19 pandemic which resulted in 2020 medical claims experience which is not reflective of what is expected in future years.
- N. Salary increase rate assumption for LASERS and TRSL pension plan members was updated consistent with the June 30, 2020, LASERS and TRSL pension valuations.
- O. Medical participation rates, life participation rates, the age difference between future retirees and their spouses, Medicare eligibility rates, and medical plan elections percentages have all been updated based on a review of OPEB experience from July 1, 2017 through June 30, 2020.

(Continued)

Schedule 3

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2021****Notes to Required Supplementary Information**

There are no assets accumulated in a trust that meets the requirements in paragraph 4 of GASB Statement 75 to pay related benefits.

Changes of benefit terms and assumptions for the LSU Health Plan include:

2018

- A. A change in the discount rate from 3.58% to 3.90%.
- B. A transition from the Projected Unit Credit cost method to the Entry Age Normal cost method.
- C. Updated plan design changes as of January 1, 2018.
- D. Updated claim costs for the expected retiree health costs.
- E. Census changes since the last valuation.

2019

- F. A change in the discount rate from 3.90% to 3.50%.

2020

- G. A change in the discount rate from 3.50% to 2.21%.
- H. The retirement rates were updated to the most recent rates from the LASERS and TRSL actuarial valuations.
- I. The mortality assumption was updated from the RP-2014 table with generational scale MP-2018 to the Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.

2021

- J. A change in the discount rate from 2.21% to 2.16%.

(Concluded)

UNIVERSITY OF LOUISIANA

S Y S T E M

FOR YOUR FUTURE. FOR OUR FUTURE.

SUPPLEMENTAL INFORMATION SCHEDULES



**Combining Schedule of Net Position, by University,
for the year ended June 30, 2021**

Schedule 4 presents the current and long-term portions of assets and liabilities and net position for each university.

**Combining Schedule of Revenues, Expenses, and
Changes in Net Position, by University,
for the year ended June 30, 2021**

Schedule 5 presents information showing how the net position of each university changed as a result of current year operations.

**Combining Schedule of Cash Flows, by University,
for the year ended June 30, 2021**

Schedule 6 presents information showing how each university's cash changed as a result of current year operations.

**Combining Schedule of Net Position, by University,
for the year ended June 30, 2020**

Schedule 7 presents the current and long-term portions of assets and liabilities and net position for each university.

**Combining Schedule of Revenues, Expenses, and
Changes in Net Position, by University,
for the year ended June 30, 2020**

Schedule 8 presents information showing how the net position of each university changed as a result of current year operations.

**Combining Schedule of Cash Flows, by University,
for the year ended June 30, 2020**

Schedule 9 presents information showing how each university's cash changed as a result of current year operations.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2021**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
ASSETS						
Current assets:						
Cash and cash equivalents	\$11,552,152	\$32,774,212	\$47,488,059	\$11,835,586	\$49,567,543	\$35,071,082
Investments						7,629,661
Receivables (net)	6,040,808	5,991,695	56,050,777	4,916,843	3,957,122	10,261,065
Due from state treasury	58,605	110,922	71,530	62,806	73,269	116,104
Due from federal government	6,760,205	3,406,418	7,823,233	3,353,957	1,733,483	14,170,742
Inventories	191,872	464,337	268,686		312,252	742,489
Prepaid expenses and advances	487,480	3,072,749	195,169	1,223,916	448,164	507,305
Notes receivable (net)			301,211			215,096
Other current assets	250,270	9,076			23,767	
Total current assets	<u>25,341,392</u>	<u>45,829,409</u>	<u>112,198,665</u>	<u>21,393,108</u>	<u>56,115,600</u>	<u>68,713,544</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	20,671,422	44,027,450	10,956,387	11,866,982	3,205,535	13,807,811
Investments	16,150,989	43,739,761	25,091,314	20,492,789	20,133,510	24,898,758
Receivables (net)			100,000	362,638	66,619	
Notes receivable (net)	341		214,867		440,314	553,947
Investments						
Capital assets (net)	129,584,941	322,031,846	156,927,687	97,326,514	51,476,724	210,438,992
Other noncurrent assets		108,916				
Total noncurrent assets	<u>166,407,693</u>	<u>409,907,973</u>	<u>193,290,255</u>	<u>130,048,923</u>	<u>75,322,702</u>	<u>249,699,508</u>
Total assets	<u>191,749,085</u>	<u>455,737,382</u>	<u>305,488,920</u>	<u>151,442,031</u>	<u>131,438,302</u>	<u>318,413,052</u>
Deferred outflows of Resources:						
Deferred outflows related to pensions	19,181,828	42,840,367	21,910,700	27,756,382	32,332,292	50,679,241
Deferred outflows related to other postemployment benefits (OPEB)	4,890,423	10,321,935	6,921,317	7,682,587	8,932,573	12,379,696
Total deferred outflows of resources	<u>24,072,251</u>	<u>53,162,302</u>	<u>28,832,017</u>	<u>35,438,969</u>	<u>41,264,865</u>	<u>63,058,937</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	6,422,960	8,445,311	4,958,403	4,301,335	6,560,282	9,643,873
Due to state treasury						3,894
Unearned revenues	1,313,559	8,577,093	2,397,938	2,160,288	4,871,753	6,782,872
Amounts held in custody for others	3,330,959	1,199,442	743,536	389,040	31,008	3,174,084
Compensated absences payable	259,583	423,831	449,094	343,125	374,662	489,159
Capital lease obligations	287,004	408,644				545,000
Notes payable	166,240	165,640				
Contracts payable						
Bonds payable	35,571	3,877,778	1,440,000	2,275,000	400,000	4,540,000
OPEB liability	2,000,000	4,200,000	2,600,000	3,000,000	2,400,000	3,900,000
Other current liabilities	312,137					
Total current liabilities	<u>14,128,013</u>	<u>27,297,739</u>	<u>12,588,971</u>	<u>12,468,788</u>	<u>14,637,705</u>	<u>29,078,882</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
ASSETS					
Current assets:					
Cash and cash equivalents	\$4,526,780	\$14,221,207	\$14,235,464	\$998,731	\$222,270,816
Investments			12,631,667		20,261,328
Receivables (net)	42,474,405	6,207,592	24,717,386		160,617,693
Due from state treasury	149,559	105,850	143,531		892,176
Due from federal government	13,082,997	9,499,809	3,597,137		63,427,981
Inventories	839,304	223,130	122,828		3,164,898
Prepaid expenses and advances	3,744,202	1,190,652	1,447,759		12,317,396
Notes receivable (net)	528,154	373,792	269,804		1,688,057
Other current assets	113		97,187		380,413
Total current assets	<u>65,345,514</u>	<u>31,822,032</u>	<u>57,262,763</u>	<u>998,731</u>	<u>485,020,758</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	27,947,132	13,112,911	5,033,448		150,629,078
Investments	133,041,244	41,746,794	26,075,307		351,370,466
Receivables (net)		589,582			1,118,839
Notes receivable (net)	5,125,487	1,643,845	2,421,175		10,399,976
Investments			33,177		33,177
Capital assets (net)	451,693,187	139,684,819	196,381,434	20,430	1,755,566,574
Other noncurrent assets			231,993		340,909
Total noncurrent assets	<u>617,807,050</u>	<u>196,777,951</u>	<u>230,176,534</u>	<u>20,430</u>	<u>2,269,459,019</u>
Total assets	<u>683,152,564</u>	<u>228,599,983</u>	<u>287,439,297</u>	<u>1,019,161</u>	<u>2,754,479,777</u>
Deferred outflows of Resources:					
Deferred outflows related to pensions	90,438,757	35,355,537	46,350,508	1,754,773	368,600,385
Deferred outflows related to other postemployment benefits (OPEB)	19,863,104	8,331,014	11,499,280	572,116	91,394,045
Total deferred outflows of resources	<u>110,301,861</u>	<u>43,686,551</u>	<u>57,849,788</u>	<u>2,326,889</u>	<u>459,994,430</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accruals	22,035,361	8,970,487	9,965,099	234,019	81,537,130
Due to federal government					3,894
Unearned revenues	18,576,475	5,150,225	6,221,772		56,051,975
Amounts held in custody for others	1,569,902	171,843	757,635		11,367,449
Compensated absences payable	884,907	806,423	438,242	42,840	4,511,866
Capital lease obligations					1,240,648
Notes payable	136,424		739,609		1,207,913
Contracts payable		19,781			19,781
Bonds payable	6,670,000	3,830,194	3,230,452		26,298,995
OPEB liability	5,400,000	3,300,000	3,900,000	46,000	30,746,000
Other current liabilities	2,922,769	387,957	867,770		4,490,633
Total current liabilities	<u>58,195,838</u>	<u>22,636,910</u>	<u>26,120,579</u>	<u>322,859</u>	<u>217,476,284</u>

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Net Position, by University
June 30, 2021

