

UNIVERSITY OF LOUISIANA SYSTEM

A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Financial Statement Audit for the
Year Ended June 30, 2023
Issued December 29, 2023**

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

BOARD OF SUPERVISORS

ELIZABETH PIERRE, CHAIR
JIMMY CLARKE, VICE CHAIR
BRAD STEVENS, PARLIAMENTARIAN
BAILEY WILLIS, STUDENT MEMBER
BARRY BUSADA
JOHN CONDOS
STEVE DAVISON
LOLA DUNAHOE
JO'QUISHIA 'Jo' LETHERMON
ALEJANDRO "AL" PERKINS
DANA PETERSON
VIRGIL ROBINSON
MARK ROMERO
KRISTINE RUSSELL
JOE SALTER
JULIE STOKES

PRESIDENT AND CEO

JAMES B. HENDERSON

VICE PRESIDENT FOR BUSINESS AND FINANCE

EDDIE P. MECHE, CPA

DIRECTOR OF FINANCIAL REPORTING AND ANALYSIS

ASHLEY McINTYRE, CPA

This report is available on the University of Louisiana System's website at:

<https://www.ulsystem.edu/audited-financial-statements/>

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

One copy of this public document was produced at an approximate cost of \$3.78. This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute (R.S.) 24:513. This material was produced in accordance with the standards for printing by state agencies established pursuant to R.S. 43:31.

This report is available on the University of Louisiana System's website at:

<https://www.ulsystem.edu/audited-financial-statements/>.

TABLE OF CONTENTS

	Page
Independent Auditor’s Report	iii
Management’s Discussion and Analysis	viii
STATEMENT	
Basic Financial Statements:	
University of Louisiana System	
Statement of Net Position..... A	1
Statement of Revenues, Expenses, and Changes in Net Position	3
Statement of Cash Flows..... C	5
Component Units	
Statement of Financial Position	8
Statement of Activities..... E	9
Notes to the Basic Financial Statements	11
SCHEDULE	
Required Supplementary Information:	
Schedule of the System’s Proportionate Share of the Net Pension Liability	84
Schedule of the System’s Employer Contributions..... 2	87
Schedule of the System’s Proportionate Share of the Total Collective Other Postemployment Benefits (OPEB) Liability..... 3	90
Supplemental Information Schedules:	
Combining Schedule of Net Position, by University, for the Year Ended June 30, 2023..... 4	94

	Page
Combining Schedule of Revenues, Expenses, and Changes in Net Position, by University, for the Year Ended June 30, 2023.....	5 98
Combining Schedule of Cash Flows, by University, for the Year Ended June 30, 2023.....	6102
Combining Schedule of Net Position, by University, for the Year Ended June 30, 2022.....	7108
Combining Schedule of Revenues, Expenses, and Changes in Net Position, by University, for the Year Ended June 30, 2022.....	8112
Combining Schedule of Cash Flows, by University, for the Year Ended June 30, 2022.....	9116
EXHIBIT	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	A

December 29, 2023

Independent Auditor's Report

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the System as of June 30, 2023, 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.

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 which represent 29.0%, 23.7%, 6.5%, and 5.9%, respectively of total assets, total liabilities, total revenues, and total expenses of the System. We also did not audit the financial statements of the University of Louisiana at Lafayette Foundation, Inc. and the University of New Orleans Foundation, which are discretely presented component units 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 included for the previously mentioned component units are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

The financial statements of the NSU Facilities Corporation and University Facilities, Inc., which were audited by other auditors, were audited in accordance with GAAS but not in accordance with *Government Auditing Standards*.

Emphasis of Matter

As described in Note 16, the fiscal year 2022 financial statements have been restated primarily for the inclusion of the University of New Orleans Foundation. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently-known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the

aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages viii through xvi, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 84, the Schedule of the System's Employer Contributions on page 87, and the Schedule of the System's Proportionate Share of the Total Collective OPEB Liability on page 90 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 GAAS, 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 supplementary information combining financial schedules on pages 94 through 107, for the fiscal year ended June 30, 2023, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023, 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 GAAS. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the supplementary information combining financial schedules for the fiscal year ended June 30, 2023, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with GAAS, the basic financial statements of the System as of and for the year ended June 30, 2022 (not presented herein), and have issued our report thereon dated December 28, 2022, which contained unmodified opinions on the respective financial statements of the business-type activities and the discretely presented component unit. The combining financial schedules on pages 108 through 121 for the year ended June 30, 2022, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relate directly to, the underlying accounting and other records used to prepare the 2022 financial statements. The combining financial schedules were subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures, in accordance with GAAS. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the supplementary information combining financial schedules for the fiscal year ended June 30, 2022, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2023, 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

LA:CJH:RR:BQD:ch

ULS2023

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, 2023. 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 \$19 million (restated) to \$100 million, an approximate 426.3% increase from June 30, 2022, to June 30, 2023. Total revenues exceeded expenses by \$81 million, which represents an \$11 million decrease from the fiscal year ended June 30, 2022. Net tuition and fees decreased by \$53 million, which was caused by lower student enrollment. State appropriations increased by \$10 million, or 3.6%. The additional State appropriations were provided for formula adjustments, faculty pay increases, mandated cost increases, and additional one-time appropriations were provided. Other nonoperating revenue decreased by \$101 million, or 30.5%, mostly because of a decrease in Higher Education Emergency Relief Funds (HEERF) and insurance recovery funds received by institutions in 2023. Additionally, in 2022 the System had a net investment loss of approximately \$46 million compared to a net investment gain of approximately \$30 million in 2023. In addition, capital gifts and grants increased by \$30 million, or 214.3%, primarily because the University of Louisiana at Lafayette and the University of Louisiana at Monroe both received building donations during 2023.

The System's operating revenues increased by approximately 0.6% to \$960 million from June 30, 2022 to June 30, 2023, primarily from increases in state and federal grants, auxiliary enterprise revenues, offset by decreases in tuition revenue.

Operating expenses increased by approximately 1.5% to \$1.48 billion for the year ended June 30, 2023.

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 \$520 million in 2023 from \$560 million in 2022 and is mainly attributable to a decrease in HEERF funds and insurance recoveries received in 2023, offset by an investment gain recognized in 2023 compared to an investment loss in 2022.

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/amortization 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 two foundations that are discretely presented in its Basic Financial Statements - the University of Louisiana at Lafayette Foundation, Inc and the University of New Orleans Foundation. The financial data of the foundations is presented separately in the *Statement of Financial Position* (page 8) and the *Statement of Activities* (pages 9-10). Additional information about the foundations is contained in the Notes to the Financial Statements.

FINANCIAL ANALYSIS*Net Position*

The System's total net position at June 30, 2023, increased by approximately \$81 million, a 426.3% increase from June 30, 2022 (Table A-1). Total assets increased 1.0% to \$2.76 billion, and total liabilities increased by 5.1% to \$2.73 billion.

Table A-1				
University of Louisiana System				
Comparative Statement of Net Position				
As of June 30, 2023 and June 30, 2022				
(in millions of dollars)				
	2023	(Restated) 2022	Variance	Percent Variance
Assets:				
Current and other assets	\$901	\$934	(\$33)	(3.5%)
Capital assets	1,859	1,800	59	3.3%
Total assets	2,760	2,734	26	1.0%
Deferred outflows:				
Deferred outflows related to pensions	293	219	74	33.8%
Deferred outflows related to other postemployment benefits (OPEB)	131	153	(22)	(14.4%)
Total deferred outflows	424	372	52	14.0%
Liabilities:				
Current liabilities	260	231	29	12.6%
Noncurrent liabilities	2,474	2,371	103	4.3%
Total liabilities	2,734	2,602	132	5.1%
Deferred inflows:				
Deferred inflows related to leases	19	20	(1)	(5.0%)
Deferred inflows related to P3s	10	10	10	100.0%
Deferred inflows related to pensions	41	388	(347)	(89.4%)
Deferred inflows related to OPEB	280	77	203	263.6%
Total deferred inflows	350	485	(135)	(27.8%)
Net position:				
Net investment in capital assets	1,206	1,153	53	4.6%
Restricted	533	503	30	6.0%
Unrestricted	(1,639)	(1,637)	(2)	(0.1%)
Total net position	\$100	\$19	\$81	426.3%

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 2022 include the following:

- Current and other assets decreased primarily from decreases in cash, amounts due from state and federal government, offset by an increase in investments and P3 receivables as a result of implementing GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.
- Capital assets increased from current-year construction-in-progress and other additions, including additions of right-to-use intangible assets as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, offset by current-year depreciation/amortization, transfers, and retirements.
- Noncurrent liabilities increased from an increase in the System's share of the net pension liability and an increase in subscription obligations as a result of implementing GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The increase is offset by a decrease in bonds payable, and the System's share of the collective total OPEB liability.
- There were significant increases and decreases for the deferred inflows and outflows related to pensions and OPEB, these fluctuate each year based on actuarial valuations.
- Net investment in capital assets increased primarily from capital construction-in-progress and other capital additions offset by current year depreciation/amortization.

Net investment in capital assets consists of capital and right-to-use assets net of accumulated depreciation/amortization 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, 2023, is approximately \$11 million, or 12% lower than at June 30, 2022. 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 increased by 0.6% to approximately \$960 million, and total operating expenses increased by 1.5% to approximately \$1.48 billion. The change in operating revenues is primarily the result of increases in State and Federal grants and contracts offset by decreases in net student tuition revenues. Nonoperating revenues decreased by 14.2%, most significantly because HEERF funds received in the prior year but not in the current year and decreases in insurance recoveries, offset by an increase in state appropriations and other nonoperating revenues.

Table A-2
University of Louisiana System
Comparative Statement of Changes in Revenues, Expenses, and Net Position
For the Fiscal Years Ended June 30, 2023, and June 30, 2022
(in millions of dollars)

	2023	(Restated) 2022	Variance	Percent Variance
Operating revenues:				
Student tuition and fees, net	\$468	\$521	(\$53)	(10.2%)
Auxiliary	202	191	11	5.8%
Other	290	242	48	19.8%
Total operating revenues	<u>960</u>	<u>954</u>	<u>6</u>	<u>0.6%</u>
Nonoperating revenues:				
State appropriations	288	278	10	3.6%
Gifts	27	26	1	3.8%
Other	230	331	(101)	(30.5%)
Total nonoperating revenues	<u>545</u>	<u>635</u>	<u>(90)</u>	<u>(14.2%)</u>
Other revenues:				
Capital appropriations	31	21	10	47.6%
Capital grants and gifts	44	14	30	214.3%
Additions to permanent endowments	6	1	5	500.0%
Total other revenues	<u>81</u>	<u>36</u>	<u>45</u>	<u>125.0%</u>
Total revenues	<u>1,586</u>	<u>1,625</u>	<u>(39)</u>	<u>(2.4%)</u>
Operating expenses:				
Educational and general	1,235	1,235	NONE	NONE
Other	245	223	22	9.9%
Total operating expenses	<u>1,480</u>	<u>1,458</u>	<u>22</u>	<u>1.5%</u>
Other nonoperating expenses, net	<u>25</u>	<u>75</u>	<u>(50)</u>	<u>(66.7%)</u>
Total expenses	<u>1,505</u>	<u>1,533</u>	<u>(28)</u>	<u>(1.8%)</u>
Change in net position	<u>81</u>	<u>92</u>	<u>(11)</u>	<u>(12.0%)</u>
Net position, beginning of the year	<u>19</u>	<u>(73)</u>	<u>92</u>	<u>126.0%</u>
Total net position	<u>\$100</u>	<u>\$19</u>	<u>\$81</u>	<u>426.3%</u>

Table A-3
University of Louisiana System
Comparative Schedule of Educational and General Expenses
For the Fiscal Years Ended June 30, 2023, and June 30, 2022
(in millions of dollars)

	2023	(Restated) 2022	Variance	Percent Variance
Instruction	\$422	\$386	\$36	9.3%
Research	128	119	9	7.6%
Public service	48	39	9	23.1%
Academic support	94	90	4	4.4%
Student services	81	77	4	5.2%
Institutional support	152	149	3	2.0%
Operations and plant maintenance	124	112	12	10.7%
Depreciation	99	91	8	8.8%
Scholarships and fellowships	87	172	(85)	(49.4%)
Total	<u>\$1,235</u>	<u>\$1,235</u>	<u></u>	<u></u>

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, and 2022, the System's capital assets, at cost, totaled approximately \$3.8 billion and \$3.7 billion (restated), respectively. Net of accumulated depreciation/amortization, the System's capital assets at June 30, 2023, total approximately \$1.86 billion. This amount represents a net increase (including additions and disposals, net of depreciation/amortization) of approximately \$59 million, or 3.3%, from June 30, 2022. The increases were primarily related to the donations of buildings to both the University of Louisiana at Lafayette and University of Louisiana at Monroe, the implementation of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* which requires applicable intangible right-to-use assets be recognized as capital assets, and purchases of equipment, offset by current-year depreciation/amortization and retirements.

Debt Administration

The System had bonds totaling \$637 million, net of bond discounts, premiums, deferred amounts on debt refunding, and issuance costs outstanding at June 30, 2023, compared to \$664 million at June 30, 2022.

Bond activity during the fiscal year ended June 30, 2023, follows:

- The University of New Orleans blended component unit, UNO Research & Technology Foundation, issued \$29.8 million of refunding bonds.

**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:

- Changes in current enrollment
- Changes in state appropriations
- Changes in the System's proportionate share of the net pension liability and the total collective OPEB liability
- Depletion of HEERF funding
- Hurricane damage reconstruction

**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, 2023**

ASSETS

Current assets:

Cash and cash equivalents (note 2)	\$204,067,642
Investments (note 3)	19,397,980
P3 receivable (note 27)	10,296,615
Receivables, net (note 4)	160,867,108
Due from state treasury	3,376,178
Due from federal government	18,292,776
Inventories	2,519,428
Prepaid expenses and advances	13,172,490
Notes receivable	1,286,220
Lease receivable	1,373,174
Other current assets	144,913
Total current assets	<u>434,794,524</u>

Noncurrent assets:

Restricted assets:

Cash and cash equivalents (note 2)	131,472,426
Investments (note 3)	307,084,414
Receivables, net (note 4)	1,994,351
Notes receivable, net	7,642,010
Investments (note 3)	32,310
Lease receivable	17,913,993
Capital assets, net (note 5)	1,858,492,269
Other noncurrent assets	197,709
Total noncurrent assets	<u>2,324,829,482</u>

Total assets 2,759,624,006

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows relating to pensions (note 8)	293,091,349
Deferred outflows relating to other postemployment benefits (OPEB) (note 10)	<u>130,930,223</u>

Total deferred outflows of resources \$424,021,572

(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, 2023

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities (note 6)	\$98,085,713
Due to state treasury	10,126
Due to federal government	354
Unearned revenues	68,118,684
Amounts held in custody for others	11,395,693
Compensated absences payable (notes 7 and 12)	5,631,803
Lease obligations (notes 11 and 12)	2,743,055
Subscription obligations (notes 12 and 25)	7,980,234
Notes payable (note 12)	820,641
Bonds payable (note 12)	28,726,097
OPEB liability (note 10)	32,040,000
Other current liabilities	4,909,361
Total current liabilities	<u>260,461,761</u>

Noncurrent liabilities:

Unearned revenues	630,982
Compensated absences payable (notes 7 and 12)	48,104,405
Lease obligations (notes 11 and 12)	6,353,461
Subscription obligations (notes 12 and 25)	8,837,980
Notes payable (note 12)	2,475,458
Bonds payable (note 12)	608,417,773
Net pension liability (note 8)	1,036,574,299
Total OPEB liability (note 10)	757,585,751
Other noncurrent liabilities	4,730,547
Total noncurrent liabilities	<u>2,473,710,656</u>

Total liabilities

2,734,172,417**DEFERRED INFLOWS OF RESOURCES**

Deferred inflows relating to leases	18,915,479
Deferred inflows relating to P3	10,296,615
Deferred inflows relating to pensions (note 8)	40,631,110
Deferred inflows relating to OPEB (note 10)	279,719,030

Total deferred inflows of resources

349,562,234**NET POSITION**

Net investment in capital assets	1,206,373,612
Restricted for:	
Nonexpendable (note 17)	222,827,533
Expendable (note 17)	309,718,744
Unrestricted	<u>(1,639,008,962)</u>

Total net position

\$99,910,927

(Concluded)

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, 2023****OPERATING REVENUES**

Student tuition and fees (net of scholarship allowances of \$210,381,376)	\$468,088,739
Federal grants and contracts	95,917,783
State and local grants and contracts	89,904,257
Nongovernmental grants and contracts	57,500,431
Sales and services of educational departments	11,087,079
Auxiliary enterprise revenues (net of scholarship allowances of \$26,372,509 including revenues used as security for revenue bonds)	201,694,471
Other operating revenues	<u>35,554,214</u>
Total operating revenues	<u>959,746,974</u>

OPERATING EXPENSES

Educational and general:	
Instruction	422,206,559
Research	127,677,836
Public service	47,851,418
Academic support	93,929,796
Student services	81,110,612
Institutional support	152,580,845
Operations and maintenance of plant	123,974,549
Depreciation/amortization	99,522,757
Scholarships and fellowships	86,693,795
Auxiliary enterprises	239,677,600
Other operating expenses	<u>5,503,674</u>
Total operating expenses	<u>1,480,729,441</u>

OPERATING LOSS (\$520,982,467)

(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, 2023****NONOPERATING REVENUES (Expenses)**

State appropriations	\$288,440,759
Gifts	26,675,738
Federal nonoperating revenues	179,710,159
Net investment income	29,861,993
Interest expense	(23,958,856)
Payments to or on behalf of the university	582,447
Loss on sale/exchange of capital assets	(105,570)
Insurance recoveries	3,913,132
Other nonoperating revenues	<u>16,275,483</u>
Net nonoperating revenues	<u>521,395,285</u>

INCOME BEFORE OTHER REVENUES AND EXPENSES412,818

Capital appropriations	31,281,388
Capital grants and gifts	43,642,561
Additions to permanent endowments	6,080,000
Other expenses, net	<u>(1,287,343)</u>

CHANGE IN NET POSITION80,129,424**NET POSITION - BEGINNING OF YEAR, Restated (note 16)**19,781,503**NET POSITION - END OF YEAR**\$99,910,927

(Concluded)

The accompanying notes are an integral part of this statement.

STATEMENT C**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023****CASH FLOWS FROM OPERATING ACTIVITIES:**

Tuition and fees	\$466,269,557
Grants and contracts	252,241,318
Sales and services of educational departments	11,403,454
Auxiliary enterprise receipts	204,153,078
Payments for employee compensation	(653,251,840)
Payments for benefits	(254,439,469)
Payments for utilities	(57,429,662)
Payments for supplies and services	(383,399,537)
Payments for scholarships and fellowships	(95,876,703)
Loans to students	(573,773)
Collection of loans to students	2,263,074
Other receipts	35,847,008

Net cash used by operating activities (472,793,495)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	304,163,656
Gifts and grants for other than capital purposes	29,577,315
Pell Grant receipts	140,294,398
Private gifts for endowment purposes	4,010,000
TOPS receipts	137,888,113
TOPS disbursements	(137,666,275)
CARES Act receipts	45,194,140
Direct lending receipts	307,464,008
Direct lending disbursements	(307,613,711)
Other receipts	14,403,173

Net cash provided by noncapital financing sources 537,714,817

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from capital debt	98,950
Capital appropriations received	200,000
Capital grants and gifts received	4,607,687
Purchases of capital assets	(63,971,036)
Principal paid on capital debt	(27,086,309)
Interest paid on capital debt	(25,313,562)
Principal paid on leases	(2,584,726)
Interest paid on leases	(106,885)
Proceeds from leases (principal only)	3,511,518
Interest received from leases	132,610
Principal paid on subscription arrangements	(6,329,446)
Interest paid on subscription arrangements	(33,796)
Deposits with trustees	3,337
Other receipts	2,184,746

Net cash used by capital financing activities (\$114,686,912)
(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT C

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sales and maturities of investments	\$41,386,528
Interest received on investments	8,965,413
Purchases of investments	<u>(35,720,171)</u>
Net cash provided by investing activities	<u>14,631,770</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(35,133,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>370,673,888</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$335,540,068</u></u>
RECONCILIATION OF OPERATING LOSS TO	
NET CASH USED BY OPERATING ACTIVITIES:	
Operating loss	(\$520,982,467)
Adjustments to reconcile net income (loss) to net cash used by operating activities:	
Depreciation/amortization expense	99,522,757
Retirement contributions paid by third parties	3,725,743
Amortization of bond issuance costs	94,621
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) Decrease in accounts receivable, net	(1,537,370)
(Increase) Decrease in inventories	(82,968)
(Increase) Decrease in prepaid expenses and advances	220,783
(Increase) Decrease in notes receivable	1,663,598
(Increase) Decrease in other assets	18,407
(Increase) Decrease in deferred outflows related to pensions	(73,984,307)
(Increase) Decrease in deferred outflows related to OPEB	20,340,928
Increase (Decrease) in accounts payable and accrued liabilities	6,881,668
Increase (Decrease) in unearned revenue	8,281,958
Increase (Decrease) in amounts held in custody for others	(87,742)
Increase (Decrease) in compensated absences	385,024
Increase (Decrease) in net pension liability	399,864,714
Increase (Decrease) in total OPEB liability	(271,807,912)
Increase (Decrease) in other liabilities	(728,122)
Increase (Decrease) in deferred inflows related to pensions	(347,335,103)
Increase (Decrease) in deferred inflows related to OPEB	<u>202,752,295</u>
Net cash used by operating activities	<u><u>(\$472,793,495)</u></u>

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT C

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023**

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

Cash and cash equivalents classified as current assets	\$204,067,642
Cash and cash equivalents classified as noncurrent assets	<u>131,472,426</u>
Total cash and cash equivalents	<u>\$335,540,068</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital appropriations	\$31,081,388
Change in fair market value of investments	\$12,655,148
Private gifts for endowment purposes	\$2,320,000
Capital gifts and grants	\$38,861,312
Capital assets acquired through capital leases, notes, and accounts payable	\$26,911,278
Disposition of capital assets	(\$2,732,656)
Other	\$1,494,158

(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 UNITS



STATEMENT D**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****COMPONENT UNITS****Statement of Financial Position, June 30, 2023**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
ASSETS			
Cash and cash equivalents (note 2)	\$37,058,071	\$782,952	\$37,841,023
Cash - restricted for collateral (note 2)	527,589		527,589
Cash and cash equivalents - endowments (note 2)		2,784,148	2,784,148
Investments (note 3)	196,877,075	93,857,854	290,734,929
Accrued interest receivable	127,745		127,745
Accounts receivable	666,147	51,560	717,707
Contributions receivable, net	27,316,051	847,608	28,163,659
Prepaid expenses	175,527	146,575	322,102
Fixed assets, net (note 5)	12,273,034	7,451,940	19,724,974
Unconditional promises to give, net		7,190,434	7,190,434
Other assets	1,424,190	211,244	1,635,434
	<u>\$276,445,429</u>	<u>\$113,324,315</u>	<u>\$389,769,744</u>
LIABILITIES			
Accounts payable and accruals	\$1,126,356	\$279,864	\$1,406,220
Accrued expenses	4,362,495		4,362,495
Amounts held in custody for others	43,930,881	24,815,191	68,746,072
Notes payable (note 12)	260,027		260,027
Other liabilities	3,199,999	686,384	3,886,383
	<u>52,879,758</u>	<u>25,781,439</u>	<u>78,661,197</u>
NET ASSETS			
Without donor restrictions (note 17)	15,856,347	10,595,335	26,451,682
With donor restrictions (note 17)	<u>207,709,324</u>	<u>76,947,541</u>	<u>284,656,865</u>
	<u>223,565,671</u>	<u>87,542,876</u>	<u>311,108,547</u>
	<u>\$276,445,429</u>	<u>\$113,324,315</u>	<u>\$389,769,744</u>

* As of December 31, 2022

The accompanying notes are an integral part of this statement.

STATEMENT E

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Activities
For the Year Ended June 30, 2023**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
Changes in net assets without donor restrictions			
Revenues, gains, losses, and other support:			
Contributions	\$92,438	\$354,628	\$447,066
Contributions - artwork and other property	252,742		252,742
Interest and dividends	357,355		357,355
Gains and losses on investments:		(1,497,876)	(1,497,876)
Realized	(563,303)		(563,303)
Unrealized	856,958		856,958
Service fees, special events, and program revenue		1,191,614	1,191,614
Rental income		1,573,564	1,573,564
Other income	1,004,687	17,105	1,021,792
Net assets released from restrictions:			
Satisfaction of purpose restrictions	20,895,762	6,461,513	27,357,275
Transfers between net asset classifications	239,841		239,841
	<u>23,136,480</u>	<u>8,100,548</u>	<u>31,237,028</u>
Expenses - amounts paid to benefit University of Louisiana System for:			
Projects specified by donors	18,988,995		18,988,995
Fundraising	695,594	1,598,591	2,294,185
Program operations/services		8,143,158	8,143,158
Supporting services:			
Salaries and benefits	1,988,889	652,254	2,641,143
Insurance	132,453		132,453
Office operations	728,045	28,589	756,634
Information technology		55,087	55,087
Travel	75,206		75,206
Professional services	306,524		306,524
Dues and subscriptions	39,223		39,223
Meetings and development	27,153	15	27,168
Interest	13,121		13,121
Depreciation	304,318		304,318
Bad debt expense (recovery)	(814,790)		(814,790)
	<u>22,484,731</u>	<u>10,477,694</u>	<u>32,962,425</u>
Change in net assets without donor restrictions	\$651,749	(\$2,377,146)	(\$1,725,397)

*For the year ended December 31, 2022

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT E

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANACOMPONENT UNITS
Statement of Activities
For the Year Ended June 30, 2023

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
Changes in net assets with donor restrictions:			
Revenues, gains, losses, and other support			
Contributions	\$19,978,573	\$4,351,279	\$24,329,852
Interest and dividends	54,124		54,124
Gains and losses on investments:		(9,089,893)	(9,089,893)
Realized	1,445,115		1,445,115
Unrealized	9,663,889		9,663,889
Service fees, special events, and program revenue		745,788	745,788
Other income	410,428		410,428
Net assets released from restrictions:			
Satisfaction of purpose restrictions	(20,895,762)	(6,461,513)	(27,357,275)
Transfers between net asset classifications	(239,841)		(239,841)
	<u>10,416,526</u>	<u>(10,454,339)</u>	<u>(37,813)</u>
Total revenues, gains, losses, and other support			
	<u>10,416,526</u>	<u>(10,454,339)</u>	<u>(37,813)</u>
Change in net assets with donor restrictions			
	11,068,275	(12,831,485)	(1,763,210)
Change in net assets			
	<u>212,497,396</u>	<u>100,374,361</u>	<u>312,871,757</u>
Net assets at beginning of year			
	<u>\$223,565,671</u>	<u>\$87,542,876</u>	<u>\$311,108,547</u>
Net assets at end of year			

*For the year ended December 31, 2022

(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 81,669 students enrolled during the fall semester of the 2022/2023 academic year.

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 discretely presented 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 Dr. Edwin Litolff, 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 Ms. Debra L. Calais, University of Louisiana at Lafayette, P.O. Box 40400, 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. Andrew Pitman, University of New Orleans Research and Technology Foundation Inc., 2021 Lakeshore Drive, Suite 420, New Orleans, Louisiana 70122

Discretely-presented Component Unit

The following legally separate, tax-exempt organizations are reported within the System as a discrete component unit:

- University of Louisiana at Lafayette Foundation, Inc. (ULL Foundation)
- University of New Orleans Foundation (UNO Foundation)

The Foundations act primarily as fundraising organizations to supplement the resources available to their respective universities in support of their programs. Although the universities do not control the timing or amount of receipts from their respective foundations, the majority of resources or income that the foundations hold and invest are restricted to the activities of the universities by the donors. Because these restricted resources held by the foundations can only be used by or for the benefit of the universities, the foundations are considered component units of their respective universities and are discretely presented in the financial statements.

During the year ended June 30, 2023, the ULL Foundation and the UNO Foundation made distributions of \$18,988,995 and \$3,652,180, respectively, on behalf of their respective universities for both restricted and unrestricted purposes.