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
LIABILITIES (CONT.)						
Noncurrent liabilities:						
Unearned revenues				\$449,599		
Compensated absences payable	\$4,140,286	\$4,783,194	\$3,023,905	3,679,993	\$4,379,041	\$7,438,127
Capital lease obligations	1,148,000	2,246,474				
Notes payable	258,826	1,047,671				
Bonds payable	944,496	147,835,299	24,468,881	46,307,852	840,000	91,591,049
Net pension liability	67,653,853	146,769,403	83,538,345	89,698,834	112,666,334	171,523,945
OPEB liability	47,307,751	113,087,349	70,617,897	81,432,703	79,890,036	134,153,915
Other noncurrent liabilities				10,798,723	68,525	
Total noncurrent liabilities	<u>121,453,212</u>	<u>415,769,390</u>	<u>181,649,028</u>	<u>232,367,704</u>	<u>197,843,936</u>	<u>404,707,036</u>
Total liabilities	<u>135,581,225</u>	<u>443,067,129</u>	<u>194,237,999</u>	<u>244,836,492</u>	<u>212,481,641</u>	<u>433,785,918</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	2,480,195	5,546,503	1,954,011	2,105,685	3,223,046	5,128,902
Deferred inflows related to OPEB	9,322,067	13,651,966	9,125,968	9,130,492	11,277,863	17,405,909
Total deferred inflows of resources	<u>11,802,262</u>	<u>19,198,469</u>	<u>11,079,979</u>	<u>11,236,177</u>	<u>14,500,909</u>	<u>22,534,811</u>
NET POSITION						
Net investment in capital assets	128,286,720	193,357,450	133,696,974	52,618,107	50,236,724	116,966,636
Restricted for:						
Nonexpendable	8,081,377	33,949,068	13,800,000	19,382,189	12,905,352	13,389,865
Expendable	23,491,244	22,781,004	42,752,194	12,916,776	24,342,361	50,370,523
Unrestricted	<u>(91,421,492)</u>	<u>(203,453,436)</u>	<u>(61,246,209)</u>	<u>(154,108,741)</u>	<u>(141,763,820)</u>	<u>(255,575,764)</u>
TOTAL NET POSITION	<u>\$68,437,849</u>	<u>\$46,634,086</u>	<u>\$129,002,959</u>	<u>(\$69,191,669)</u>	<u>(\$54,279,383)</u>	<u>(\$74,848,740)</u>

(Concluded)

Schedule 4

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
LIABILITIES (CONT.)					
Noncurrent liabilities:					
Unearned revenues			\$1,298,899		\$1,748,498
Compensated absences payable	\$12,481,884	\$3,114,146	5,879,457	\$424,908	49,344,941
Capital lease obligations					3,394,474
Notes payable	486,634		2,204,161		3,997,292
Bonds payable	249,559,915	53,743,628	41,135,716		656,426,836
Net pension liability	310,064,168	123,263,299	148,064,020	4,976,769	1,258,218,970
OPEB liability	191,088,341	93,293,344	112,609,296	2,873,686	926,354,318
Other noncurrent liabilities			62,241		10,929,489
Total noncurrent liabilities	<u>763,680,942</u>	<u>273,414,417</u>	<u>311,253,790</u>	<u>8,275,363</u>	<u>2,910,414,818</u>
Total liabilities	<u>821,876,780</u>	<u>296,051,327</u>	<u>337,374,369</u>	<u>8,598,222</u>	<u>3,127,891,102</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	7,109,261	5,595,089	5,026,128	18,649	38,187,469
Deferred inflows related to OPEB	21,956,569	11,600,561	18,165,097	359,595	121,996,087
Total deferred inflows of resources	<u>29,065,830</u>	<u>17,195,650</u>	<u>23,191,225</u>	<u>378,244</u>	<u>160,183,556</u>
NET POSITION					
Net investment in capital assets	200,084,183	82,119,681	149,071,496	20,430	1,106,458,401
Restricted for:					
Nonexpendable	57,415,000	37,071,171	26,726,119		222,720,141
Expendable	107,446,719	19,524,893	17,208,575		320,834,289
Unrestricted	<u>(422,434,087)</u>	<u>(179,676,188)</u>	<u>(208,282,699)</u>	<u>(5,650,846)</u>	<u>(1,723,613,282)</u>
TOTAL NET POSITION	<u><u>(\$57,488,185)</u></u>	<u><u>(\$40,960,443)</u></u>	<u><u>(\$15,276,509)</u></u>	<u><u>(\$5,630,416)</u></u>	<u><u>(\$73,600,451)</u></u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2021**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
OPERATING REVENUES						
Student tuition and fees (net of scholarship allowances of \$209,736,692)	\$27,408,604	\$75,587,517	\$37,767,564	\$37,763,169	\$60,535,496	\$67,736,637
Federal grants and contracts	6,829,825	8,095,112	698,861	1,220,001	1,494,671	10,163,689
State and local grants and contracts	859,738	3,280,837	2,480,179	1,559,453	6,657,716	4,154,390
Nongovernmental grants and contracts	968	976,309	332,677	245,149	1,959,382	307,344
Sales and services of educational departments	1,916,566	1,552,484	420,533	103,993	3,860,076	725,904
Auxiliary enterprise revenues (net of scholarship allowances of \$23,334,912 including revenues used as security for revenue bonds)	26,810,912	24,882,445	3,959,766	18,466,837	2,881,287	16,265,956
Other operating revenues	1,112,980	1,094,644	1,286,764	1,901,555	3,135,548	1,840,360
Total operating revenues	<u>64,939,593</u>	<u>115,469,348</u>	<u>46,946,344</u>	<u>61,260,157</u>	<u>80,524,176</u>	<u>101,194,280</u>
OPERATING EXPENSES						
Educational and general:						
Instruction	19,222,902	46,441,549	28,843,583	31,062,518	45,169,265	69,830,439
Research	502,188	19,996,384	776,051	1,016,467	214,854	970,978
Public service	11,376	155,643	798,168	1,615,856	1,007,692	6,004,765
Academic support	4,275,408	13,526,044	9,172,271	7,542,591	10,698,766	11,344,491
Student services	4,539,457	5,578,763	5,264,738	7,529,026	8,492,367	10,099,622
Institutional support	27,710,534	13,027,820	9,643,807	10,177,934	20,278,336	14,619,191
Operations and maintenance of plant	6,200,875	9,957,196	7,950,804	8,651,452	7,558,556	15,337,293
Depreciation	6,623,724	13,819,477	56,756,953	6,235,268	4,016,761	10,103,511
Scholarships and fellowships	15,746,490	15,263,130	6,584,985	7,700,939	23,144,981	16,452,085
Auxiliary enterprises	22,484,257	36,425,632	16,098,872	14,339,750	10,052,574	12,839,772
Other operating expenses	24,064	1,942,710	(168,701)	333,879	451,608	505,311
Total operating expenses	<u>107,341,275</u>	<u>176,134,348</u>	<u>141,721,531</u>	<u>96,205,680</u>	<u>131,085,760</u>	<u>168,107,458</u>
OPERATING LOSS	<u>(42,401,682)</u>	<u>(60,665,000)</u>	<u>(94,775,187)</u>	<u>(34,945,523)</u>	<u>(50,561,584)</u>	<u>(66,913,178)</u>
NONOPERATING REVENUES (Expenses)						
State appropriations	11,536,170	22,314,221	14,642,745	11,900,620	17,595,530	23,826,675
Gifts	936,889	8,150,818	2,143,382	704,978		1,054,564
Federal nonoperating revenues	34,438,567	25,460,027	23,901,466	16,664,117	33,951,054	39,703,737
Investment income, net	5,743,541	6,670,688	6,000,763	2,619,173	5,143,162	540,769
Interest expense	(1,610,035)	(5,921,569)	(1,332,244)	(2,324,945)	(61,750)	(3,774,515)
Payments to or on behalf of the university				618,829		
Loss on disposal of capital assets						
Forgiveness of loans	90,072,671					
Insurance recoveries			52,580,957			
Other nonoperating revenues	310,607	2,427,017	4,982,952	2,426,301	315,611	2,393,681
Net nonoperating revenues	<u>141,428,410</u>	<u>59,101,202</u>	<u>102,920,021</u>	<u>32,609,073</u>	<u>56,943,607</u>	<u>63,744,911</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of \$209,736,692)	\$137,064,397	\$55,070,510	\$56,287,920		\$555,221,814
Federal grants and contracts	32,252,295	3,423,437	6,385,946		70,563,837
State and local grants and contracts	6,152,482	7,676,380	23,372,107		56,193,282
Nongovernmental grants and contracts	22,506,495	802,452	6,957,583		34,088,359
Sales and services of educational departments	133,221	269,404	377,616		9,359,797
Auxiliary enterprise revenues (net of scholarship allowances of \$23,334,912 including revenues used as security for revenue bonds)	33,687,536	12,981,746	11,898,455		151,834,940
Other operating revenues	2,040,695	1,003,600	10,011,520	\$2,848,230	26,275,896
Total operating revenues	<u>233,837,121</u>	<u>81,227,529</u>	<u>115,291,147</u>	<u>2,848,230</u>	<u>903,537,925</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	103,945,362	35,247,177	40,524,772		420,287,567
Research	61,477,952	6,127,694	14,683,929		105,766,497
Public service	5,925,383	5,475,276	18,551,583		39,545,742
Academic support	20,039,988	6,222,750	10,786,500		93,608,809
Student services	15,015,962	7,882,377	9,393,728		73,796,040
Institutional support	37,214,538	19,693,867	15,187,138	3,477,551	171,030,716
Operations and maintenance of plant	16,290,734	11,055,772	16,763,784		99,766,466
Depreciation	24,664,193	7,555,848	10,243,716	6,194	140,025,645
Scholarships and fellowships	21,969,880	11,959,205	11,269,750		130,091,445
Auxiliary enterprises	48,671,861	22,987,718	15,901,337		199,801,773
Other operating expenses	535,199	141,203	1,079,535		4,844,808
Total operating expenses	<u>355,751,052</u>	<u>134,348,887</u>	<u>164,385,772</u>	<u>3,483,745</u>	<u>1,478,565,508</u>
OPERATING LOSS	<u>(121,913,931)</u>	<u>(53,121,358)</u>	<u>(49,094,625)</u>	<u>(635,515)</u>	<u>(575,027,583)</u>
NONOPERATING REVENUES (Expenses)					
State appropriations	40,902,381	23,598,628	18,240,668	1,001,967	185,559,605
Gifts	5,492,050	1,800,991	684,391		20,968,063
Federal nonoperating revenues	65,085,878	27,454,079	20,313,423		286,972,348
Investment income, net	29,525,692	8,629,551	5,883,524	13,315	70,770,178
Interest expense	(11,114,998)	(1,750,395)	(1,634,562)		(29,525,013)
Payments to or on behalf of the university					618,829
Loss on disposal of capital assets		(103,121)			(103,121)
Forgiveness of loans					90,072,671
Insurance recoveries					52,580,957
Other nonoperating revenues	4,354,908	809,779	308,337	13,621	18,342,814
Net nonoperating revenues	<u>134,245,911</u>	<u>60,439,512</u>	<u>43,795,781</u>	<u>1,028,903</u>	<u>696,257,331</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2021**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>	<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	\$99,026,728	(\$1,563,798)	\$8,144,834	(\$2,336,450)	\$6,382,023	(\$3,168,267)
Capital appropriations	8,570,046	36,221,620	60,972,529	3,829,826	354,496	1,525,417
Capital grants and gifts	4,810,903	1,900,003	2,265,876	9,233	22,408	1,084,336
Additions to permanent endowments		400,000	100,000			345,770
Other revenues (expenses), net		(2,086,892)				
CHANGE IN NET POSITION	112,407,677	34,870,933	71,483,239	1,502,609	6,758,927	(212,744)
NET POSITION - BEGINNING OF YEAR (Restated)	<u>(43,969,828)</u>	<u>11,763,153</u>	<u>57,519,720</u>	<u>(70,694,278)</u>	<u>(61,038,310)</u>	<u>(74,635,996)</u>
NET POSITION - END OF YEAR	<u><u>\$68,437,849</u></u>	<u><u>\$46,634,086</u></u>	<u><u>\$129,002,959</u></u>	<u><u>(\$69,191,669)</u></u>	<u><u>(\$54,279,383)</u></u>	<u><u>(\$74,848,740)</u></u>