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

- University of Louisiana at Lafayette Foundation, Inc., c/o Ms. Debra L. Calais, University of Louisiana at Lafayette, P.O. Box 40400, Lafayette, Louisiana 70504
- University of New Orleans Foundation c/o Mr. Andrew Pitman, University of New Orleans Foundation, 2021 Lakeshore Drive, Suite 420 New Orleans, Louisiana 70122

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. For

the fiscal year ended June 30, 2023, the UNO Foundation does meet the OSRAP guidelines and is included in the Systems financial statements. The ULL Foundation continues to meet the criteria for presentation and is also included 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 Foundations follow 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/amortization 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 Louisiana Revised Statute (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, 3 years for software with an acquisition cost of \$1,000,000 or more, and 3 to 10 years for internally generated software with development costs of \$1,000,000 or more. A threshold of \$50,000 is applied against the total contract value in the identification and reporting of leases and Subscription-Based Information Technology Arrangements (SBITAs) under GASB 87, *Leases* and GASB 96, *Subscription-Based Information Technology Arrangements*. The threshold is applicable to lessee and lessor leases of all types including, but not limited to, leases of land, buildings, office space, vehicles, printers, computers, other equipment and any subscription-based arrangements meeting the definition of a SBITA. Amortization is calculated using the straight-line method over the shorter of the lease or SBITA term or the useful life of the underlying lease or SBITA assets.

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 lease and subscription based information technology arrangement (SBITA) 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/amortization and reduced by outstanding debt obligations related to acquisition, construction, or improvement of those capital and leased 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

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), which is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset, for a period of time in an exchange or exchange-like transaction. Under this statement, a transferor generally should

recognize an underlying PPP asset as an asset in its financial statements. Under certain circumstances, a transfer should also recognize a receivable for installment payments and a deferred inflow of resources to account for the PPP arrangement. The adoption of this statement had a significant impact on the System's financial statements and note disclosures.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for SBITAs for government end users. A SBITA is defined as a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this statement, a government generally should recognize a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability. The adoption of this statement had a significant impact on the System's financial statements and note disclosures.

In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*, effective for certain elements of the requirement for fiscal year ending June 30, 2023. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation. The adoption of this statement does not have a significant impact on the financial statements.

2. CASH AND CASH EQUIVALENTS

At June 30, 2023, the System has cash and cash equivalents (book balances) of \$335,540,068 as follows:

Demand deposits	\$128,655,316
Certificates of deposit	16,129,396
Money market funds	12,069,812
Short-term investments	115,725,281
Petty cash	276,069
Blended component unit cash	<u>62,684,194</u>
Total	<u>\$335,540,068</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, 2023, \$117,372 of the System's bank balance totaling \$296,912,634 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 Foundations' cash and cash equivalents, which totaled \$41,152,760 at June 30, 2023, as shown on the Statement of Financial Position (Statement D).

3. INVESTMENTS

At June 30, 2023, the System reported investments totaling \$442,239,985, which includes \$274,384,817 held by the universities' foundations. Total investments also includes \$115,725,281 of short-term investments that 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, 2023, follow:

	Fair 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	\$2,028,332		\$2,028,332		
Common and preferred stock	10,556,048	\$10,556,048			
Mutual funds	16,868,290	16,868,290			
Money market funds	290,204		290,204		
Louisiana Asset Management Pool (LAMP)	115,725,281		115,725,281		
Investments held by foundations:					
U.S. government securities:					
U.S. Treasury Notes	8,337,415	2,255,490	6,081,925		
Government National Mortgage Association	556,544		556,544		
Federal Home Loan Mortgage Corporation	2,566,893		2,566,893		
Federal National Mortgage Association	2,237,454		2,237,454		
Federal Home Loan Bank	2,270,590		2,270,590		
Other fixed income securities	611,995	289,367	322,628		
Mutual funds	67,013,321	60,619,833	6,393,488		
Money market accounts	9,160,664		8,552,936		607,728
Exchange traded funds	11,774,759	11,774,759			
Equity funds	5,705,417	5,705,417			
Common and preferred stock	52,743,812	52,743,812			
Corporate bonds/obligations	15,090,603		15,090,603		
Municipal bonds	1,786,451		1,786,451		
Certificates of deposit	60,000		60,000		
Other	310,233	242,943	67,290		
Hedge funds and other alternatives:					
Unit investment trusts and limited partnerships	14,608,734				\$14,608,734
Equity - long/short	14,318,165				14,318,165
Distressed opportunity	421,867				421,867
Multi-strategy	16,154,519				16,154,519
Other credit	15,561,504				15,561,504
Private equities	8,173,718				8,173,718
Other hedge funds	886,122				886,122
Subtotal	395,818,935	\$169,608,895	\$156,085,411	NONE	\$70,124,629
Not categorized	46,421,050				
Total	\$442,239,985				

Fair values for the System's investments categorized in Level 1 (e.g., equity securities, certain mutual funds, certain 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., certain 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.

Investments not categorized totaling \$46,421,050 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, 2023:

	Fair Value	Unfunded Commitments
Alternative investment:		
Unit investment trusts and limited partnerships	\$14,608,734	
Hedge funds:		
Equity long/short	14,318,165	
Distressed opportunity	421,867	
Multi-strategy	16,154,519	
Other credit	15,561,504	
Private equities	8,173,718	\$1,096,530
Other	886,122	
	<u> </u>	<u> </u>
Totals	<u>\$70,124,629</u>	<u>\$1,096,530</u>

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

University of Louisiana at Lafayette (ULL)

As of June 30, 2023, the ULL Foundation held investments in ULL's endowment funds totaling \$114,000,051, of which \$65,674,144 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	0-18 months	Monthly, quarterly	30 - 45 days
Private equities	5-12 years	Manager Discretion	0 - 90 days
Other credit	N/A	Quarterly	60 days
Multi-strategy	0-25 months	Monthly, quarterly, annual	30-90 days
Unit investment trust	0-12 months	Semi-Monthly, Monthly	3-30 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.

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.

Unit investment trust investments include investments in various funds. The objective of these funds is to achieve long term capital appreciation and provide diversified all-cap exposure to emerging market equities by investing in global emerging markets, and international securities. The net asset values of these funds are valued using market values when available. In the absence of readily ascertainable market values for any assets, the funds will seek to obtain a valuation from an independent source.

McNeese State University (McNeese)

As of June 30, 2023, the McNeese State University Foundation held investments in McNeese's endowment funds totaling \$19,745,794, of which \$1,075,419 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, 2023, the Nicholls State University Foundation held investments in Nicholls's endowment funds totaling \$15,286,647, of which \$705,647 and \$650,917 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, 2023, the University of Louisiana at Monroe Foundation held investments in ULM's endowment funds totaling \$40,428,618, of which \$2,018,502 was invested in hedge fund and other alternative investments as follows:

	Fair Value
Equity long/short	\$593,440
Distressed opportunity	421,867
Multi-strategy	117,073
Other	886,122
	<hr/>
Total	<u><u>\$2,018,502</u></u>

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, 2023, 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	0.46%	\$2,028,332	\$637,683	\$1,390,649				
Common and preferred stock	2.39%	10,556,048						
Mutual funds	3.82%	16,868,290						
Money market funds	0.07%	290,204						
Louisiana Asset Management Pool (LAMP)	26.17%	115,725,281						
Investments held by foundations:								
External investment pools	5.43%	24,034,037						
U.S. government securities:								
U.S. Treasury Notes	1.89%	8,337,415	998,377	4,390,684	\$2,612,072	\$168,801	\$167,481	
Government National Mortgage Association	0.13%	556,544		52,090	99,896	111,637	292,921	
Federal Home Loan Mortgage Corporation	0.58%	2,566,893	3	405,005	727,428	202,240	1,232,217	
Federal National Mortgage Association	0.51%	2,237,454		246,595	242,394	389,334	1,359,131	
Federal Home Loan Bank	0.51%	2,270,590	845,399	1,126,160	299,031			
Other fixed income securities	0.14%	611,995	90,908	521,087				
Mutual funds	15.15%	67,013,321	27,571,196	597,698	1,186,642			
Money market funds	2.07%	9,160,664	169,791					
Exchange traded funds	2.66%	11,774,759						
Equity funds	1.29%	5,705,417						
Common and preferred stock	11.93%	52,743,812						
Corporate bonds/obligations	3.41%	15,090,603	914,652	6,786,810	5,237,403	414,902	1,082,625	
Municipal obligations	0.40%	1,786,451		702,867	821,624	261,960		
Certificates of deposit	0.01%	60,000	60,000					
Unit investment trusts and limited partnersh	3.30%	14,608,734						
Hedge funds and other alternatives	12.55%	55,515,895	2,018,502					
Other	0.07%	310,233						
Held by blended component units	5.06%	22,387,013						
Totals	100.0%	\$442,239,985	\$33,306,511	\$16,219,645	\$11,226,490	\$1,548,874	\$4,134,375	

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 \$274,384,817 reported as investments held by foundations, the amounts held by the discretely presented component units, the ULL Foundation and the UNO Foundation total \$114,000,051 and 24,034,037, respectively.

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 \$24,034,037 has no credit quality rating.

Rating Agency	Rating	Totals
Standard & Poor's	AAA	\$886,544
Standard & Poor's	AA+	14,525,536
Standard & Poor's	AA	1,927,069
Standard & Poor's	AA-	773,263
Standard & Poor's	A+	955,961
Standard & Poor's	A	1,344,012
Standard & Poor's	A-	3,147,564
Standard & Poor's	AAAm	115,725,281
Standard & Poor's	BBB+	2,504,084
Standard & Poor's	BBB	2,268,083
Standard & Poor's	BBB-	681,368
Moody's	Aaa	2,393,100
Moody's	Aa1	58,726
Moody's	Aa2	209,298
Moody's	Aa3	70,067
Moody's	A1	361,290
Moody's	A2	148,576
Moody's	A3	502,901
Moody's	Baa1	488,439
Moody's	Baa2	385,784
Moody's	Baa3	181,838
Unrated		292,701,201
Total		<u>\$442,239,985</u>

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

The ULL Foundation's investments totaling \$196,877,075 as shown on Statement D at June 30, 2023, follow:

Type of Investment	Amount
Certificates of deposit	\$788,540
Equities	9,017,524
Mutual and exchange traded funds	59,218,274
Hedge funds and other alternative investments	100,439,093
Unit investment trusts and limited partnerships	27,156,233
Derivative assets	257,411
Total	<u>\$196,877,075</u>

Investments – University of New Orleans (UNO Foundation)

The UNO Foundation's investments totaling \$93,857,854 as shown on Statement D at June 30, 2023, follow:

Type of Investment	Amount
Domestic equity securities	\$14,639,625
International equity securities	98,920
Mutual funds	69,740,421
Private equity	5,521,592
Hedge fund of funds	3,758,308
Investments - Other	98,988
Total	<u>\$93,857,854</u>

4. RECEIVABLES

Receivables, net of an allowance for doubtful accounts, at June 30, 2023, reported on the Statement of Net Position are composed of the following:

Type	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Portion
Student tuition and fees	\$64,416,239	(\$19,076,310)	\$45,339,929	\$497,049
Auxiliary enterprises	19,779,522	(6,179,128)	13,600,394	128,863
Contributions and gifts	9,702,777		9,702,777	
Federal, state, and private grants and contracts	71,343,677	(30,340)	71,313,337	1,115,295
Insurance recoveries	9,399,351		9,399,351	233,188
Other	13,709,547	(203,876)	13,505,671	19,956
Total	<u>\$188,351,113</u>	<u>(\$25,489,654)</u>	<u>\$162,861,459</u>	<u>\$1,994,351</u>

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2023, follow:

University of Louisiana System

Description	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated/amortized:							
Land	\$101,704,160		\$101,704,160	\$8,376,956	\$562,323		\$110,643,439
Land improvements	7,978,485		7,978,485				7,978,485
Capitalized collections	321,621		321,621				321,621
Livestock	36,300		36,300	8,250			38,950
Construction-in-progress	205,039,166		205,039,166	53,087,452	(158,200,326)	(1,353,588)	98,572,704
Other	233,110		233,110				233,110
Right-to-Use Land	218,596		218,596	807,195		(484,517)	541,274
Total assets not being depreciated/amortized	315,531,438	NONE	315,531,438	62,279,853	(157,638,003)	(1,843,705)	218,329,583
Capital assets being depreciated/amortized:							
Infrastructure	33,673,430		33,673,430				33,673,430
Land improvements	129,915,451		129,915,451	2,297,471	9,697,356	(588,745)	141,321,533
Buildings	2,678,343,079		2,678,343,079	40,111,174	149,837,104	(5,386,127)	2,862,905,230
Equipment (including library books)	513,849,340	(\$2,625,264)	511,224,076	18,481,582	(2,001,944)	(9,888,239)	517,815,475
Software (internally generated and purchased)	18,620,398		18,620,398				18,620,398
Right-to-Use Land improvements	499,128		499,128				499,128
Right-to-Use Buildings	1,586,419		1,586,419	116,349		(382,300)	1,320,468
Right-to-Use Equipment (including library books)	7,801,404		7,801,404	4,914,046		(321,932)	12,393,518
Right-to-Use Intangible Assets (SBITAs)				32,698,691			32,698,691
Total capital assets being depreciated/amortized	3,384,288,649	(2,625,264)	3,381,663,385	98,619,313	157,532,516	(16,567,343)	3,621,247,871
Less accumulated depreciation:							
Infrastructure	(16,974,553)		(16,974,553)	(723,446)			(17,697,999)
Land improvements	(64,900,439)		(64,900,439)	(5,924,659)		588,745	(70,236,353)
Buildings	(1,357,047,973)	(35,600)	(1,357,083,573)	(63,745,103)	(4,331,848)	5,288,033	(1,419,872,491)
Equipment	(437,587,800)	776,331	(436,811,469)	(16,270,590)	4,331,848	9,774,614	(438,975,597)
Software (internally generated and purchased)	(18,620,398)		(18,620,398)				(18,620,398)
Less accumulated amortization:							
Right-to-Use Land improvements	(12,685)		(12,685)	(12,685)			(25,370)
Right-to-Use Buildings	(202,034)		(202,034)	(163,945)		77,152	(288,827)
Right-to-Use Equipment (including library books)	(2,669,622)		(2,669,622)	(2,571,638)		(16,199)	(5,257,459)
Right-to-Use Intangible Assets (SBITAs)				(10,110,691)			(10,110,691)
Total accumulated depreciation/amortization	(1,898,015,504)	740,731	(1,897,274,773)	(99,522,757)	0	15,712,345	(1,981,085,185)
Total capital assets, net	\$1,801,804,583	(\$1,884,533)	\$1,799,920,050	\$61,376,409	(\$105,487)	(\$2,698,703)	\$1,858,492,269

Component Units

	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:						
Real estate	\$2,536,444	\$1,038,694	\$3,575,138	\$1,309,648		\$4,884,786
Art and collectibles	3,148,437		3,148,437	257,742		3,406,179
Total assets not being depreciated	<u>5,684,881</u>	<u>1,038,694</u>	<u>6,723,575</u>	<u>1,567,390</u>	NONE	<u>8,290,965</u>
Capital assets being depreciated:						
Buildings	11,173,819	10,198,189	21,372,008	141,639		21,513,647
Vehicles, furniture, and equipment	877,477	386,552	1,264,029	22,534	(\$18,468)	1,268,095
Software (internally generated/purchased)	76,703		76,703			76,703
Total assets being depreciated	<u>12,127,999</u>	<u>10,584,741</u>	<u>22,712,740</u>	<u>164,173</u>	<u>(18,468)</u>	<u>22,858,445</u>
Less accumulated depreciation	<u>(5,885,412)</u>	<u>(4,853,383)</u>	<u>(10,738,795)</u>	<u>(704,109)</u>	<u>18,468</u>	<u>(11,424,436)</u>
Total capital assets, net	<u>\$11,927,468</u>	<u>\$6,770,052</u>	<u>\$18,697,520</u>	<u>\$1,027,454</u>	<u>\$0</u>	<u>\$19,724,974</u>

The capital asset disclosure for the discretely presented component units (the ULL and UNO Foundations) has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the discretely presented component units. The prior period adjustments represent the effects of the inclusion of the University of New Orleans 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, 2023, are summarized in the following:

Account Name	
Vendor payables	\$49,242,825
Accrued salaries and payroll deductions	44,001,064
Accrued interest	4,154,226
Other	687,598
	<hr/>
Total payables	<u>\$98,085,713</u>

7. COMPENSATED ABSENCES

At June 30, 2023, employees of the University 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	\$29,886,919
Sick	22,823,135
Compensatory	1,026,154
	<hr/>
Total compensated absences	<u>\$53,736,208</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 in R.S. 11:403 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 on or 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. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

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 the 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 to a surviving spouse with a minor child, 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.