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	\$12,331,980	\$7,318,154	(\$5,298,844)	\$393,388	\$121,229,748
Capital appropriations	2,035,903	919,685	1,066,735		115,496,257
Capital grants and gifts	1,883,096	184,976	11,223		12,172,054
Additions to permanent endowments	900,000		240,000		1,985,770
Other revenues (expenses), net			5		(2,086,887)
CHANGE IN NET POSITION	17,150,979	8,422,815	(3,980,881)	393,388	248,796,942
NET POSITION - BEGINNING OF YEAR (Restated)	(74,639,164)	(49,383,258)	(11,295,628)	(6,023,804)	(322,397,393)
NET POSITION - END OF YEAR	<u>(\$57,488,185)</u>	<u>(\$40,960,443)</u>	<u>(\$15,276,509)</u>	<u>(\$5,630,416)</u>	<u>(\$73,600,451)</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2021**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM OPERATING ACTIVITIES:						
Tuition and fees	\$26,090,725	\$74,892,245	\$38,302,898	\$38,027,422	\$55,933,614	\$67,142,286
Grants and contracts	6,074,472	12,284,349	(56,524,096)	2,897,915	10,405,806	9,427,247
Sales and services of educational departments	1,916,566	1,539,956	420,533	84,992	3,860,076	271,023
Auxiliary enterprise receipts	31,189,237	24,904,151	3,987,912	18,282,421	2,881,287	16,670,949
Payments for employee compensation	(31,506,749)	(73,403,949)	(38,321,472)	(41,566,225)	(51,412,531)	(77,825,609)
Payments for benefits	(12,839,638)	(30,881,439)	(17,176,167)	(16,252,846)	(21,447,488)	(33,555,622)
Payments for utilities	(3,101,739)	(6,031,696)	(2,202,297)	(3,196,816)	(2,035,900)	(4,766,206)
Payments for supplies and services	(40,778,609)	(34,623,524)	(17,864,583)	(16,561,799)	(19,899,973)	(31,758,279)
Payments for scholarships and fellowships	(15,746,490)	(17,633,549)	(10,171,945)	(11,472,929)	(23,144,981)	(10,284,197)
Loans to students						
Collection of loans to students		2,242	51,483		117,088	490,386
Other receipts	1,679,582	1,322,872	1,266,685	1,245,664	2,163,643	1,922,701
Net cash used by operating activities	(37,022,643)	(47,628,342)	(98,231,049)	(28,512,201)	(42,579,359)	(62,265,321)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	14,753,394	28,903,207	19,568,290	15,003,829	21,375,397	29,106,399
Gifts and grants for other than capital purposes	1,876,862	8,604,097	2,143,382	704,978		1,054,564
Pell grant receipts	18,865,820	9,827,946	11,081,875	11,431,676	18,824,155	23,387,504
Private gifts for endowment purposes			100,000			345,770
Taylor Opportunity Program for Students receipts	1,431,420	27,719,907	13,897,171	14,676,039	12,291,190	27,538,574
Taylor Opportunity Program for Students disbursements	(1,431,420)	(27,754,455)	(13,897,171)	(14,676,039)	(12,291,190)	(27,488,802)
CARES Act Receipts	10,694,501	16,558,143	12,819,591	3,051,547	15,126,899	16,139,288
Direct lending receipts	57,969,229	34,703,277	19,325,371	24,718,947	42,870,260	40,725,085
Direct lending disbursements	(57,969,229)	(34,352,345)	(19,325,371)	(24,529,733)	(42,870,260)	(41,112,523)
Other receipts (payments)	92,738,168	1,612,563	57,370,343	(164,754)		2,111,207
Net cash provided by noncapital financing sources	138,928,745	65,822,340	103,083,481	30,216,490	55,326,451	71,807,066
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt		1,137,293		9,250,680		23,332,834
Capital appropriations received						
Capital gifts and grants received						
Proceeds from sale of capital assets		602,000				
Purchases of capital assets	(1,829,170)	(24,017,846)	(2,490,834)	(2,449,142)	(1,523,217)	(1,260,883)
Principal paid on capital debt and leases	(89,611,041)	(4,098,757)	(1,323,010)	(10,758,514)	(385,000)	(31,654,058)
Interest paid on capital debt and leases	(1,610,035)	(5,878,702)	(1,341,102)	(2,656,934)	(61,750)	(1,826,270)
Deposits with trustees				1,733,620		
Other receipts (payments)		(419,005)		49,322		(851,583)
Net cash used by capital financing activities	(93,050,246)	(32,675,017)	(5,154,946)	(4,830,968)	(1,969,967)	(12,259,960)

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees	\$137,256,975	\$55,720,790	\$54,834,705		\$548,201,660
Grants and contracts	57,762,951	7,610,231	38,176,284		88,115,159
Sales and services of educational departments	133,221	269,404	(456,376)		8,039,395
Auxiliary enterprise receipts	34,166,727	12,775,993	10,441,347		155,300,024
Payments for employee compensation	(160,997,477)	(50,936,548)	(70,761,383)	(\$1,997,220)	(598,729,163)
Payments for benefits	(58,722,821)	(25,453,274)	(29,484,612)	(780,849)	(246,594,756)
Payments for utilities	(7,125,036)	(4,469,125)	(7,372,508)		(40,301,323)
Payments for supplies and services	(73,622,925)	(37,456,863)	(36,154,029)	(674,017)	(309,394,601)
Payments for scholarships and fellowships	(26,087,124)	(12,043,177)	(11,298,017)		(137,882,409)
Loans to students	(597,209)	(349,488)			(946,697)
Collection of loans to students	1,087,992	770,597	247,448		2,767,236
Other receipts	2,150,683	560,556	11,324,188	2,864,327	26,500,901
Net cash used by operating activities	(94,594,043)	(53,000,904)	(40,502,953)	(587,759)	(504,924,574)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	49,422,867	28,935,770	27,006,989	1,001,967	235,078,109
Gifts and grants for other than capital purposes	5,799,975	2,575,287	1,547,693		24,306,838
Pell grant receipts	23,763,529	12,433,059	13,252,248		142,867,812
Private gifts for endowment purposes	900,000		240,000		1,585,770
Taylor Opportunity Program for Students receipts	36,856,283	15,665,435	10,514,920		160,590,939
Taylor Opportunity Program for Students disbursements	(36,839,176)	(15,731,721)	(11,273,632)		(161,383,606)
CARES Act Receipts	33,262,809	11,392,512	7,061,175		126,106,465
Direct lending receipts	58,196,013	41,750,356	24,558,266		344,816,804
Direct lending disbursements	(58,204,524)	(41,750,356)	(24,500,813)		(344,615,154)
Other receipts (payments)	795,553	(524,418)	(113,638)		153,825,024
Net cash provided by noncapital financing sources	113,953,329	54,745,924	48,293,208	1,001,967	683,179,001
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt		442,258	2,704,739		36,867,804
Capital appropriations received	58,000				58,000
Capital gifts and grants received	996,863				996,863
Proceeds from sale of capital assets					602,000
Purchases of capital assets	(8,832,109)	(883,655)	(2,149,186)		(45,436,042)
Principal paid on capital debt and leases	(6,550,594)	(3,773,169)	(2,576,303)		(150,730,446)
Interest paid on capital debt and leases	(11,445,375)	(1,770,793)	(1,883,131)		(28,474,092)
Deposits with trustees					1,733,620
Other receipts (payments)		(11,000)	36,931		(1,195,335)
Net cash used by capital financing activities	(25,773,215)	(5,996,359)	(3,866,950)		(185,577,628)