The minimum service credit requirement is 10 years for a surviving spouse with no minor children and the surviving spouse must have been married to the deceased member for at least one year prior to death. Surviving spouse with minor child benefits are equal to the greater of (a) 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 years of service or age, or (b) \$600 per month. Surviving spouse without minor child benefits are equal to the greater of (a) the Option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service, or (b) \$600 per month. 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 unmarried handicapped child. Benefits are paid for life to a surviving spouse unless the deceased active member was not eligible for retirement at the time of death 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 2023 were \$29,270,180 with active regular plan member contributions ranging from 7.5% to 8%, and employer contributions of 40.4% of covered payroll. Employer defined benefit plan contributions to TRSL for fiscal year 2023 were \$109,994,478, with active regular plan member contributions of 8%, and employer contributions of 24.1% and 20.8% 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 \$3,725,743 and were recognized as revenue in fiscal year 2023 by the System.

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

At June 30, 2023, the System reported liabilities of \$250,209,159 and \$786,365,140 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, 2022, 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. The System's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2022, by the fiscal year 2023 employer actuarially required contribution rates.

As of June 30, 2022, the most recent measurement date, the System's proportions and the changes in proportion from the prior measurement date were 3.30976%, a decrease of 0.09608% for LASERS, and 8.23654%, a decrease of 0.17839% for TRSL.

For the year ended June 30, 2023, the System recognized a pension expense of \$23,487,709 for LASERS and a pension expense of \$98,047,994 for TRSL for a total pension expense of \$121,535,703.

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	\$682,356	\$12,188,385	\$12,870,741		\$2,267,798	\$2,267,798
Changes in assumptions	4,549,154	53,039,935	57,589,089			
Net difference between projected and actual earnings on pension plan investments	20,153,454	44,625,231	64,778,685			
Changes in proportion and differences between employer contributions and proportionate share of contributions		18,588,176	18,588,176	\$3,417,889	34,945,423	38,363,312
Employer contributions subsequent to the measurement date	29,270,180	109,994,478	139,264,658			
Total	\$54,655,144	\$238,436,205	\$293,091,349	\$3,417,889	\$37,213,221	\$40,631,110

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, 2024. 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
2024	\$9,083,187	\$26,682,334	\$35,765,521
2025	\$4,164,253	\$7,505,169	\$11,669,422
2026	(\$5,096,215)	(\$18,202,508)	(\$23,298,723)
2027	\$13,815,849	\$75,243,512	\$89,059,361

Actuarial Assumptions

The total pension liability for LASERS and TRSL in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LASERS	TRSL
Valuation Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.25% per annum, net of investment expense	7.25% 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 Generational 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. All salary growth assumptions were reduced by 0.20%, effective July 1, 2020.	Salary increases were projected based on a 2014-2018 experience study of the plan's members. All salary growth assumptions were reduced by 0.20%, effective July 1, 2020.
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 LASERS June 30, 2022 valuation follow:

- The LASERS Board reduced the discount rate from 7.4% to 7.25% for the June 30, 2022 valuation.
- Act 170 of 2022 provided a supplemental appropriation of \$21,831,939 to LASERS, which includes State surplus funds and litter fines, to be applied to the Initial Unfunded Accrued Liability (IUAL), which is a component of the Original Amortization Base (OAB).
- Act 656 of 2022 provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility is based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.
- The following provisions of Act 95 of 2016 will be implemented as certain triggers are met:
 - The net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth year thereafter, until funded ratio reaches 80%
 - Changes the amortization period for most actuarial changes, gains, or losses from 30 years to 20 years once the funded ratio reaches 70%

Changes in assumptions for the TRSL June 30, 2022 valuation follow:

- The TRSL Board reduced the discount rate from 7.4% to 7.25% for the June 30, 2022 valuation.
- Act 170 of 2022 provided a supplemental appropriation of \$48,092,612 to TRSL to be applied to the IUAL, which is a component of the OAB
- Act 657 of 2022 grants a 2% permanent benefit increase, payable July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit
- Act 95 of 2016 provides that the net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth fiscal year thereafter until the system is 80% funded

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 8.34%, and 8.32%, for LASERS and TRSL, respectively. During fiscal year 2022, the LASERS Board of Trustees made minor changes to the investment allocations including eliminating the cash allocation. The target allocation and best estimates of arithmetic/geometric real rates of return as of June 30, 2022, 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%	0.39%		
Domestic equity	31.00%	4.57%	27.00%	4.15%
International equity	23.00%	5.76%	19.00%	5.16%
Domestic fixed income	3.00%	1.48%	13.00%	0.85%
International fixed income	17.00%	5.04%	5.50%	(0.10%)
Alternative investments	26.00%	8.30%		
Other alternative investments:				
Private equity			25.50%	8.15%
Other private assets			10.00%	3.72%
Total	100.00%	5.91%	100.00%	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for LASERS and TRSL. 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:

	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
LASERS	(6.25%) \$314,836,143	(7.25%) \$250,209,159	(8.25%) \$191,278,739
	<u>1.0% Decrease</u>	<u>Current Discount Rate</u>	<u>1.0% Increase</u>
TRSL	(6.25%) \$1,079,949,486	(7.25%) \$786,365,140	(8.25%) \$519,783,058

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, 2023, the System had \$2,916,124 and \$9,321,174 payable to LASERS and TRSL, respectively, for the June 2023 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 2023 totaled \$52,820,224, which represents pension expense for the system. Employee contributions totaled \$15,635,348. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 20.8% 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

For the fiscal year ended June 30, 2022, there was an error in the LSU First Health retiree actuarial calculations which caused immaterial errors in the liability and deferred amounts for the LSU First Health Plan. Per OSRAP instruction, agencies participating in the plan corrected the immaterial error by making a prior period adjustment to the LSU Health Plan liability and deferred amounts for the fiscal year ended June 30, 2023. The fiscal year 2023 LSU Health plan amounts included in the financial statements and in this note disclosure include the prior period adjustment. The adjustment is also included in Note 16 Restatement to Beginning Net Position.

At June 30, 2023, the System reported an OPEB liability totaling \$789,625,751 for its proportionate share of the total collective OPEB liability. The System's proportionate share of the total collective LSU Health plan's OPEB liability at June 30, 2023, totaling \$6,828,113, was determined by an actuarial valuation as of February 2022, which was rolled forward to the measurement date of June 30, 2023. The OGB and LSU Health plans' total collective OPEB liabilities were measured as of July 1, 2022 and June 30, 2023, respectively.

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, 2023, the System's proportion of the OGB liability was 11.5994%, representing an increase of 0.0884% in the System's proportion. At June 30, 2023, the System's proportion of the LSU Health Plan liability was 0.8167%, which represents a decrease of 0.07 % from the June 30, 2022 proportion of the liability, as adjusted.

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, 2022	February 2022 rolled forward to June 30, 2023
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	6.8
Inflation rate (consumer price index)	2.4%	3.0%
Salary increase rate	Consistent with pension plans disclosed in note 8	Consistent with pension plans disclosed in note 8
Discount rate¹	4.09%	3.65%
Mortality rates - non-disabled	Consistent with pension plans disclosed in note 8	Pub-2010 headcount weighted with generational scale MP-2021, applied specifically for teachers, general and safety personnel.
Mortality rates - disabled	Consistent with pension plans disclosed in note 8	Pub-2010 headcount weighted disabled mortality rates with generational scale MP-2021, applied specifically for teachers, general and safety personnel.
Termination and Retirement Tables	Consistent with pension plans disclosed in note 8	Consistent with pension plans disclosed in note 8

¹The discount rate for the OGB Plan is based on the June 30, 2022, 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 2.18% as of July 1, 2021, to 4.09% as of July 1, 2022, which decreased the plan's liability.

- The OGB valuation relies upon the pension plans covering the same participants for the mortality, retirement, termination, disability, and salary scale assumptions. Baseline per capita costs and medical plan election percentages were updated to reflect 2022 claims and enrollment. Plan claims and premiums increased less than expected, which decreased the plan's liability.
- Life insurance premium rates were updated, resulting in a decrease in the plan's liability.
- An adjustment was made to employers' actual benefit payments for the year ending June 30, 2022 for excluded agencies

The discount rate is the only applicable change in the rollforward valuation for the LSU Health Plan. The discount rate changed from 3.54% as of June 30, 2022, to 3.65% as of June 30, 2023.

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:

Year	Medical and Drug Pre-65	Medical and Drug Post-65
2022-2023	7.00%	5.50%
2023-2024	6.75%	5.40%
2024-2025	6.50%	5.30%
2025-2026	6.25%	5.20%
2026-2027	6.00%	5.10%
2027-2028	5.75%	5.00%
2028-2029	5.50%	4.90%
2029-2030	5.25%	4.80%
2030-2031	5.00%	4.70%
2031-2032	4.75%	4.60%
2033+	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 0.25% each year until reaching the ultimate trend):

Benefit	Select	Ultimate
Pre-65 Medical and Drug	6.75%	4.00%
Post-Medicare	5.75%	4.00%
Stop Loss Fees	7.00%	4.00%
Administrative Fees	4.00%	4.00%

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

	1.0% Decrease	Current Rate	1.0% Increase
OGB Plan:			
Discount Rate	3.09%	4.09%	5.09%
Proportionate Share of Total	\$903,821,364	\$782,797,638	\$685,324,111
LSU Health Plan:			
Discount Rate	2.65%	3.65%	4.65%
Proportionate Share of Total	\$8,262,017	\$6,828,113	\$5,704,529

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:

	1.0% Decrease	Current Rate	1.0% Increase
OGB Plan:			
Pre-65 Rates	6.00% decreasing to 3.5%	7.00% decreasing to 4.5%	8.00% decreasing to 5.5%
Post-65 Rates	4.50% decreasing to 3.5%	5.50% decreasing to 4.5%	6.50% decreasing to 5.5%
	\$680,992,309	\$782,797,638	\$911,436,150
LSU Health Plan:			
Pre-65 Rates	5.75% decreasing to 3.0%	6.75% decreasing to 4.0%	7.75% decreasing to 5.0%
Post-65 Rates	4.75% decreasing to 3.0%	5.75% decreasing to 4.0%	6.75% decreasing to 5.0%
	\$5,629,388	\$6,828,113	\$8,438,792

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 medical and prescription drug claims for retired participants for the period January 1, 2021 through December 31, 2022. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2023 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 June 2022 for Option 1 (primarily for future retirees under 65 without Medicare coverage). An underwriting adjustment to account for the estimated impact of COVID-19 was made to account for the overall decrease in claims during 2020 for Option 1. For Option 3, per capita claim costs are developed by applying age adjustments to the current fully insured premiums. A blend of both active and retiree data was utilized and age adjusted.

OPEB Expense(Benefit) and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2023, the System recognized an OPEB benefit totaling (\$15,375,807), comprised of (\$14,705,542) of benefit for OGB and (\$670,265) of a benefit for the LSU Health Plan. 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	\$18,516,930		\$18,516,930	\$10,958,440		\$10,958,440
Difference between proportionate share of employer benefit payments and actual benefit payments	796,962		796,962	6,520,442		6,520,442
Differences between expected and actual experience	23,812,775		23,812,775		\$1,551,597	1,551,597
Changes in assumptions	53,687,756	\$1,371,030	55,058,786	257,233,439	3,455,112	260,688,551
Employer contributions subsequent to the measurement date	32,744,770		32,744,770			
Total	\$129,559,193	\$1,371,030	\$130,930,223	\$274,712,321	\$5,006,709	\$279,719,030

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, 2024. Because the LSU Health Plan's measurement date was June 30, 2023, there are no deferred outflows for System benefit payments at June 30, 2023, for the LSU Health Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense(benefit) as follows:

Fiscal year ending June 30,	OGB	LSU Health	Total
2024	(\$50,022,070)	(\$755,969)	(\$50,778,039)
2025	(\$40,877,634)	(\$750,233)	(\$41,627,867)
2026	(\$54,513,697)	(\$800,771)	(\$55,314,468)
2027	(\$32,484,497)	(\$671,334)	(\$33,155,831)
2028		(\$644,693)	(\$644,693)
2029		(\$12,679)	(\$12,679)

11. LEASE OBLIGATIONS*Lessee Leases*

The System's lessee leasing arrangements consist primarily of leasing property and equipment for providing aviation education to students, leasing telephone, television, internet and radio equipment, and leasing office space and property for providing educational and other services to students. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. An intangible right-to-use asset represents the System's right to use an underlying asset for the lease term. Lease obligations represent the System's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months.

Variable payments are based on future performance or usage and are not included in the measurement of the lease liability. For FY23, the System made variable payments on its leases totaling \$46,379 which is mostly related to usage of leased copiers. For FY23, the system had no residual value guarantee payments, termination penalties or other expenses related to its leases.

As disclosed in Note 5, the System has a total of \$14,754,388 (gross not considering accumulated amortization) right-to-use, or leased assets (not including leased intangible assets which are disclosed in Note 25). The right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

Following is a schedule of principal and interest requirements to maturity, for the University's lease liability:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$2,743,055	\$85,950	\$2,829,005
2025	1,948,881	65,674	2,014,555
2026	1,733,746	45,941	1,779,687
2027	1,474,697	26,431	1,501,128
2028	285,860	15,507	301,367
2029-2033	371,417	53,501	424,918
2034-2038	72,827	37,221	110,048
2039-2043	42,838	33,580	76,418
2044-2048	69,770	29,634	99,404
2049-2053	105,879	23,422	129,301
Thereafter	247,546	16,629	264,175
Total Lease Liability	<u>\$9,096,516</u>	<u>\$433,490</u>	<u>\$9,530,006</u>

Lessor Leases

The System's lessor leasing arrangements consist primarily of leasing property for the purpose of constructing a medical school and establishing a college of medicine, leasing office space and property for providing an on-campus medical clinic and other purposes, leasing property for providing an accredited internship program with a hotel and restaurants to students, and leasing building rooftops for cellular towers and solar panels. Income arising from leases as a lessor is included as a receivable and deferred inflow of resources at the commencement of the lease and revenue is recognized on a straight-line basis over the lease term.

The University of Louisiana Monroe Facilities, Inc. (a blended component unit of University of Louisiana Monroe) is reported under FASB accounting standards, the requirements of which differ from the requirements of GASB Statement No. 87, *Leases*. Lumen Technologies donated a facility to University of Louisiana Monroe Facilities, Inc., then entered into agreement whereby Lumen Technologies leases back approximately 52,000 square feet of office space within the donated property. The leaseback agreement is for an initial three-year term, with extension options for two additional one-year terms. The agreement notes a monthly base rent of \$92,246.

The following is a schedule of the System's lease related revenues for the year ended June 30, 2023:

Lease Revenue	\$1,525,862
Interest Revenue	266,640
Other lease related revenues	<u>NONE</u>
Total FY23 Lease Revenues:	<u>\$1,792,502</u>

Variable revenues are based on future performance or usage and are not included in the measurement of the lease receivable or deferred inflows. The following is a schedule of the System's other lease related revenues for the year ended June 30, 2023:

Variable Revenues	\$518,674
Residual Value Guarantees	NONE
Termination Penalties	NONE
Other	<u>NONE</u>
Total FY23 Variable and Other Revenues	<u>\$518,674</u>

12. LONG-TERM LIABILITIES

Following are summaries of bond and other long-term debt transactions of the System for the year ended June 30, 2023:

University of Louisiana System

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable:					
Notes payable	\$3,990,723	\$102,223	(\$796,847)	\$3,296,099	\$820,641
Publicly offered	520,078,487		(47,539,434)	472,539,053	16,103,433
Direct borrowing/placements	143,978,844	29,431,083	(8,805,110)	164,604,817	12,622,664
Total bonds payable	664,057,331	29,431,083	(56,344,544)	637,143,870	28,726,097
Total bonds and notes payable	668,048,054	29,533,306	(57,141,391)	640,439,969	29,546,738
Other liabilities:*					
Accrued compensated absences payable	53,350,926	12,113,814	(11,728,532)	53,736,208	5,631,803
Lease obligations	7,203,307	5,438,525	(3,545,316)	9,096,516	2,743,055
Subscription obligations		21,526,421	(4,708,207)	16,818,214	7,980,234
Total other liabilities	60,554,233	39,078,760	(19,982,055)	79,650,938	16,355,092
Total	\$728,602,287	\$68,612,066	(\$77,123,446)	\$720,090,907	\$45,901,830

* 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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes payable	\$286,054	NONE	(\$26,027)	\$260,027	\$27,276

Details of all debt outstanding at June 30, 2023, 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	\$12,540,000	(\$900,000)	\$11,640,000	2034	3.00 - 5.00%	\$2,680,001
Student Housing and Related Refunding Bonds - Series 2015	December 29, 2015	43,020,000	35,415,000	(1,480,000)	33,935,000	2038	3.00 - 5.00%	13,486,700
Student Housing - Series 2016 A	August 16, 2016	36,695,000	34,305,000	(605,000)	33,700,000	2047	2.25 - 4.00%	18,858,625
Student Housing - Series 2020	May 28, 2020	49,145,000	49,145,000	(840,000)	48,305,000	2051	3.00 - 5.00%	31,768,218
McNeese State University								
Cowboy Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Parking - Series 2021 Refunding Bonds	December 16, 2021	11,020,000	10,640,000	(375,000)	10,265,000	2042	3.0-4.0%	3,549,800
Student Housing - Series 2022 Refunding Bonds	February 9, 2022	11,250,000	10,435,000	(770,000)	9,665,000	2033	3.0-4.0%	2,254,800
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Self-Assessed Fees - Series 2021	March 11, 2021	8,415,000	8,175,000	(275,000)	7,900,000	2041	4.00%	3,377,200
Southeastern Louisiana University								
University Facilities, Inc. (blended component unit):								
Intermodal Parking - Series 2007 A and B	March 14, 2007	8,035,000	3,050,000	(255,000)	2,795,000	2037	4.00 - 4.375%	648,787
Student Housing - Series 2013 Refunding Bonds	November 13, 2013	40,910,000	16,280,000	(3,775,000)	12,505,000	2027	4.00 - 5.25%	823,543
Housing Project - Series 2017 Revenue Bonds	June 6, 2017	35,465,000	35,465,000		35,465,000	2048	5.00%	20,121,375
Student Housing - Series 2019 Refunding Bonds	February 7, 2019	11,960,000	11,960,000		11,960,000	2035	4.00 - 5.00%	4,204,625
LCDAs Revenue Refunding Bonds Series 2020	November 24, 2020	20,535,000	19,825,000	(725,000)	19,100,000	2041	2.00-4.00%	7,684,900
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Lafayette Public Trust Financing Authority:								
Housing and Parking Project Refunding Bonds Series 2012	October 30, 2012	14,740,000	10,195,000	(740,000)	9,455,000	2033	3.0 - 5.0%	1,910,299
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Ragin' Cajun Facilities, Inc. - Cajundome Project Series 2015 Revenue Refunding Bonds - Student Housing and Parking - Series 2017 Housing and Parking Project Series 2018 Student Union and University Facilities Project Series 2021 Refunding 2010 Lewis Street Parking Garage Project Series 2021 Refunding 2013 Athletic Facilities Project Series 2021 Refunding 2013								
	August 18, 2015	18,500,000	18,500,000		18,500,000	2045	3.5 - 4.125%	11,143,517
	April 19, 2017	95,945,000	91,165,000	(2,900,000)	88,265,000	2042	2.75-5.0%	42,586,425
	May 23, 2018	47,410,000	47,410,000		47,410,000	2049	5.00%	53,217,375
	September 23, 2021	14,550,000	14,550,000	(525,000)	14,025,000	2041	3.0 - 4.0%	5,505,688
	September 23, 2021	18,550,000	18,550,000	(545,000)	18,005,000	2044	3.0 - 4.0%	8,427,050
	September 23, 2021	17,380,000	17,380,000	(510,000)	16,870,000	2044	3.0 - 4.0%	7,891,588
University of New Orleans								
UNO Research and Technology Foundation, Inc.* (blended component unit):								
Louisiana Public Facilities Authority Revenue Refunding Bonds Series 2014								
	August 28, 2014	36,000,000	29,885,000	(29,885,000)				
Total		558,590,000	494,870,000	(45,105,000)	449,765,000			
Discounts			(394,396)	30,565	(363,831)			
Premiums			37,331,977	(3,734,443)	33,597,534			
Deferred loss on refunding			(575,285)	107,370	(467,915)			
Bond issuance costs			(11,153,809)	1,162,074	(9,991,735)			
Total		\$558,590,000	\$520,078,487	(\$47,539,434)	\$472,539,053			\$240,140,516

*For the year ended December 31, 2022

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
Louisiana Tech University								
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	\$7,100,000	(\$285,000)	\$6,815,000	2039	4.48%	\$2,876,384
Student Housing Bonds - Series 2016 B								
	June 7, 2016	4,000,000	4,000,000		4,000,000	2047	4.50%	3,264,300
McNeese State University								
Field House - Series 2009								
	August 6, 2009	6,000,000	2,960,000	(320,000)	2,640,000	2030	3.93%	379,049
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%	13,949,557
Streets and Parking Revenue Bonds - Series 2016 A								
	February 16, 2016	1,975,000	670,000	(220,000)	450,000	2025	2.30%	15,525
Cafeteria and Student Union Revenue Bonds - Series 2016 B								
	February 16, 2016	4,000,000	2,410,000	(265,000)	2,145,000	2030	3.71%	329,633
Student Housing Revenue Refunding Bonds - Series 2017								
	December 1, 2017	10,605,000	3,270,000	(1,610,000)	1,660,000	2024	2.86%	47,476
Northwestern State University								
Wellness, Recreation, and Activity Center Bonds - Series 2011								
	October 25, 2011	4,500,000	840,000	(410,000)	430,000	2024	3.8%	16,340
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	8,115,000	(555,000)	7,560,000	2034	3.50%	1,481,200
Cajundome Refunding Lease, Revenue Bonds Series 2016								
	August 2, 2016	11,005,000	7,170,000	(835,000)	6,335,000	2030	2.47%	501,554
Cajundome Project, Series 2019								
	July 10, 2019	2,600,000	2,285,000	(160,000)	2,125,000	2034	2.91%	338,409
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	23,640,000	(575,000)	23,065,000	2035	1.57%	2,296,384
Revenue Bonds Series 2004 C & C-T								
	December 8, 2004	33,680,000	22,570,000	(450,000)	22,120,000	2036	1.65%	2,704,705
Revenue and Refunding Bonds - Series 2014 Stadium and Scoreboard								
	June 30, 2014	1,845,000	415,000	(205,000)	210,000	2024	2.92%	4,008
Revenue Refunding Bonds, Student Center - Series 2014								
	July 9, 2014	1,645,000	750,000	(140,000)	610,000	2027	3.14%	39,703
Revenue Bonds, Student Center - Series 2016								
	March 8, 2016	6,000,000	4,650,000	(260,000)	4,390,000	2036	2.62%	863,945
Revenue Bonds - Series 2017								
	June 14, 2017	4,000,000	2,135,000	(405,000)	1,730,000	2027	2.75%	120,588
Revenue Bonds - Series 2018								
	August 1, 2018	2,000,000	1,180,000	(220,000)	960,000	2027	3.56%	86,864
Revenue Bonds - Series 2020								
	December 1, 2020	5,500,000	4,890,000	(310,000)	4,580,000	2035	3.07%	965,362
University of New Orleans								
Revenue Bonds - Series 2012								
	August 22, 2012	9,700,000	4,300,000	(665,000)	3,635,000	2028	2.99%	278,145
Revenue Bonds Series 2015								
	February 27, 2015	2,990,000	2,925,000	(15,000)	2,910,000	2031	3.47%	648,370
Revenue Bonds Series 2015 B								
	May 29, 2015	3,580,000	1,433,000	(343,000)	1,090,000	2026	2.90%	63,828
Revenue Bonds Series 2020								
	December 18, 2020	7,830,000	7,010,000	(755,000)	6,255,000	2031	2.55%	658,091
UNO Research and Technology Foundation* (blended component unit):								
Revenue Refunding Bonds Series 2022								
	September 8, 2022	<u>29,820,000</u>		<u>29,820,000</u>	<u>29,820,000</u>	2036	2.92-3.63%	<u>6,581,163</u>
Total								
		240,010,000	147,098,000	20,817,000	167,915,000			
Bond issuance costs and insurance costs								
			<u>(3,119,156)</u>	<u>(191,027)</u>	<u>(3,310,183)</u>			
Total								
		<u>\$240,010,000</u>	<u>\$143,978,844</u>	<u>\$20,625,973</u>	<u>\$164,604,817</u>			<u>\$38,510,583</u>

*Fiscal year ended December 31, 2022

On September 8, 2022, the Louisiana Public Facilities Authority (the Authority) issued \$29,820,000 of revenue refunding bonds to the UNO Research & Technology Foundation (a blended component unit of the University of New Orleans) to advance refund and defease the Authority's outstanding Series 2014. Additional information on the refunding series can be found in Note 13.