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2021**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments	\$3,782,889		\$5,568,318	\$5,813,495	\$591,705	\$7,196,404
Interest received on investments	3,425,809	\$94,012	432,445	321,944	179,833	(3,640,624)
Purchases of investments	(8,744,769)		(5,304,386)	(5,713,720)	(1,300,000)	(5,379,350)
Net cash provided (used) by investing activities	(1,536,071)	94,012	696,377	421,719	(528,462)	(1,823,570)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	7,319,785	(14,387,007)	393,863	(2,704,960)	10,248,663	(4,541,785)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	24,903,789	91,188,669	58,050,583	26,407,528	42,524,415	53,420,678
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$32,223,574	\$76,801,662	\$58,444,446	\$23,702,568	\$52,773,078	\$48,878,893
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating loss	(\$42,401,682)	(\$60,665,000)	(\$94,775,187)	(\$34,945,523)	(\$50,561,584)	(\$66,913,178)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation expense	6,623,724	13,819,477	56,756,953	6,235,268	4,016,761	10,103,511
Nonemployer contributing entity revenue	451,868	436,783	249,264	253,998	322,611	478,297
Amortization of bond issuance costs				291,419		
Loss on refinancing				(411,486)		
Changes in assets, deferred outflows, liabilities and deferred inflows:						
(Increase) decrease in accounts receivable, net	1,024,182	(283,570)	(59,056,273)	(566,521)	3,480,655	(7,791,555)
(Increase) decrease in inventories	234,175	45,470	977,271		13,514	24,499
(Increase) decrease in prepaid expenses and advances		169,938	388,629	1,560,353	(178,025)	724,677
(Increase) decrease in notes receivable, net		1,361,204	75,558		117,088	
(Increase) decrease in other assets	(250,000)	129,978			(4,550)	490,386
(Increase) decrease in deferred outflows related to pensions	(4,315,315)	(7,817,176)	(5,406,423)	(8,440,662)	(6,198,078)	(11,720,259)
(Increase) decrease in deferred outflows related to OPEB	(2,011,133)	(4,328,076)	(2,616,785)	(3,075,843)	(2,146,963)	(4,208,032)
Increase (decrease) in accounts payable and accrued liabilities	8,419	656,491	324,529	303,076	(56,933)	1,688,815
Increase (decrease) in unearned revenue	670,205	(504,660)	(468,421)	(58,928)	1,186,070	635,698
Increase (decrease) in amounts held in custody for others	566,602	230,613	158,484	(68,269)	(4,335)	(141,942)
Increase (decrease) in compensated absences	122,065	43,249	(193,003)	67,547	233,906	(602,206)
Increase (decrease) in net pension liability	5,866,429	11,276,585	8,016,219	12,185,840	9,750,997	18,518,430
Increase (decrease) in OPEB liability	(442,385)	6,214,746	3,639,679	5,191,841	3,379,507	7,086,087
Increase (decrease) in other liabilities	(600,912)			120,434	(35,576)	
Increase (decrease) in deferred inflows related to pensions	(1,873,297)	(2,798,320)	(2,776,451)	(2,590,280)	(2,908,354)	(4,579,336)
Increase (decrease) in deferred inflows related to OPEB	(695,588)	(5,616,074)	(3,525,092)	(4,564,465)	(2,986,070)	(6,059,213)
Net cash used by operating activities	(\$37,022,643)	(\$47,628,342)	(\$98,231,049)	(\$28,512,201)	(\$42,579,359)	(\$62,265,321)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and cash equivalents classified as current assets	\$11,552,152	\$32,774,212	\$47,488,059	\$11,835,586	\$49,567,543	\$35,071,082
Cash and cash equivalents classified as noncurrent assets	20,671,422	44,027,450	10,956,387	11,866,982	3,205,535	13,807,811
Cash and cash equivalents at the end of the year	\$32,223,574	\$76,801,662	\$58,444,446	\$23,702,568	\$52,773,078	\$48,878,893

(Continued)

Schedule 6

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	\$2,251,424	\$7,203,250	\$1,709,834		\$34,117,319
Interest received on investments	1,013,668	835,902	524,725	\$13,315	3,201,029
Purchases of investments		(7,555,498)			(33,997,723)
Net cash provided (used) by investing activities	<u>3,265,092</u>	<u>483,654</u>	<u>2,234,559</u>	<u>13,315</u>	<u>3,320,625</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,148,837)	(3,767,685)	6,157,864	427,523	(4,002,576)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>35,622,749</u>	<u>31,101,803</u>	<u>13,111,048</u>	<u>571,208</u>	<u>376,902,470</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$32,473,912</u>	<u>\$27,334,118</u>	<u>\$19,268,912</u>	<u>\$998,731</u>	<u>\$372,899,894</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$121,913,931)	(\$53,121,358)	(\$49,094,625)	(\$635,515)	(\$575,027,583)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation expense	24,664,193	7,555,848	10,243,716	6,194	140,025,645
Nonemployer contributing entity revenue	894,920	368,282	506,222	13,621	3,975,866
Amortization of bond issuance costs			37,451		328,870
Loss on refinancing					(411,486)
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable, net	(6,065,901)	(6,057,747)	156,144	167,725	(74,992,861)
(Increase) decrease in inventories	515,166	(104)	13,334		1,823,325
(Increase) decrease in prepaid expenses and advances	(760,736)	(157,598)	(885,379)		861,859
(Increase) decrease in notes receivable, net	508,417	1,574,628	247,448		3,884,343
(Increase) decrease in other assets			(39,967)		325,847
(Increase) decrease in deferred outflows related to pensions	(15,470,849)	(7,075,301)	(4,947,932)	(258,396)	(71,650,391)
(Increase) decrease in deferred outflows related to OPEB	(8,019,018)	(3,514,436)	(3,172,215)	(200,250)	(33,292,751)
Increase (decrease) in accounts payable and accrued liabilities	3,946,903	311,620	294,167	(80,575)	7,396,512
Increase (decrease) in unearned revenue	3,455,840	537,242	(714,029)		4,739,017
Increase (decrease) in amounts held in custody for others	83,853	2,619	(51,359)		776,266
Increase (decrease) in compensated absences	525,189	141,202	120,715	(38,152)	420,512
Increase (decrease) in net pension liability	27,876,604	7,884,132	13,713,601	530,575	115,619,412
Increase (decrease) in OPEB liability	15,439,936	4,978,566	1,504,175	421,523	47,413,675
Increase (decrease) in other liabilities		54,613	(785)		(462,226)
Increase (decrease) in deferred inflows related to pensions	(9,782,375)	(1,726,062)	(5,920,273)	(396,155)	(35,350,903)
Increase (decrease) in deferred inflows related to OPEB	(10,492,254)	(4,757,050)	(2,513,362)	(118,354)	(41,327,522)
Net cash used by operating activities	<u>(\$94,594,043)</u>	<u>(\$53,000,904)</u>	<u>(\$40,502,953)</u>	<u>(\$587,759)</u>	<u>(\$504,924,574)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$4,526,780	\$14,221,207	\$14,235,464	\$998,731	\$222,270,816
Cash and cash equivalents classified as noncurrent assets	<u>27,947,132</u>	<u>13,112,911</u>	<u>5,033,448</u>		<u>150,629,078</u>
Cash and cash equivalents at the end of the year	<u>\$32,473,912</u>	<u>\$27,334,118</u>	<u>\$19,268,912</u>	<u>\$998,731</u>	<u>\$372,899,894</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2021**

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>	<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Capital appropriations	\$8,570,046	\$36,221,620	\$60,972,529	\$3,829,826	\$354,496	\$1,525,417
Change in fair market value of investments	(\$2,317,732)	\$6,563,915	\$5,777,938	\$2,197,454	\$5,134,126	\$3,161,998
Private gifts for endowment purposes		\$400,000				
Capital gifts and grants	\$4,810,903	\$1,768,940	\$2,265,876	\$9,233	\$22,408	\$1,084,336
Capital assets acquired through capital leases and notes payable	\$947,991					
Disposition of capital assets		(\$10,703)			(\$7,000)	
Retirement contributions paid by third parties	\$205,989	\$436,783	\$249,264	\$253,998	\$322,611	\$478,297
Other	(\$1,208,062)	\$103,261				