The annual requirements to amortize all System bonds outstanding at June 30, 2023, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2024	\$15,820,000	\$19,244,394	\$12,728,000	\$5,131,215
2025	16,485,000	18,559,981	12,528,000	4,680,631
2026	17,240,000	17,825,056	12,864,000	4,297,726
2027	17,750,000	17,051,207	12,950,000	3,913,503
2028	18,595,000	16,210,729	12,535,000	3,529,645
2029-2033	102,995,000	67,804,919	60,775,000	11,999,278
2034-2038	95,345,000	46,162,957	36,825,000	4,158,140
2039-2043	83,095,000	26,546,804	5,220,000	662,294
2044-2048	66,480,000	10,187,638	1,490,000	138,151
2049-2053	15,960,000	546,831		
Sub-total	449,765,000	240,140,516	167,915,000	38,510,583
Unamortized Discount/ Premium/Issuance Costs	22,774,053		(3,310,183)	
Total	<u>\$472,539,053</u>	<u>\$240,140,516</u>	<u>\$164,604,817</u>	<u>\$38,510,583</u>

Following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2023:

<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 - Series 2021 Refunding Bonds	738,470	730,150	\$8,320
Student Housing - Series 2022 Refunding Bonds	1,129,497	1,125,000	4,497
Nicholls State University			
NSU Facilities, Inc.			
Revenue Bonds 2021	616,196	598,500	17,696
Southeastern Louisiana University			
University Facilities, Inc.			
Revenue Bonds 2007	414,808	386,138	28,670
Revenue Bonds 2013	<u>2,202,207</u>	<u>2,045,500</u>	<u>156,707</u>
Total publicly offered	<u>5,785,662</u>	<u>5,569,772</u>	<u>215,890</u>
Direct Placements/Borrowings:			
McNeese State University			
McNeese State University Field House Project, Series 2009	455,924	434,563	21,361
Nicholls State University			
NSU Facilities, Inc.			
Revenue Bonds, Series 2017	3,378,319	3,275,945	102,374
University of New Orleans			
Series 2020 Revenue Bonds	<u>816,432</u>	<u>783,000</u>	<u>33,432</u>
Total direct placements/borrowings	<u>4,650,675</u>	<u>4,493,508</u>	<u>157,167</u>
Total reserves	<u>\$10,436,337</u>	<u>\$10,063,280</u>	<u>\$373,057</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
Student Union/University Series - 2021 Refunding 2010	\$1,096,500
Lewis Street Parking Garage Project Series - 2021 Ref 2013	\$1,272,300
Athletic Facilities Project - Series 2021 Refunding 2013	\$1,190,600
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	\$784,236
Revenue Bonds Series 2015	\$997,003
Revenue Bonds Series 2015 B	\$384,846
UNO Research and Technology Foundation, Inc.*:	
Revenue Refunding Bonds Series 2022	\$2,899,310

*Fiscal year ended December 31, 2022

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

	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								
LA Dept of Revenue Flex Fund 2020A	April 23, 2020	\$1,200,775	\$910,375	(\$54,500)	\$855,875	2030	2.00%	\$69,326
LA Dept of Revenue Flex Fund 2020B	April 23, 2020	529,840	388,877	(11,077)	377,800	2030	2.00%	30,592
University of Louisiana at Lafayette								
MidSouth Bank 1	September 18, 2015	1,300,000	488,344	(142,719)	345,625	2026	4.45%	18,577
University of New Orleans								
UNO Research and Technology Foundation, Inc.:*								
LPFA	October 19, 1999	1,500,000	379,881	(138,798)	241,083	2025	0%	
Whitney Bank	April 19, 2001	7,350,000	1,824,280	(348,054)	1,476,226	2027	4.10%	123,372
Total		11,880,615	3,991,757	(695,148)	3,296,609			
Note issuance costs			(1,034)	524	(510)			
Total		<u>\$11,880,615</u>	<u>\$3,990,723</u>	<u>(\$694,624)</u>	<u>\$3,296,099</u>			<u>\$241,867</u>

*Fiscal year ended December 31, 2022

The University of Louisiana at Lafayette Foundation, Inc. had the following outstanding note payable at June 30, 2023:

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	\$286,054	(\$26,027)	\$260,027	2031	4.75%	\$53,873
Total		<u>\$500,000</u>	<u>\$286,054</u>	<u>(\$26,027)</u>	<u>\$260,027</u>			<u>\$53,873</u>

The annual requirements to amortize all System notes outstanding at June 30, 2023, follow:

	Principal	Interest
2024	\$820,641	\$91,747
2025	808,383	66,194
2026	608,601	41,277
2027	517,209	20,879
2028	177,975	10,835
2029-2033	363,800	10,935
Sub-total	3,296,609	241,867
Unamortized Discount/ Premium/Issuance Costs	(510)	
Total	<u>\$3,296,099</u>	<u>\$241,867</u>

The annual requirements to amortize notes outstanding for the University of Louisiana at Lafayette Foundation, Inc. at June 30, 2023 follow:

	<u>Principal</u>	<u>Interest</u>
2024	\$27,276	\$11,958
2025	28,651	10,582
2026	30,062	9,172
2027	31,542	7,691
2028	33,079	6,154
2029-2033	<u>109,417</u>	<u>8,316</u>
Total	<u>\$260,027</u>	<u>\$53,873</u>

13. REFUNDING OF BONDS

On September 8, 2022, the Louisiana Public Facilities Authority (the Authority) issued \$29,820,000 of its Revenue Refunding Bonds Series 2022 on behalf of the UNO Research & Technology Foundation (a blended component unit of the University of New Orleans) to advance refund and defease the Authority's outstanding Series 2014. As a result of the advanced refunding and defeasance of the Series 2014 bonds, the UNO Research & Technology Foundation achieved interest rate savings which resulted in undiscounted cash savings of \$1,364,402 over the life of the Series 2022 bonds. The advanced refunding and defeasance of the series 2014 bonds resulted in the UNO Research & Technology Foundation recognizing a gain of \$868,942. The new interest rates range from 2.96% to 3.63% per annum. The first principal payment is due September 1, 2023, with the final principal payment due in 2036. Series 2022 bond was initially issued as taxable bonds and may be converted to tax exempt on or after September 1, 2024, upon satisfying the conditions in the indenture of such conversion. The Series 2022 issue has debt covenants which are required to be met by the UNO Research & Technology Foundation. Additionally, the bond issue is collateralized by the resident facilities. Upon bond maturity, title to the residence facilities and equipment shall transfer to the University of New Orleans.

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*, and GASB Statement No. 93, *Replacement of Interbank Offered Rates*.

The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Authority") issued its \$32,380,000 Revenue Bonds (Nicholls State University Student Housing / NSU Facilities Corporation Project) Series 2007B Bonds (the "Bonds"), the proceeds of which were loaned to the NSU Facilities

Corporation (the "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 "Bondholder") The necessity of this remarketing was due 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 (the "Swap") with Morgan Keegan Financial Products, Inc. (the "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 (the "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 Duetsche Bank AG, New York Branch (the "Replacement Provider") and the Original Swap Documents were amended pursuant to an Amended and Restated Confirmation (the "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: Both the Swap and the Bonds have variable interest rates based on a floating rate benchmark index of one month LIBOR. As a result of widespread market manipulation by banks which provide quotes for determining the LIBOR index, LIBOR is being phased out and will not be quoted beyond June 30, 2023. In response, the Federal Reserve Board and the Federal Reserve Bank of New York created the Alternative Reference Rate Committee (ARRC), which in 2017 announced that the Secured Overnight Financing Rate (SOFR) had been chosen as the recommended but not mandatory primary replacement index for LIBOR. Pursuant to the Adjustable Interest Rate (LIBOR) Act of 2021 and the ARRC Recommendations published on March 15, 2023, the underlying benchmark index for the Swap and the Bonds will change from one month LIBOR to a fallback rate of one month term SOFR plus 0.11448% beginning after June 30, 2023. Thereafter, the Replacement Provider will

pay the Authority a variable rate equal (i) 70% of the sum of SOFR plus 0.11448%, plus (ii) 1.50%.

Fair Value: The fair value of the Swap as of June 30, 2023, which is not reported in the financial statements, was approximately \$3,592,000 in favor of the Replacement Provider. The fair value was provided by Sisung Securities Corporation.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2023, 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 benchmark index as the Bonds (70% of one month LIBOR). Therefore, the Authority is not presently exposed to basis risk on the Swap. After June 30, 2023, the floating rate paid to the Authority by the Replacement Provider will be based on the fallback floating rate benchmark index (70% of the sum of one month term SOFR plus 0.11448%), which is the same benchmark index as for the Bonds. Therefore, the Authority will still not be exposed to basis risk after the phase out of LIBOR.

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 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 on June 1, 2039, 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 has 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.

*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 \$2,640,000. The approximate remaining amount of the pledge is \$3,019,049 at June 30, 2023, representing principal and interest totaling \$2,640,000 and \$379,049, respectively. The revenues are pledged for the period July 2009 through June 2030. For the year ended June 30, 2023, the requirements for principal and interest were \$320,000 and \$110,040, respectively. Pledged revenues recognized for the period totaled \$2,027,602.

*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 \$446,340 at June 30, 2023, representing principal and interest totaling \$430,000 and \$16,340, 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, 2023, the requirements for

principal and interest were \$410,000 and \$31,920, respectively. The amount of pledged revenues recognized for fiscal year 2023 totaled \$1,107,260.

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 \$4,696,773. The approximate remaining amount of the pledge is \$3,913,145 at June 30, 2023, representing principal and interest totaling \$3,635,000 and \$278,145, respectively. The term of commitment is August 2012 through October 2027. For the year ended June 30, 2023, the requirements for principal and interest were \$665,000 and \$118,628, respectively. The amount of pledged revenues recognized during the period totaled \$1,191,574. 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 \$3,674,605. The approximate remaining amount of the pledge is \$3,558,370 at June 30, 2023, representing principal and interest totaling \$2,910,000 and \$648,370, respectively. The term of commitment is February 2015 through October 2030. For the year ended June 30, 2023, the requirements for principal and interest were \$15,000 and \$101,235, respectively. The amount of pledged revenues recognized for the fiscal year 2023 totaled \$1,191,574. 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 \$1,538,386. The approximate remaining amount of the pledge is \$1,153,829 at June 30, 2023, representing principal and interest totaling \$1,090,000 and \$63,829, respectively. The term of commitment is May 2015 through May 2026. For the year ended June 30, 2023, the requirements for principal and interest payments were \$343,000 and \$41,557, respectively. The amount of pledged revenues recognized for the fiscal year 2023 totaled \$12,345,591.

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 total principal drawn on the bonds was \$7,830,000, 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 \$7,813,283. The approximate remaining amount of the pledge is \$6,913,091 at June 30, 2023, representing principal and interest totaling \$6,255,000 and \$658,091, respectively. The term of commitment is December 2020 through December 2030. For the year ended June 30, 2023, the requirements for principal and interest payments were \$755,000 and \$145,192, respectively. The amount of pledged revenues recognized for the fiscal year 2023 totaled \$2,265,262.

16. RESTATEMENT OF BEGINNING NET POSITION

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

Description	System	Component Units
Net Position at June 30, 2022	\$21,553,282	\$212,497,396
Other Postemployment Benefit Obligation	211,235	
Capital Assets	(1,884,533)	
Other Liabilities	11,519	
Expenses	(110,000)	
Inclusion of UNO Foundation		<u>100,374,361</u>
Net position at June 30, 2022, restated	<u>\$19,781,503</u>	<u>\$312,871,757</u>

The restatements decreased the System's beginning net position to \$19,781,503. Had the error corrections totaling (\$1,771,779) affecting fiscal year 2022 been included in the June 30, 2022 Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$94,891,656 would have totaled \$93,119,877.

As explained in note 1.B, for fiscal year 2023, the University of New Orleans Foundation meets the threshold established by the Division of Administration, Office of Statewide Accounting and Reporting Policy for inclusion in the System's financial statements as a discretely presented component unit. Therefore, the foundation has been included in the financial statements, and the foundation's prior year ending net asset balance totaling \$100,374,361 has been added to the component units' June 30, 2022 net position.

17. RESTRICTED NET POSITION*University of Louisiana System*

The System's restricted expendable net position at June 30, 2023, follows:

<u>Account Title</u>	<u>Amount</u>
Endowments	\$98,381,385
Student Fees	88,907,908
Student Loan Fund	13,740,781
Auxiliary Enterprises	11,847,912
Grants and Contracts	23,186,592
Maintenance Reserves	16,831,840
Capital Construction/Plant Projects	21,170,233
Debt Service/Retirement of Indebtedness	4,229,225
Scholarships	5,920,475
Mineral Lease	14,097,125
Other	5,679,074
Gifts - Restricted by Donors	4,338,815
WRAC Fund	1,387,379
	<hr/>
Total expendable	<u>\$309,718,744</u>

Of the total restricted net position reported on Statement A for the year ended June 30, 2023, \$65,169,846 was restricted by enabling legislation.

The System's restricted nonexpendable net position totaling \$222,827,533 as of June 30, 2023, 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, 2023, the System reported restricted-expendable net appreciation of endowments totaling \$98,381,385 of which \$88,621,976 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	\$15,856,347
With donor restrictions	<u>207,709,324</u>
Total net assets	<u>\$223,565,671</u>

University New Orleans Foundation

The UNO Foundation reported its net assets as follows:

Without donor restrictions	\$10,595,335
With donor restrictions	<u>76,947,541</u>
Total net assets	<u>\$87,542,876</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	\$ 53,476	\$ 1,171,498	\$ 1,185,000	\$ 483,197
Capital assets	334,029	152,359,038	24,387,670	32,768,157
Other assets		8,198,654	3,728,647	9,724,659
Total assets	\$ 387,505	\$ 161,729,190	\$ 29,301,317	\$ 42,976,013
Liabilities:				
Current liabilities		\$ 6,941,865	\$ 1,363,884	\$ 2,702,077
Long-term liabilities		139,938,619	19,023,226	49,992,355
Total liabilities	NONE	\$ 146,880,484	\$ 20,387,110	\$ 52,694,432
Net Position:				
Net investment in capital assets	\$ 334,029	\$ 9,533,449	\$ 5,364,444	(\$ 7,407,845)
Restricted net position - expendable			3,549,763	5,850,214
Unrestricted net position	53,476	5,315,257		(8,160,788)
Total net position	\$ 387,505	\$ 14,848,706	\$ 8,914,207	(\$ 9,718,419)
			University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Assets:				
Current assets	\$ 20,578,494	\$ 24,639	\$ 8,590,120	\$ 18,932,174
Capital assets	107,445,483	243,791,925	83,598,505	36,264,329
Other assets	2,989,033	11,987,177	4,632,122	28,366,945
Total assets	\$ 131,013,010	\$ 255,803,741	\$ 96,820,747	\$ 83,563,448
Liabilities:				
Current liabilities	\$ 8,528,629	\$ 11,864,088	\$ 6,460,642	\$ 3,667,391
Long-term liabilities	80,628,804	234,605,490	51,609,567	29,417,277
Total liabilities	\$ 89,157,433	\$ 246,469,578	\$ 58,070,209	\$ 33,084,668
Net Position:				
Net investment in capital assets	\$ 25,033,346	\$ 2,884,487	\$ 27,627,888	\$ 34,547,020
Restricted net position - expendable	10,234,518	8,646,455		
Unrestricted net position	6,587,713	(2,196,779)	11,122,650	15,931,760
Total net position	\$ 41,855,577	\$ 9,334,163	\$ 38,750,538	\$ 50,478,780

*Fiscal year ended December 31, 2022

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		\$11,182,401	\$4,128,042	\$5,772,465
Operating expenses			(2,006,002)	(137,177)
Depreciation expense		(3,796,521)	(1,265,112)	(3,603,363)
Net operating income	NONE	7,385,880	856,928	2,031,925
Nonoperating revenues (expenses):				
Investment income		271,810	173,998	333,485
Gift Income		38,600		
Interest expense		(5,562,675)	(676,745)	(2,375,966)
Other (net)		(2,313,979)	(41,553)	2,174,000
Capital contributions/additions to permanent and term endowments		1,105,020		
Changes in net position	NONE	924,656	312,628	2,163,444
Net position beginning of the year	\$387,505	13,924,050	8,601,579	(11,881,863)
Net position end of the year	\$387,505	\$14,848,706	\$8,914,207	(\$9,718,419)
	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	\$18,005,154	\$16,037,738	\$10,087,637	\$10,069,633
Operating expenses	(16,258,541)	(1,327,746)	(2,181,458)	(6,544,320)
Depreciation expense	(4,145,805)	(13,249,621)	(3,429,353)	(2,536,078)
Net operating income	(2,399,192)	1,460,371	4,476,826	989,235
Nonoperating revenues (expenses):				
Investment income	908,531	244,846	273,723	(2,029,400)
Interest expense	(3,110,843)	(9,280,747)	(1,134,324)	(1,169,560)
Gift Income				
Other (net)		2,596,820	15,714,073	110,110
Capital contributions/additions to permanent and term endowments		3,501,862		
Changes in net position	(4,601,504)	(1,476,848)	19,330,298	(2,099,615)
Net position beginning of the year	46,457,081	10,811,011	19,420,240	52,578,395
Net position end of the year	\$41,855,577	\$9,334,163	\$38,750,538	\$50,478,780