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital appropriations	\$1,977,903	\$919,685	\$1,066,735		\$115,438,257
Change in fair market value of investments	\$26,997,232	\$6,972,716	\$3,029,226		\$57,516,873
Private gifts for endowment purposes					\$400,000
Capital gifts and grants	\$886,233	\$184,976	(\$11,223)		\$11,021,682
Capital assets acquired through capital leases and notes payable			\$3,622		\$951,613
Disposition of capital assets		(\$103,121)			(\$120,824)
Retirement contributions paid by third parties	\$894,920	\$368,282	\$506,222	\$13,621	\$3,729,987
Other	\$265,966				(\$838,835)

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
ASSETS						
Current assets:						
Cash and cash equivalents	\$11,655,603	\$27,448,029	\$47,484,224	\$15,066,908	\$38,939,742	\$36,884,026
Investments						8,318,106
Receivables (net)	8,553,902	4,620,594	3,285,751	4,097,520	7,057,500	9,806,442
Due from state treasury	3,275,829	6,699,908	4,997,075	3,166,015	3,853,136	5,395,828
Due from federal government	1,333,020	5,643,178	1,531,986	3,099,067	2,027,520	6,496,144
Inventories	426,047	509,807	1,245,957		325,766	766,988
Prepaid expenses and advances	487,480	3,217,612	583,798	2,784,269	270,139	1,231,982
Notes receivable (net)		1,361,205	347,573			254,647
Other current assets	270	139,054			19,217	
Total current assets	<u>25,732,151</u>	<u>49,639,387</u>	<u>59,476,364</u>	<u>28,213,779</u>	<u>52,493,020</u>	<u>69,154,163</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	13,248,186	63,740,640	10,566,359	11,340,620	3,584,673	16,536,652
Investments	8,871,377	36,775,845	19,786,928	18,295,335	14,461,886	21,845,974
Receivables (net)			100,000	437,567		152,859
Notes receivable (net)	341		244,063		557,402	1,004,782
Investments						
Capital assets (net)	120,050,555	278,536,400	147,955,401	97,273,581	53,600,364	216,690,745
Other noncurrent assets		117,992				
Total noncurrent assets	<u>142,170,459</u>	<u>379,170,877</u>	<u>178,652,751</u>	<u>127,347,103</u>	<u>72,357,184</u>	<u>256,078,153</u>
Total assets	<u>167,902,610</u>	<u>428,810,264</u>	<u>238,129,115</u>	<u>155,560,882</u>	<u>124,850,204</u>	<u>325,232,316</u>
Deferred outflows of Resources:						
Deferred amounts on debt refunding	2,806,758					
Deferred outflows related to pensions postemployment benefits (OPEB)	14,866,513	35,023,191	16,504,277	19,712,488	26,214,374	38,958,982
	<u>2,879,290</u>	<u>5,993,859</u>	<u>4,304,532</u>	<u>4,606,744</u>	<u>6,785,610</u>	<u>8,171,664</u>
Total deferred outflows of resources	<u>20,552,561</u>	<u>41,017,050</u>	<u>20,808,809</u>	<u>24,319,232</u>	<u>32,999,984</u>	<u>47,130,646</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	6,414,541	7,259,762	4,642,732	3,998,258	6,617,215	7,955,795
Due to state treasury						2,990
Unearned revenues	643,354	9,070,853	2,866,359	2,073,659	3,685,683	6,147,174
Amounts held in custody for others	2,764,357	973,811	585,052	457,309	35,343	3,316,026
Compensated absences payable	239,483	430,369	265,027	390,450	306,452	543,364
Capital lease obligations	31,809	395,157				530,000
Notes payable	161,363					
Contracts payable						
Bonds payable	132,434	3,787,778	1,385,000	2,220,000	385,000	4,415,000
OPEB liability	1,900,000	4,000,000	2,400,000	2,900,000	2,200,000	3,800,000
Other current liabilities	1,400,062					167
Total current liabilities	<u>13,687,403</u>	<u>25,917,730</u>	<u>12,144,170</u>	<u>12,039,676</u>	<u>13,229,693</u>	<u>26,710,516</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
ASSETS					
Current assets:					
Cash and cash equivalents	\$8,136,489	\$21,275,010	\$11,438,712	\$571,208	\$218,899,951
Investments			11,699,079		20,017,185
Receivables (net)	33,673,753	5,994,940	23,508,923	167,725	100,767,050
Due from state treasury	8,670,045	5,442,992	8,909,853		50,410,681
Due from federal government	5,471,934	1,278,722	4,040,296		30,921,867
Inventories	1,354,470	223,026	136,162		4,988,223
Prepaid expenses and advances	3,073,817	1,033,054	431,012		13,113,163
Notes receivable (net)	631,651	329,909	347,083		3,272,068
Other current assets	80		97,580		256,201
Total current assets	<u>61,012,239</u>	<u>35,577,653</u>	<u>60,608,700</u>	<u>738,933</u>	<u>442,646,389</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	27,486,260	9,826,793	1,672,336		158,002,519
Investments	106,780,677	33,600,897	23,455,806		283,874,725
Receivables (net)		658,863			1,349,289
Notes receivable (net)	5,530,407	1,578,165	2,591,344		11,506,504
Investments			34,860		34,860
Capital assets (net)	464,625,339	145,355,472	203,394,385	26,624	1,727,508,866
Other noncurrent assets			323,000		440,992
Total noncurrent assets	<u>604,422,683</u>	<u>191,020,190</u>	<u>231,471,731</u>	<u>26,624</u>	<u>2,182,717,755</u>
Total assets	<u>665,434,922</u>	<u>226,597,843</u>	<u>292,080,431</u>	<u>765,557</u>	<u>2,625,364,144</u>
Deferred outflows of Resources:					
Deferred amounts on debt refunding					2,806,758
Deferred outflows related to pensions	74,967,908	28,280,236	41,402,576	1,496,377	297,426,922
postemployment benefits (OPEB)	11,844,086	4,816,578	8,327,065	371,866	58,101,294
Total deferred outflows of resources	<u>86,811,994</u>	<u>33,096,814</u>	<u>49,729,641</u>	<u>1,868,243</u>	<u>358,334,974</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accruals	17,813,753	8,676,735	9,326,946	314,594	73,020,331
Due to state treasury					2,990
Unearned revenues	15,453,968	4,612,983	6,454,439		51,008,472
Amounts held in custody for others	1,556,180	169,224	808,994		10,666,296
Compensated absences payable	794,455	764,386	519,865	43,386	4,297,237
Capital lease obligations		108,169			1,065,135
Notes payable	130,521		487,210		779,094
Contracts payable		22,311			22,311
Bonds payable	6,420,000	3,571,511	2,296,157		24,612,880
OPEB liability	5,200,000	3,400,000	3,800,000	55,000	29,655,000
Other current liabilities	2,974,615	333,344	785		4,708,973
Total current liabilities	<u>50,343,492</u>	<u>21,658,663</u>	<u>23,694,396</u>	<u>412,980</u>	<u>199,838,719</u>

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Net Position, by University
June 30, 2020

	<u>GRAMBLING STATE UNIVERSITY</u>	<u>LOUISIANA TECH UNIVERSITY</u>	<u>MCNEESE STATE UNIVERSITY</u>	<u>NICHOLLS STATE UNIVERSITY</u>	<u>NORTHWESTERN STATE UNIVERSITY</u>	<u>SOUTHEASTERN LOUISIANA UNIVERSITY</u>
LIABILITIES (CONT.)						
Noncurrent liabilities:						
Unearned revenues				\$76,030		
Compensated absences payable	\$4,038,321	\$4,733,407	\$3,400,975	3,565,121	\$4,213,345	\$7,986,128
Capital lease obligations		2,655,118				545,000
Notes payable	425,066					
Bonds payable	90,265,502	151,713,077	25,791,193	47,941,430	1,240,000	98,410,611
Net pension liability	61,787,424	135,492,818	75,522,126	77,512,994	102,915,337	153,005,515
OPEB liability	47,850,136	107,072,603	67,178,218	76,340,862	76,710,529	127,167,828
Other noncurrent liabilities				14,310,589	104,101	
Total noncurrent liabilities	<u>204,366,449</u>	<u>401,667,023</u>	<u>171,892,512</u>	<u>219,747,026</u>	<u>185,183,312</u>	<u>387,115,082</u>
Total liabilities	<u>218,053,852</u>	<u>427,584,753</u>	<u>184,036,682</u>	<u>231,786,702</u>	<u>198,413,005</u>	<u>413,825,598</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	4,353,492	8,344,823	4,730,462	5,092,733	6,211,560	9,708,238
Deferred inflows related to OPEB	10,017,655	19,268,040	12,651,060	13,694,957	14,263,933	23,465,122
Total deferred inflows of resources	<u>14,371,147</u>	<u>27,612,863</u>	<u>17,381,522</u>	<u>18,787,690</u>	<u>20,475,493</u>	<u>33,173,360</u>
NET POSITION						
Net investment in capital assets	33,459,729	166,640,235	123,465,829	51,077,846	51,975,364	117,667,512
Restricted for:						
Nonexpendable	7,618,350	33,544,576	13,700,000	17,228,900	12,795,524	13,034,098
Expendable	23,951,568	15,492,512	31,804,694	16,221,338	15,847,566	39,375,088
Unrestricted	<u>(108,999,475)</u>	<u>(201,047,625)</u>	<u>(111,450,803)</u>	<u>(155,222,362)</u>	<u>(141,656,764)</u>	<u>(244,712,694)</u>
TOTAL NET POSITION	<u><u>(\$43,969,828)</u></u>	<u><u>\$14,629,698</u></u>	<u><u>\$57,519,720</u></u>	<u><u>(\$70,694,278)</u></u>	<u><u>(\$61,038,310)</u></u>	<u><u>(\$74,635,996)</u></u>

(Concluded)

Schedule 7

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
LIABILITIES (CONT.)					
Noncurrent liabilities:					
Unearned revenues			\$1,804,852		\$1,880,882
Compensated absences payable	\$12,047,147	\$3,014,981	5,614,086	\$462,514	49,076,025
Capital lease obligations					3,200,118
Notes payable	622,275		2,671,950		3,719,291
Bonds payable	256,496,738	57,131,564	41,536,169		770,526,284
Net pension liability	282,187,564	115,379,167	134,350,419	4,446,194	1,142,599,558
OPEB liability	175,848,405	88,214,778	111,205,121	2,443,163	880,031,643
Other noncurrent liabilities			603,847		15,018,537
Total noncurrent liabilities	<u>727,202,129</u>	<u>263,740,490</u>	<u>297,786,444</u>	<u>7,351,871</u>	<u>2,866,052,338</u>
Total liabilities	<u>777,545,621</u>	<u>285,399,153</u>	<u>321,480,840</u>	<u>7,764,851</u>	<u>3,065,891,057</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pensions	16,891,636	7,321,151	10,946,401	414,804	74,015,300
Deferred inflows related to OPEB	<u>32,448,823</u>	<u>16,357,611</u>	<u>20,678,459</u>	<u>477,949</u>	<u>163,323,609</u>
Total deferred inflows of resources	<u>49,340,459</u>	<u>23,678,762</u>	<u>31,624,860</u>	<u>892,753</u>	<u>237,338,909</u>
NET POSITION					
Net investment in capital assets	206,437,942	84,555,216	156,402,899	26,624	991,709,196
Restricted for:					
Nonexpendable	56,515,000	28,964,817	22,082,143		205,483,408
Expendable	78,707,841	17,885,639	27,290,494		266,576,740
Unrestricted	<u>(416,299,947)</u>	<u>(180,788,930)</u>	<u>(217,071,164)</u>	<u>(6,050,428)</u>	<u>(1,783,300,192)</u>
TOTAL NET POSITION	<u><u>(\$74,639,164)</u></u>	<u><u>(\$49,383,258)</u></u>	<u><u>(\$11,295,628)</u></u>	<u><u>(\$6,023,804)</u></u>	<u><u>(\$319,530,848)</u></u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
OPERATING REVENUES						
Student tuition and fees (net of scholarship allowances of \$202,821,903)	\$24,961,958	\$75,875,865	\$41,124,637	\$37,385,475	\$51,953,912	\$74,905,003
Federal grants and contracts	6,199,005	8,112,115	1,099,237	3,143,028	1,565,911	10,030,705
State and local grants and contracts	865,300	2,994,451	2,083,254	823,216	5,689,004	4,013,342
Nongovernmental grants and contracts	268,939	1,406,083	233,907	192,910	1,243,661	328,393
Sales and services of educational departments	2,074,763	1,547,146	564,040	153,445	4,157,585	643,048
Auxiliary enterprise revenues (net of scholarship allowances of \$23,474,705 including revenues used as security for revenue bonds)	21,168,884	24,686,568	10,335,947	18,826,361	2,672,397	19,007,602
Other operating revenues	439,839	1,518,964	2,639,715	3,748,276	3,114,214	2,148,024
Total operating revenues	<u>55,978,688</u>	<u>116,141,192</u>	<u>58,080,737</u>	<u>64,272,711</u>	<u>70,396,684</u>	<u>111,076,117</u>
OPERATING EXPENSES						
Educational and general:						
Instruction	20,996,667	47,797,135	29,358,046	29,879,390	46,455,770	68,481,344
Research	773,584	20,776,263	766,140	1,168,985	181,565	1,378,665
Public service	55,421	149,019	985,026	1,211,057	863,508	3,055,677
Academic support	3,471,765	13,360,098	9,084,649	7,364,211	10,957,412	14,913,588
Student services	4,680,894	5,931,962	5,997,310	5,642,801	8,786,407	10,720,086
Institutional support	15,454,167	12,525,736	8,675,975	8,888,431	12,533,888	13,352,747
Operations and maintenance of plant	7,788,619	9,977,763	8,645,872	7,401,319	7,816,992	16,336,448
Depreciation	6,611,344	13,302,010	7,074,227	6,435,959	3,987,102	10,259,445
Scholarships and fellowships	7,514,429	14,515,887	3,793,215	8,629,081	14,782,098	18,984,846
Auxiliary enterprises	23,110,615	34,679,878	15,966,834	15,338,765	11,204,470	15,222,327
Other operating expenses		3,533,979	293,794	149,202	576,793	1,708,891
Total operating expenses	<u>90,457,505</u>	<u>176,549,730</u>	<u>90,641,088</u>	<u>92,109,201</u>	<u>118,146,005</u>	<u>174,414,064</u>
OPERATING LOSS	<u>(34,478,817)</u>	<u>(60,408,538)</u>	<u>(32,560,351)</u>	<u>(27,836,490)</u>	<u>(47,749,321)</u>	<u>(63,337,947)</u>
NONOPERATING REVENUES (Expenses)						
State appropriations	18,043,589	35,641,972	24,456,022	18,173,415	25,338,459	34,563,108
Gifts	593,455	9,801,522	1,447,989	583,846		1,283,680
Federal nonoperating revenues	24,467,226	17,898,589	12,216,197	13,511,554	25,602,448	34,891,552
Investment income, net	563,461	(1,843,324)	920,156	(495,473)	(138,868)	1,493,991
Interest expense	(724,290)	(4,189,273)	(1,401,924)	(2,653,090)	(75,810)	(4,260,338)
Payments to or on behalf of the university				392,098		
Loss on disposal of capital assets	(123,405)			(2,238)		
Other nonoperating revenues (expenses)	1,552,608	5,388,563	178,101	(3,588,564)	(168,762)	635,494
Net nonoperating revenues	<u>44,372,644</u>	<u>62,698,049</u>	<u>37,816,541</u>	<u>25,921,548</u>	<u>50,557,467</u>	<u>68,607,487</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of \$202,821,903)	\$145,442,051	\$57,607,251	\$53,472,211		\$562,728,363
Federal grants and contracts	28,435,362	3,708,929	6,312,509		68,606,801
State and local grants and contracts	5,378,468	8,307,596	27,922,837		58,077,468
Nongovernmental grants and contracts	20,833,069	497,945	8,390,851		33,395,758
Sales and services of educational departments	38,328	240,872	56,413		9,475,640
Auxiliary enterprise revenues (net of scholarship allowances of \$23,474,705 including revenues used as security for revenue bonds)	37,285,154	15,661,402	15,088,299		164,732,614
Other operating revenues	5,594,251	898,056	7,984,224	\$2,810,726	30,896,289
Total operating revenues	243,006,683	86,922,051	119,227,344	2,810,726	927,912,933
OPERATING EXPENSES					
Educational and general:					
Instruction	101,663,975	40,667,358	40,301,066		425,600,751
Research	59,345,330	6,210,324	13,284,518		103,885,374
Public service	6,633,017	6,140,092	21,707,691		40,800,508
Academic support	20,598,968	7,380,534	11,890,306		99,021,531
Student services	14,555,940	8,683,253	10,273,979		75,272,632
Institutional support	35,752,649	14,465,020	18,620,832	4,622,223	144,891,668
Operations and maintenance of plant	17,884,088	11,204,378	15,857,010		102,912,489
Depreciation	28,015,556	7,716,941	10,449,664	6,598	93,858,846
Scholarships and fellowships	15,860,621	11,366,275	7,688,082		103,134,534
Auxiliary enterprises	52,762,684	23,186,303	17,073,019		208,544,895
Other operating expenses	441,493	49,218	2,180,568		8,933,938
Total operating expenses	353,514,321	137,069,696	169,326,735	4,628,821	1,406,857,166
OPERATING LOSS	(110,507,638)	(50,147,645)	(50,099,391)	(1,818,095)	(478,944,233)
NONOPERATING REVENUES (Expenses)					
State appropriations	57,866,424	36,448,493	35,661,270	1,035,004	287,227,756
Gifts	4,696,056	1,564,861	2,328,949		22,300,358
Federal nonoperating revenues	37,109,778	15,523,469	17,107,821		198,328,634
Investment income, net	5,097,381	1,454,639	1,293,039	315,921	8,660,923
Interest expense	(10,916,303)	(1,873,076)	(1,690,046)		(27,784,150)
Payments to or on behalf of the university					392,098
Loss on disposal of capital assets		(45,558)			(171,201)
Other nonoperating revenues (expenses)	3,986,229	441,560	232,799	(35,460)	8,622,568
Net nonoperating revenues	97,839,565	53,514,388	54,933,832	1,315,465	497,576,986