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		\$9,984,423	\$2,122,040	\$5,683,941
Noncapital financing				
Capital and related financing		(18,190,921)	(2,583,236)	(4,675,853)
Investing activities		310,410	173,998	
Net increase (decrease) in cash	NONE	(7,896,088)	(287,198)	1,008,088
Cash, beginning of the year	\$53,476	16,003,978	5,200,845	8,716,571
Cash, end of the year	\$53,476	\$8,107,890	\$4,913,647	\$9,724,659
	University Facilities, Inc.	Ragin' Cajun Facilities, Inc.	University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Net cash flows provided (used) by:				
Operating activities	\$4,495,861	\$10,843,901	\$3,245,478	\$2,371,874
Noncapital financing				(760,137)
Capital and related financing	(8,949,128)	(9,018,366)	(11,254,835)	(2,227,288)
Investing activities	4,459,063		271,626	(3,289,523)
Net increase (decrease) in cash	5,796	1,825,535	(7,737,731)	(3,905,074)
Cash, beginning of the year	195,942	10,161,642	20,121,117	5,850,610
Cash, end of the year	\$201,738	\$11,987,177	\$12,383,386	\$1,945,536

*Fiscal year ended December 31, 2022

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Totals
Instruction	\$294,688,758	\$85,283,942	\$80,645	\$41,713,814	\$439,400		\$422,206,559
Research	64,212,589	17,489,308	3,247,254	41,449,733	1,278,952		127,677,836
Public Service	29,138,584	8,480,350	35,526	10,546,099	(349,141)		47,851,418
Academic Support	52,515,734	16,783,020	272,184	24,226,954	131,904		93,929,796
Student Services	41,360,920	12,131,885	656,918	26,533,706	427,183		81,110,612
Institutional Support	78,388,014	23,059,584	1,345,338	48,542,076	1,245,833		152,580,845
Operations and Maintenance of Plant	21,954,665	8,787,470	34,917,647	58,299,615	15,152		123,974,549
Depreciation						\$99,522,757	99,522,757
Scholarships and Fellowships	294,650	468,141		859,006	85,071,998		86,693,795
Auxiliary Enterprises	65,620,073	18,258,621	17,562,439	127,059,381	11,177,086		239,677,600
Other	700,438	1,014,635		3,788,601			5,503,674
Total operating expenses	\$648,874,425	\$191,756,956	\$58,117,951	\$383,018,985	\$99,438,367	\$99,522,757	\$1,480,729,441

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. The System only incurred claims and/or litigation cost totaling \$17,235 in the current year. Therefore, the System, through its respective universities' legal advisors, estimates that other potential claims not covered by insurance would not materially affect the financial statements. 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, 2023, was \$5,972,892, which includes \$3,725,743 for contributions to the TRSL pension plan from non-employer contributing entities.

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 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
PRO NSU, Inc.
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 Alumni Association
University of Louisiana System Foundation

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.gov.

24. COOPERATIVE ENDEAVOR AGREEMENTS

Louisiana Tech University/City of Bossier City and Parish of Bossier

General

In January 2022, the University has entered into a Cooperative Endeavor Agreement with the City of Bossier City and the Parish of Bossier whereby the University is granted a lease to certain property in Bossier comprising approximately 3.289 acres for an initial term of thirty (30) years with two automatic ten (10) year renewal terms. The property is within the National Cyber Research Park and a 78,000-square-foot

facility known as the Louisiana Technical Research Institute is being constructed by the City of Bossier City.

Obligations

The CEA provides that the University or its assignee will exclusively operate the facility during the term of the CEA. In exchange, the University may contribute up to \$7,000,000 towards the construction of the facility on a cost-reimbursable basis. As of June 30, 2023, the University has reimbursed \$4,906,423 to the City of Bossier City for the facility's construction since the inception of the CEA.

Nicholls State University/Lafourche Parish Government

Nicholls State has entered into several cooperative endeavor agreements as follows:

In May of 2021, an agreement was signed by which the Lafourche Parish Government would budget \$30,000 to assist the university with the cost of hosting an E Sports Summer Camp for the youth of Lafourche Parish. The camp will provide recreational opportunities to the residents of the parish. The camp was held during the summer of 2021. The agreement extends through December of 2023, and additional camps are planned.

In August of 2021, an agreement was signed by which the Lafourche Parish Government would budget \$200,000 to assist the university with the costs of maintaining the John L Guidry Stadium. This agreement will provide sporting events to area schools, and viewing opportunities to parish residents. Guidry Stadium is the home of Colonel football, the Manning Passing Academy, and numerous high school games, with an estimated \$2,000,000 impact to the parish.

In August of 2022, an agreement was signed with the Lafourche Parish Government, Office of Community Action, whereby they will provide tuition assistance for qualified residents of the parish, up to \$2,500, under a federal grant expiring September 30, 2023.

In August 2022, Nicholls entered into an agreement with the Ascension Parish Government to provide consulting services for an Early Learning Center in Donaldsonville, LA and to develop an early childhood education program to serve infants through age 2-year-old children.

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. After the initial term, this agreement shall automatically renew for two (2) years effective July 1, 2022. The University's payments total \$840,000 through June 30, 2023.

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 funds 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 \$537,685 through June 30, 2023.

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

In October 2017, Southeastern Louisiana University (University) accepted from the Southeastern Educational Foundation, which is 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/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, 2023, project payments totaling \$2,412,541 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, 2023.

*University of Louisiana at Lafayette/Lafayette City-Parish
Consolidated Government**General*

In February 2022, the University entered into a CEA with the Lafayette City-Parish Consolidated Government for 5 years providing funding of \$450,000 to the University to operate their property as a museum for servicing the educational needs of University's students and the Lafayette Parish community. The term of the agreement is for five years.

Obligations

Using the Lafayette City-Parish Consolidated Government funding together with revenue earned from museum operations, the University will engage in activities reasonably aimed at supporting its mission of actualizing its core value of intellectual curiosity, pursuing knowledge and appreciating its inherent value, and enhancing research opportunities for faculty and students. Costs to operate the museum will include personnel costs, ticketing software, utilities above \$12,500 monthly allowance, equipment and building maintenance, trash pickup and website

administration. Through June 30, 2023, project payments totaling \$328,538 were paid.

University of Louisiana at Lafayette/Iberia Economic Development Authority

General

In November 2022, the University entered into a Cooperative Endeavor Agreement between the State of Louisiana, The Board of Supervisors for the University of Louisiana System on behalf of the University of Louisiana at Lafayette ("University") and the Louisiana Department of Economic Development ("LED"). The purpose of the Agreement is to provide funding for two projects that involve facilities for the New Iberia Research Center ("NIRC"), the BSL-3 Lab and Animal Housing and the Iberia BioInnovation Accelerator GMP CDMO. The proposed level of funding for the two facilities are \$24,600,000 and \$22,400,000, respectively, through General Obligation Bonds and fund provided from the Capital Outlay Savings Fund.

NIRC is affiliated with the University as comprehensive research institution with an in-house public-health-funded research program as well as collaborative relationships with private companies and academic partnerships. The BSL-3 Facility is a Biosafety Level 3 laboratory and animal housing facility that will enable research, educational, and other activities requiring such level of biological safety to expand NIRC's research capabilities.

The BioInnovation Accelerator CDMO Project involves the construction of the initial component of a bioinnovation accelerator complex to be owned and operated by the University, and consisting of a Good Manufacturing Practices ("GMP") Contract Drug Manufacturing Organization Facility ("CDMO") and a bioinnovation accelerator facility. The CDMO Facility includes a biopharmaceutical manufacturing facility for drugs tested and developed at NIRC and elsewhere, and it will enable NIRC and its collaborators and partners to manufacture needed drugs more quickly and reduce reliance on foreign manufacturing. The CDMO Facility also includes an office building for business incubation of bioinnovation firms to be recruited and developed by the University, leveraging the drug manufacturing facility, the BSL-3 Facility and other assets and expertise of NIRC. The CDMO Facility will be modular, such that future components for bioinnovation acceleration can be added to the complex as additional funding is procured.

The parties intend to construct the BSL-3 Facility through the University and Ragin' Cajun Facilities, Inc. on property owned by the University and leased to RCFI for this purpose. The parties further intend to construct the CDMO Facility through RCFI on property leased by the University for 99 years from the Iberia Economic Development Authority and subleased by the University to RCFI for this purpose. RCFI is to terminate the lease and sublease upon completion of construction of the respective Facilities, and for the University to own and to operate or provide for the operation of the Facilities after this termination.

Obligations

At June 30, 2023, both projects were in the early planning stages, and RCFI had incurred just under \$100,000 on these facilities. RCFI had received \$80,890 in grant revenues.

*University of New Orleans/Avondale Maritime Technology Center of Excellence**General*

Avondale, a subsidiary of Huntington-Ingalls, donated certain property to the University of New Orleans (University), which is leased to the University of New Orleans Research and Technology Foundation (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 \$4,763,108 as of December 31, 2022.

25. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The System's subscription-based information technology arrangements (SBITAs) consist primarily of cloud-based enterprise resource systems and other supplemental software. SBITAs are included in intangible right-to-use assets and SBITAs obligations on the Statement of Net Position. An intangible right-to-use asset represents the System's right to use an underlying asset for the SBITA term. SBITA obligations represent the System's liability to make payments arising from the SBITA agreement. Intangible right-to-use assets and SBITA obligations are recognized based on the present value of the subscription payments over the SBITA term, where the initial term exceeds 12 months.

Variable payments are based on future performance or usage and are not included in the measurement of the lease liability. For FY23, the System had the following outflows of resources (expenses) related to SBITAs that were not previously included in the measurement of the SBITA liability reported in the Statement of Net Position:

Variable Payments	\$3,996
Other	103,390
Total	<u>\$107,386</u>

As disclosed in Note 5, the System has a total of \$32,698,691 (gross not considering accumulated amortization) right-to-use, or intangible SBITA assets, that are capitalized in accordance with policy.

Following is a schedule of principal and interest requirements to maturity, for the System's SBITA liability:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$7,980,234	\$163,358	\$8,143,592
2025	4,160,442	95,481	4,255,923
2026	3,484,347	54,711	3,539,058
2027	324,778	24,060	348,838
2028	312,717	18,856	331,573
2029-2033	<u>555,696</u>	<u>35,160</u>	<u>590,856</u>
Total SBITA Liability	<u>\$16,818,214</u>	<u>\$391,626</u>	<u>\$17,209,840</u>

26. RELATED PARTY TRANSACTIONS*Louisiana Tech University*Procurement transactions

In June 2023, the University awarded the bid for airplane maintenance for the aircraft utilized in Professional Aviation flight program. The effective date is July 1, 2023. Requests for bids were advertised and also sent directly to six qualified vendors. Ruston Aviation, Inc. was the successful bidder. The previous bid for airplane maintenance was awarded in June 2020 to Ruston Aviation, Inc. In November 2021, the University also awarded a bid for the mandatory airplane engine replacement. Requests for bids were advertised and also sent directly to five qualified vendors. Ruston Aviation, Inc. was the successful bidder. The total expenditures for fiscal year 2022-2023 related to these two bids totaled \$2,072,760 and are included in the University's financial statement as instructional expenses. As of June 30, 2023, the University recorded \$91,183 in accounts payable due to Ruston Aviation, Inc. Ruston Aviation, Inc. is owned by an immediate family member of one of the University of Louisiana System Board of Supervisors.

Lease transaction

In 2017, Louisiana Tech University entered a lease/purchase arrangement with Somid Resources LLC for the option to purchase of 12 aircraft for the University's Professional Aviation flight program. The lease purchase was bid in accordance with procurement regulations and approved by the required state agencies as part of the procurement process. The lease is a 10-year municipal lease purchase. The original amount of the lease was \$4,543,322 with a 3.25-3.75% interest rate. The annual payments total \$491,933. In accordance with GASB Statement No. 87, the assets and the lease obligation are reported in the University's financial statements. As of June 30, 2023, the Right-Of-Use Asset totals \$2,658,223 and the lease liability totals \$1,823,885. Somid Resources LLC is owned by an immediate family member of one of the University of Louisiana System Board of Supervisors.

Northwestern University

In 2020, Northwestern State University entered an agriculture lease arrangement with Marlan Anderson for the Lease three tracts of land with a total of 366.98 acres of the University's Crow Property. The lease was bid in accordance with procurement regulations and approved by the required state agencies as part of the procurement process. The lease is a five-year lease that commenced on May 16, 2020, and may be extended for one five-year term. The amount of the lease is \$15,100 per year. The assets and the rental payments are reported in the University's financial statement. Marlan Anderson is an immediate family member of one of the University's employees.

27. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPPs)*Northwestern University/Provident Group*

Northwestern State University (University) entered into a public-private partnership arrangement with Housing Partnership II, LTD, in 1994 and Provident Group – NSU Properties, LLC in 2004 (Operators) in which the Operators designed, built, financed, and for 40 years will operate a student housing facility (University Columns and University Place, respectively). In exchange for transfer of ownership of the housing facility at the end of the 40 years, the University conveys to the Operators the right to operate the housing facility and to set, collect, and retain student rental revenues. Because the useful life of the facility is 40 years and the carrying value of the facility at the end of the arrangement is \$0, the University has not recognized a receivable and deferred inflow of resources for this arrangement.

University of Louisiana at Monroe/Provident Group

During 2019, the University of Louisiana at Monroe (University) entered into a public-private partnership arrangement with Provident Group – ULM Properties, LLC (Provident), under which Provident designed, built, financed, and for 40 years will operate a student housing facility (Warhawk Village). In exchange for transfer of ownership of the housing facility at the end of the 40 years, the University conveys to Provident the right to operate the housing facility and to set, collect, and retain student rental revenues. Because the useful life of the facility is 40 years and the carrying value of the facility at the end of the arrangement is \$0, the university has not recognized a receivable and deferred inflow of resources for this arrangement.