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	\$9,893,827	\$2,289,511	\$5,256,190	(\$1,914,942)	\$2,808,146	\$5,269,540
Capital appropriations	785,368	15,266,734	1,915,199	216,156	354,343	592,620
Capital grants and gifts	270,594		362,331	53,172	26,064	777,379
Additions to permanent endowments		400,000	100,000		1,300,000	200,000
Special item - loss on impairment		(552,595)				
Other revenues (expenses), net		(2,815,602)				
CHANGE IN NET POSITION	10,949,789	14,588,048	7,633,720	(1,645,614)	4,488,553	6,839,539
NET POSITION - BEGINNING OF YEAR (Restated)	(54,919,617)	41,650	49,886,000	(69,048,664)	(65,526,863)	(81,475,535)
NET POSITION - END OF YEAR	<u>(\$43,969,828)</u>	<u>\$14,629,698</u>	<u>\$57,519,720</u>	<u>(\$70,694,278)</u>	<u>(\$61,038,310)</u>	<u>(\$74,635,996)</u>

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	(\$12,668,073)	\$3,366,743	\$4,834,441	(\$502,630)	\$18,632,753
Capital appropriations	1,504,885	344,855	180,967		21,161,127
Capital grants and gifts	1,923,848	71,754	21,989		3,507,131
Additions to permanent endowments	1,100,000		320,000		3,420,000
Special item - loss on impairment					(552,595)
Other revenues (expenses), net			58,505		(2,757,097)
CHANGE IN NET POSITION	(8,139,340)	3,783,352	5,415,902	(502,630)	43,411,319
NET POSITION - BEGINNING OF YEAR (Restated)	(66,499,824)	(53,166,610)	(16,711,530)	(5,521,174)	(362,942,167)
NET POSITION - END OF YEAR	(\$74,639,164)	(\$49,383,258)	(\$11,295,628)	(\$6,023,804)	(\$319,530,848)

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM OPERATING ACTIVITIES:						
Tuition and fees	\$24,569,231	\$75,933,747	\$40,432,822	\$37,699,069	\$51,282,401	\$73,299,273
Grants and contracts	6,231,215	14,856,758	3,413,539	4,738,572	7,122,295	13,897,887
Sales and services of educational departments	2,121,433	1,550,519	564,040	127,806	4,157,585	1,425,838
Auxiliary enterprise receipts	16,583,875	25,038,354	10,713,326	18,206,687	2,672,397	19,016,687
Payments for employee compensator	(32,237,174)	(73,952,375)	(39,761,974)	(41,245,735)	(51,269,656)	(78,750,669)
Payments for benefits	(13,229,028)	(30,493,751)	(17,068,167)	(16,511,478)	(21,053,244)	(34,386,981)
Payments for utilities	(2,906,852)	(5,751,213)	(2,605,015)	(2,956,345)	(1,910,721)	(4,214,300)
Payments for supplies and services	(31,139,723)	(36,889,464)	(19,638,252)	(17,450,577)	(21,958,598)	(38,175,546)
Payments for scholarships and fellowship	(7,514,429)	(16,239,209)	(8,220,209)	(10,482,032)	(14,782,098)	(13,233,892)
Loans to students						
Collection of loans to students		385,017	(26,798)		219,546	445,178
Other receipts	631,348	1,684,961	2,617,036	3,208,484	2,139,111	4,801,607
Net cash used by operating activities:	<u>(36,890,104)</u>	<u>(43,876,656)</u>	<u>(29,579,652)</u>	<u>(24,665,549)</u>	<u>(43,380,982)</u>	<u>(55,874,918)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	14,861,080	29,118,691	19,572,849	15,107,409	21,673,635	29,352,160
Gifts and grants for other than capital purposes	1,190,174	9,973,364	1,447,989	583,846		1,283,680
Pell grant receipts	17,610,019	11,447,118	10,464,247	11,189,769	19,955,414	24,865,685
Private gifts for endowment purposes			100,000		1,560,000	200,000
Taylor Opportunity Program for Students receipts	1,359,464	31,671,470	12,601,292	14,028,367	12,925,836	26,282,674
Taylor Opportunity Program for Students disbursements	(1,359,464)	(26,731,993)	(12,601,292)	(14,028,367)	(12,925,836)	(26,204,757)
CARES Act Receipts	6,260,488	4,053,741	1,751,950	2,220,087	5,647,034	9,614,367
Direct lending receipts	63,244,753	36,917,766	21,252,767	25,701,077	47,375,093	45,438,653
Direct lending disbursements	(63,244,753)	(37,204,520)	(21,252,767)	(25,763,662)	(47,375,093)	(45,504,168)
Other receipts (payments)	1,499,727	1,851,727		(2,026,739)		1,227,780
Net cash provided by noncapital financing sources	<u>41,421,488</u>	<u>61,097,364</u>	<u>33,337,035</u>	<u>27,011,787</u>	<u>48,836,083</u>	<u>66,556,074</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt	3,932,791	51,751,449				
Capital gifts and grants received						
Purchases of capital assets	(3,444,870)	(5,534,324)	(2,771,927)	(765,590)	(2,336,471)	(3,525,144)
Principal paid on capital debt and leases	(5,541,177)	(3,777,111)	(1,276,401)	(2,145,000)	(370,000)	(5,705,257)
Interest paid on capital debt and leases	(793,996)	(4,243,807)	(1,411,024)	(2,666,237)	(75,810)	(4,260,338)
Deposits with trustees				(2,000,000)		
Other payments		(2,531,601)				
Net cash provided (used) by capital financing activities:	<u>(5,847,252)</u>	<u>35,664,606</u>	<u>(5,459,352)</u>	<u>(7,576,827)</u>	<u>(2,782,281)</u>	<u>(13,490,739)</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees	\$144,603,621	\$56,861,778	\$51,727,497		\$556,409,439
Grants and contracts	57,136,045	12,942,039	41,422,816		161,761,166
Sales and services of educational departments	38,328	240,872	448,832		10,675,253
Auxiliary enterprise receipts	35,738,964	17,820,563	13,886,327		159,677,180
Payments for employee compensation	(162,582,663)	(57,674,433)	(74,986,345)	(\$2,150,625)	(614,611,649)
Payments for benefits	(58,814,713)	(26,965,955)	(27,938,116)	(825,815)	(247,287,248)
Payments for utilities	(7,394,747)	(3,827,768)	(5,943,434)		(37,510,395)
Payments for supplies and services	(79,073,679)	(31,985,687)	(44,176,996)	(877,865)	(321,366,387)
Payments for scholarships and fellowship:	(19,919,918)	(11,366,275)	(7,635,144)		(109,393,206)
Loans to students	(417,962)	(107,741)			(525,703)
Collection of loans to students	965,719	791,834	312,506		3,093,002
Other receipts (payments)	5,475,453	565,542	7,622,507	2,468,070	31,214,119
Net cash used by operating activities	(84,245,552)	(42,705,231)	(45,259,550)	(1,386,235)	(407,864,429)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	49,434,530	31,174,053	26,979,971	1,035,004	238,309,382
Gifts and grants for other than capital purposes	7,148,741	1,667,117	2,439,081		25,733,992
Pell grant receipts	24,726,629	12,905,965	13,031,928		146,196,774
Private gifts for endowment purposes	1,100,000		320,000		3,280,000
Taylor Opportunity Program for Students receipts	37,361,326	15,490,521	11,109,684		162,830,634
Taylor Opportunity Program for Students disbursements	(37,238,374)	(15,422,706)	(11,044,682)		(157,557,471)
CARES Act Receipts	6,431,311	3,155,457	4,075,893		43,210,328
Direct lending receipts	64,000,480	42,425,029	27,423,946		373,779,564
Direct lending disbursements	(63,919,018)	(42,425,029)	(27,510,145)		(374,199,155)
Other receipts (payments)	368,432	(579,802)	(25,925)	(47,543)	2,267,657
Net cash provided by noncapital financing sources	89,414,057	48,390,605	46,799,751	987,461	463,851,705
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt	2,600,000				58,284,240
Capital gifts and grants received	1,116,629				1,116,629
Purchases of capital assets	(19,844,547)	(3,858,442)	(2,030,827)		(44,112,142)
Principal paid on capital debt and leases	(6,159,392)	(3,562,467)	(2,467,002)		(31,003,807)
Interest paid on capital debt and leases	(11,648,960)	(1,873,159)	(1,946,821)		(28,920,152)
Deposits with trustees					(2,000,000)
Other payments	(87,434)	(11,000)	(270,941)		(2,900,976)
Net cash provided (used) by capital financing activities	(34,023,704)	(9,305,068)	(6,715,591)		(49,536,208)

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds (losses) from sales and maturities of investment	\$7,416,215		(\$538,061)	\$3,835,041	\$1,922,889	\$2,414,700
Interest received on investments	1,407,752	\$538,846	1,458,217	347,182	158,435	2,460,883
Purchases of investments	(9,123,915)		1,253,854	(3,505,679)	(400,000)	(5,201,620)
Net cash provided (used) by investing activities	(299,948)	538,846	2,174,010	676,544	1,681,324	(326,037)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,615,816)	53,424,160	472,041	(4,554,045)	4,354,144	(3,135,620)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR, Restated	26,519,605	37,764,509	57,578,542	30,961,573	38,170,271	56,556,298
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$24,903,789	\$91,188,669	\$58,050,583	\$26,407,528	\$42,524,415	\$53,420,678
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating loss	(\$34,478,817)	(\$60,408,538)	(\$32,560,351)	(\$27,836,490)	(\$47,749,321)	(\$63,337,947)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation expense	6,611,344	13,302,010	7,074,227	6,435,959	3,987,102	10,259,445
Nonemployer contributing entity revenue	200,605	425,033	235,206	231,356	308,116	458,732
Amortization of bond issuance costs				108,153		
Changes in assets, deferred outflows, liabilities and deferred inflows						
(Increase) decrease in accounts receivable, net	(5,869,223)	2,159,861	196,585	24,297	(1,363,470)	(3,189,977)
(Increase) decrease in inventories	(35,897)	(21,144)	73,009		(76,877)	(59,700)
(Increase) decrease in prepaid expenses and advances	(1)	80,087	(267,483)	(435,283)	158,347	(238,880)
Decrease in notes receivable, net		2,809,280	275,780		219,546	
(Increase) decrease in other assets		1,611			97,623	445,178
(Increase) in deferred outflows related to pensions	(1,794,913)	(5,601,458)	(1,714,808)	(4,566,777)	(2,674,250)	(9,395,837)
(Increase) in deferred outflows related to OPEB	(506,496)	(1,104,008)	(1,938,392)	(1,728,748)	(3,025,298)	(1,333,953)
Increase (decrease) in accounts payable and accrued liability:	(880,193)	197,782	110,218	(413,077)	45,230	(289,763)
Increase (decrease) in unearned revenue	(163,872)	1,049,883	(406,485)	(164,229)	(684,322)	882,115
Increase (decrease) in amounts held in custody for other:	191,509	(171,027)	33,384	51,766	1,233	915,831
Increase (decrease) in compensated absences:	166,665	221,046	(9,107)	191,188	210,547	618,846
Increase in net pension liability	3,130,206	7,646,497	1,262,929	5,696,968	6,713,818	12,424,057
(Decrease) in OPEB liability	(5,411,440)	(12,320,835)	(6,066,546)	(7,403,384)	(5,260,685)	(13,071,183)
Increase (decrease) in other liabilities:	250,649	(2,000)			18,496	
(Decrease) in deferred inflows related to pensions	(1,999,231)	(2,073,108)	(1,671,979)	(1,522,728)	(1,519,979)	(2,605,743)
Increase in deferred inflows related to OPEB	3,699,001	9,932,372	5,794,161	6,665,480	7,213,162	11,643,861
Net cash used by operating activities:	(\$36,890,104)	(\$43,876,656)	(\$29,579,652)	(\$24,665,549)	(\$43,380,982)	(\$55,874,918)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and cash equivalents classified as current asset	\$11,655,603	\$27,448,029	\$47,484,224	\$15,066,908	\$38,939,742	\$36,884,026
Cash and cash equivalents classified as noncurrent asset:	13,248,186	63,740,640	10,566,359	11,340,620	3,584,673	16,536,652
Cash and cash equivalents at the end of the year	\$24,903,789	\$91,188,669	\$58,050,583	\$26,407,528	\$42,524,415	\$53,420,678

(Continued)

Schedule 9

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	\$4,135,082	\$3,869,867			\$23,055,733
Interest received on investments	2,001,664	1,302,501	\$1,192,830	\$315,921	11,184,231
Purchases of investments		(4,644,106)	(382,380)		(22,003,846)
Net cash provided (used) by investing activities	<u>6,136,746</u>	<u>528,262</u>	<u>810,450</u>	<u>315,921</u>	<u>12,236,118</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(22,718,453)	(3,091,432)	(4,364,940)	(82,853)	18,687,186
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR, RESTATED	<u>58,341,202</u>	<u>34,193,235</u>	<u>17,475,988</u>	<u>654,061</u>	<u>358,215,284</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$35,622,749</u>	<u>\$31,101,803</u>	<u>\$13,111,048</u>	<u>\$571,208</u>	<u>\$376,902,470</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$110,507,638)	(\$50,147,645)	(\$50,099,391)	(\$1,818,095)	(\$478,944,233)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation expense	28,015,556	7,716,941	10,449,664	6,598	93,858,846
Nonemployer contributing entity revenue	847,771	362,537	486,638	12,083	3,568,077
Amortization of bond issuance costs			37,451		145,604
Changes in assets, deferred outflows, liabilities and deferred inflows					
(Increase) decrease in accounts receivable, net	(709,123)	1,748,578	(3,315,311)	(167,725)	(10,485,508)
(Increase) decrease in inventories	401,048	(58,304)	25,271		247,406
(Increase) decrease in prepaid expenses and advances	1,883,600	(175,452)	821,106		1,826,041
Decrease in notes receivable, net	540,110	697,049	312,506		4,854,271
(Increase) decrease in other assets			(114,549)		429,863
(Increase) in deferred outflows related to pensions	(4,053,085)	(5,358,714)	(8,944,649)	(61,553)	(44,166,044)
(Increase) in deferred outflows related to OPEB	(3,167,813)	(1,337,817)	(3,632,966)	(55,418)	(17,830,909)
Increase (decrease) in accounts payable and accrued liabilities:	(3,598,117)	(166,923)	1,332,085	(52,122)	(3,714,880)
Increase (decrease) in unearned revenue	(45,578)	(567,315)	248,496		148,693
Increase (decrease) in amounts held in custody for others	(44,951)	(50,046)	(336,984)		590,715
Increase (decrease) in compensated absences:	431,483	49,219	282,790	121,570	2,284,247
Increase in net pension liability	11,383,334	8,423,977	11,380,452	974,564	69,036,802
(Decrease) in OPEB liability	(16,718,429)	(9,377,318)	(11,056,027)	(143,027)	(86,828,874)
Increase (decrease) in other liabilities:		38,942	(148,366)		157,721
(Decrease) in deferred inflows related to pensions:	(5,094,095)	(1,825,269)	(4,868,313)	(436,129)	(23,616,574)
Increase in deferred inflows related to OPEB	16,190,375	7,322,329	11,880,547	233,019	80,574,307
Net cash used by operating activities:	<u>(\$84,245,552)</u>	<u>(\$42,705,231)</u>	<u>(\$45,259,550)</u>	<u>(\$1,386,235)</u>	<u>(\$407,864,429)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current asset:	\$8,136,489	\$21,275,010	\$11,438,712	\$571,208	\$218,899,951
Cash and cash equivalents classified as noncurrent asset:	27,486,260	9,826,793	1,672,336		158,002,519
Cash and cash equivalents at the end of the year	<u>\$35,622,749</u>	<u>\$31,101,803</u>	<u>\$13,111,048</u>	<u>\$571,208</u>	<u>\$376,902,470</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Combining Schedule of Cash Flows, by University, 2020**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Capital appropriations	\$785,368	\$15,266,734	\$1,915,199	\$216,156	\$354,343	\$592,620
Change in fair market value of investment:	\$844,291	(\$2,385,509)	\$603,846	(\$1,270,903)	\$138,799	(\$966,892)
Private gifts for endowment purposes:		\$400,000				
Capital gifts and grants	\$270,594		\$362,331	\$53,172	\$26,064	\$777,379
Capital assets acquired through capital leases and notes payable:						
Disposition of capital assets		(\$23,599)		(\$2,238)	(\$476,878)	
Retirement contributions paid by third parties:	\$200,605	\$425,033	\$235,206	\$231,356	\$308,116	\$458,732
Other	\$486,785	\$3,061,076				

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital appropriations	\$1,504,885	\$344,855	\$180,967		\$21,161,127
Change in fair market value of investment:	\$759,075	(\$261,555)	(\$341,061)		(\$2,879,909)
Private gifts for endowment purposes					\$400,000
Capital gifts and grants	\$807,219	\$71,754	\$21,989		\$2,390,502
Capital assets acquired through capital leases and notes payable			\$100,551		\$100,551
Disposition of capital assets		(\$45,558)	(\$7,160)		(\$555,433)
Retirement contributions paid by third parties:	\$847,771	\$362,537	\$486,638	\$12,083	\$3,568,077
Other	\$260,286				\$3,808,147

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain our report on internal control over financial reporting and on compliance with laws, regulations, and other matters as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. The report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.



LOUISIANA LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

December 29, 2021

Report on Internal Control over Financial
Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards*

Independent Auditor's Report

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and discretely presented component unit of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 29, 2021.

Our report includes a reference to other auditors who audited the financial statements of the Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are nonprofit corporations included as blended component units in the basic financial statements of the System. Other auditors also audited the financial statements of the University of Louisiana at Lafayette Foundation, Inc., which is a discretely presented component unit in the basic financial statements of the System as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the NSU Facilities Corporation and University Facilities, Inc., which were audited by other auditors, were audited in accordance with auditing standards generally accepted in the United States of America but not in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the System's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Other Reports

Other external auditors audited the Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are blended component units included in the System's basic financial statements for the year ended June 30, 2021. In addition, other external auditors audited the University of Louisiana at Lafayette Foundation, Inc. which is a discretely presented component unit included in the basic financial statements of the System. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses.

As a part of our audit of the System's basic financial statements for the year ended June 30, 2021, we performed certain procedures on the following campuses within the System: Grambling State University, Louisiana Tech University, Nicholls State University, Northwestern State University, Southeastern Louisiana University, University of Louisiana at Lafayette, and University of New Orleans. When issued, our reports relating to those universities will contain compliance and internal control findings, where applicable. Management's responses will also be included in those reports. Management's responses are not audited. Copies of issued reports are available for public inspection at the Baton Rouge office of the Legislative Auditor, and can also be found on the Internet at www.la.gov.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

AM:CR:RR:EFS:ch

ULS 2021