Louisiana Tech University/Tech Point II, LLC

Louisiana Tech University (University) entered into a public-private partnership arrangement with Tech Pointe II, LLC (Operator) in October 2019. Under the terms of the agreement, the Operator developed, designed, constructed, and equipped the Tech Pointe II facility in the University's Research Park known as the Enterprise Campus. The Operator will lease space within the Tech Pointe II facility to qualified tenants during the period of the agreement. The agreement has an initial term of 30 years with automatic renewals for two consecutive 10-year renewal periods. In exchange for transfer of ownership of the facility at the end of the agreement, the University conveys to the Operator the right to lease space in the facility and collect and retain the lease revenues. Because the useful life of the facility is 40 years and the carrying value of the facility at end of the arrangement is \$0, the University has not recognized a receivable and deferred inflow of resources for this arrangement.

University of New Orleans/ Orleans Sustainable Energy Partners, LLC

To upgrade its energy management infrastructure and make it more efficient, the University of New Orleans (UNO) leased a portion of its energy management facilities to the University of New Orleans Research & Technology Foundation (Foundation), which will then sub-lease the facilities to Orleans Sustainable Energy Partners, LLC

(OSEP), an affiliated special purpose entity of Louisiana Energy Partners, LLC (LAEP), a joint venture created by Bernhard, LLC and Johnson Controls, Inc.

This public-private partnership requires OSEP to make considerable capital investments to improve the UNO energy producing facilities. OSEP will use the improved facilities to provide thermal services to UNO, and OSEP will charge UNO for the thermal services and for the capital investments. This transaction required an opt-in, through an Adoption Agreement, into an existing cooperative endeavor agreement between the state of Louisiana and LAEP. The project required the parties to enter into other agreements as well, including a Thermal Services Agreement, a Facility Optimization Service Agreement, and other ancillary agreements. The improvements are expected to generate sufficient energy savings to make the arrangement at least budget neutral to UNO. The agreement became effective February 28, 2023.

UNO continues to recognize its existing infrastructure as a capital asset with a book value of \$98,709,772. A receivable and a deferred inflow of resources are reported in the System's fiscal year 2023 statement of net position to account for the \$10,296,615 prepayment made from LAEP to the Foundation. The prepayment is recorded as a receivable in the System's statement of net position because the Foundation received the prepayment after the end of its calendar year reporting date of December 31, 2022. The cash will be recognized in the Foundation's December 31, 2023, financial statements, which will be blended into the System's fiscal year 2024 statements. The deferred inflows of resources will be amortized over the 25-year term of the agreement beginning in fiscal year 2024.

28. SUBSEQUENT EVENTS

On September 26, 2023, the U.S. Department of Education advised Grambling State University that the University's request to use its allocated Higher Education Emergency Relief Fund (HEERF) funds to construct a Student Enrollment Success Center has been approved. The 60,000-square-foot facility is expected to cost approximately \$25 million. The Center will accommodate the Registrar Office, Admissions, University College, Bursar Office, Financial Aid, Housing, and Student Success Center in one central location. The new construction will allow for optimal protection/prevention controls in COVID-19/Infectious Disease environments, ensure air quality and social distancing, and will have larger classrooms, office spaces, conference rooms, and an open multi-purpose space. The facility is expected to be completed by December 31, 2026.

On October 31, 2023, the Louisiana Local Government Environmental Facilities and Community Development Authority, a political subdivision of the State of Louisiana, issued \$11,335,000 of tax-exempt revenue bonds (Series 2023A) and \$2,705,000 of taxable revenue bonds (Series 2023B), together, Series 2023 bonds. The proceeds of the bond issue were loaned to Ragin Cajun Facilities, Inc., a component unit of the University of Louisiana at Lafayette, for the purpose of constructing additional premium stadium seating and related facilities in the University's football stadium on

the campus of the University of Louisiana at Lafayette. The bonds bear interest rates ranging from 4.75% to 6.250% and are to be repaid over a 25-year term.

On August 30, 2023, the Louisiana Local Government Environmental Facilities and Community Development Authority issued \$1,550,000 in Revenue and Refunding Bonds (Series 2023 Athletic Improvement Project). The proceeds of the bond issue were loaned to University of Louisiana at Monroe Facilities, Inc., a blended component unit of the University of Louisiana at Monroe, for the following purposes: (1) to refund the remaining principal balance of the Series 2014 Revenue and Refunding Bonds, (2) to finance a new Athletic Scoreboard project, and (3) pay bond issuance costs. The bonds bear an interest rate of 4.80% and are to be repaid over a 15-year term.

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
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 LOUISIANASchedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2023

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%
2022	3.40584%	\$187,456,828	\$73,803,804	254%	72.8%
2023	3.30976%	\$250,209,159	\$70,323,868	356%	63.7%
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%
2022	8.41493%	\$449,252,757	\$446,511,353	101%	83.9%
2023	8.23654%	\$786,365,140	\$459,614,029	171%	72.4%

*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, 2023

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.

2022

- M. The discount rate used for the June 30, 2021 valuation was 7.4%. The discount rate used to determine the projected contribution requirements for FY2022/2023 was reduced to 7.25%.
- N. Act 95 of 2016 requires re-amortization of the OAB with level-dollar payments to 2029 when such re-amortization results in annual payments that are not more than the next annual payment otherwise required under prior law. This criterion was met after allocating legislative appropriations and investment experience gains to this schedule. The schedule was re-amortized with level dollar payments to be paid off in 2029
- O. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450

2023

- P. The discount rate used for the June 30, 2022 valuation was 7.25% and was also used to determine the projected contribution requirements for FY2023/2024.
- Q. Act 170 of 2022 provided a supplemental appropriation of \$21,831,939 to LASERS, which includes State surplus funds and litter fines, to be applied to the Initial Unfunded Accrued Liability (IUAL), which is a component of the Original Amortization Base (OAB).
- R. Act 656 of 2022 provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility is based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

(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, 2023**

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.

2022

- L. The discount rate for the June 30, 2021 valuation was reduced from 7.45% to 7.40%. This change was anticipated in the determination of the projected contribution requirements for FY 2021/2022. The Board adopted a further reduction in the discount rate to 7.25% for purposes of determining the projected contribution requirements for FY 2022/2023.

- M. Two triggers set by Act 95 of 2016 were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. Also, the OAB was re-amortized with level-dollar payments to 2029 since this re-amortization resulted in annual payments which are less than the FY 2021/2022 payments that would have been required without the re-amortization.

2023

- N. TRSL reduced the discount rate from 7.4% to 7.25%.

- O. Act 170 of 2022 provided a supplemental appropriation of \$48,092,612 to TRSL to be applied to the IUAL, which is a component of the OAB.

- P. Act 657 of 2022 grants a 2% permanent benefit increase, payable July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit.

- Q. Act 95 of 2016 provides that the net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth fiscal year thereafter until the system is 80% funded.

(Concluded)

Schedule 2

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANASchedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2023

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%
2022	\$27,876,807	\$27,876,807	NONE	\$70,323,868	39.6%
2023	\$29,270,180	\$29,270,180	NONE	\$72,121,310	40.6%
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%
2022	\$106,286,109	\$106,286,109	NONE	\$459,614,029	23.1%
2023	\$109,994,478	\$109,994,478	NONE	\$483,206,030	22.8%

*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, 2023**

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.

2022

- M. The discount rate used for the June 30, 2021 valuation was 7.4%. The discount rate used to determine the projected contribution requirements for FY2022/2023 was reduced to 7.25%.
- N. Act 95 of 2016 requires re-amortization of the OAB with level-dollar payments to 2029 when such re-amortization results in annual payments that are not more than the next annual payment otherwise required under prior law. This criterion was met after allocating legislative appropriations and investment experience gains to this schedule. The schedule was re-amortized with level dollar payments to be paid off 2029.
- O. Act 37 of 2021 provided a monthly benefit increase to retirees that on June 30, 2021 have attained age 60, have 30 or more years of service, have been retired 15 or more years, receive a monthly benefit less than \$1,450, and have not participated in DROP or the Initial Benefit Option. The benefit increase is the lesser of \$300 per month or the amount needed to increase the monthly benefit to \$1,450.

2023

- P. The discount rate used for the June 30, 2022 valuation was 7.25% and was also used to determine the projected contribution requirements for FY2023/2024.
- Q. Act 170 of 2022 provided a supplemental appropriation of \$21,831,939 to LASERS, which includes State surplus funds and litter fines, to be applied to the Initial Unfunded Accrued Liability (IUAL), which is a component of the Original Amortization Base (OAB).
- R. Act 656 of 2022 provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility is based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

(Continued)

Schedule 2

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2023**

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.
- 2022
- L. The discount rate for the June 30, 2021 valuation was reduced from 7.45% to 7.40%. This change was anticipated in the determination of the projected contribution requirements for FY 2021/2022. The Board adopted a further reduction in the discount rate to 7.25% for purposes of determining the projected contribution requirements for FY 2022/2023.
 - M. Two triggers set by Act 95 of 2016 were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. Also, the OAB was re-amortized with level-dollar payments to 2029 since this re-amortization resulted in annual payments which are less than the FY 2021/2022 payments that would have been required without the re-amortization.
- 2023
- N. TRSL reduced the discount rate from 7.4% to 7.25%.
 - O. Act 170 of 2022 provided a supplemental appropriation of \$48,092,612 to TRSL to be applied to the IUAL, which is a component of the OAB.
 - P. Act 657 of 2022 grants a 2% permanent benefit increase, payable July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit.
 - Q. Act 95 of 2016 provides that the net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth fiscal year thereafter until the system is 80% funded.

(Concluded)

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, 2023

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	\$436,519,294 *	224%	*
2020	11.5829%	\$894,468,858	\$458,001,767 *	195%	*
2021	11.3684%	\$941,840,399	\$468,252,775 *	201%	*
2022	11.5110%	\$1,054,029,175	\$471,057,727 *	224%	*
2023	11.5994%	\$782,797,638	\$477,785,266	164%	
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	
2022	0.8818% *	\$7,204,488 *	NONE	NONE	
2023	0.8167%	\$6,828,113	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.

*Restated

(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, 2023

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.

2022

- P. A change in the discount rate from 2.66% as of July 1, 2020, to 2.18% as of July 1, 2021.
- Q. 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 2021 claims and enrollment.
- R. 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.
- S. Medical plan election percentages were updated based on the coverage elections of recent retirees.
- T. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.
- U. An adjustment was made to employers' actual benefit payments for the year ending June 30, 2021 for excluded agencies.

(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, 2023**
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) includes: (continued)

2023

- V. A change in the discount rate from 2.18% as of July 1, 2021, to 4.09% as of July 1, 2022, which decreased the plan's liability.
- W. The OGB valuation relies upon the pension plans covering the same participants for the mortality, retirement, termination, disability, and salary scale assumptions. Baseline per capita costs and medical plan election percentages were updated to reflect 2022 claims and enrollment. Plan claims and premiums increased less than expected, which decreased the plan's liability.
- X. Life insurance premium rates were updated, resulting in a decrease in the plan's liability.
- Y. An adjustment was made to employers' actual benefit payments for the year ending June 30, 2022 for excluded agencies.

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%.

2022

- K. A change in the discount rate from 2.16% to 3.54%.
- L. Trend rates were reset based on current Healthcare Analytics.
- M. The salary increase rates were updated to match the pension plan valuations.
- N. Participation rates were updated based on 5 years of historical update information, and broken out by members years of service to properly allocate subsidies based on subsidy eligibility.
- O. The mortality projection scale was updated from MP-2019 to MP-2021.

2023

- P. A change in the discount rate from 3.54% to 3.65%.

(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, 2023**

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, 2023**

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, 2023**

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, 2022**

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, 2022**

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, 2022**

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, 2023**

	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	\$8,344,651	\$10,331,808	\$61,523,903	\$4,452,887	\$59,666,188	\$35,667,272
Investments						5,630,682
P3 receivable						
Receivables (net)	8,276,060	11,054,093	10,650,454	5,972,830	9,255,901	14,568,211
Due from state treasury	326,478	334,022	339,543	467,587	324,672	349,629
Due from federal government	3,574,031	5,247,433	512,452	283,926	78,601	7,964,188
Inventories	313,576	524,860	340,865		319,780	625,680
Prepaid expenses and advances	482,802	3,041,608	194,368	1,360,538	554,448	550,804
Notes receivable (net)			80,049			100,740
Lease receivable			72,136	206,237		
Other current assets	270	9,076			20,941	
Total current assets	21,317,868	30,542,900	73,713,770	12,744,005	70,220,531	65,457,206
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	41,706,032	12,150,017	11,550,830	14,126,223	2,958,156	10,346,387
Investments	10,478,341	39,831,989	19,745,794	17,605,183	16,858,178	24,102,223
Accounts receivable (net)				1,369,336	94,195	
Notes receivables (net)	342		30,616		282,943	142,116
Investments						
Lease receivable			1,608,338	913,964		
Capital assets (net)	129,212,383	343,966,927	230,062,277	95,315,903	48,253,913	207,616,770
Other noncurrent assets		90,764				
Total noncurrent assets	181,397,098	396,039,697	262,997,855	129,330,609	68,447,385	242,207,496
Total assets	202,714,966	426,582,597	336,711,625	142,074,614	138,667,916	307,664,702
Deferred outflows of Resources:						
Deferred outflows related to pensions	16,441,716	34,322,912	16,383,469	22,079,518	25,154,061	39,140,057
Deferred outflows related to other postemployment benefits (OPEB)	6,327,705	15,419,270	9,692,120	12,203,651	11,724,531	18,169,270
Total deferred outflows of resources	22,769,421	49,742,182	26,075,589	34,283,169	36,878,592	57,309,327
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	8,283,263	9,810,192	4,806,124	3,742,765	6,041,358	11,616,401
Due to state treasury	8,931					1,195
Due to federal government						
Unearned revenues	4,599,386	8,371,249	2,506,191	1,628,038	5,792,981	7,654,418
Amounts held in custody for others	2,886,566	1,378,900	589,472	290,084	2,441	2,850,192
Compensated absences payable	436,829	546,744	389,163	448,946	637,874	712,449
Lease obligations	1,593,645	740,000		26,909		28,600
Subscription obligations	6,161	1,083,018	1,087,277	540,277		1,001,470
Notes payable		169,800				
Bonds payable		4,572,778	1,520,000	2,440,000	430,000	4,940,000
OPEB liability	2,000,000	4,200,000	2,700,000	3,200,000	2,600,000	4,100,000
Other current liabilities	1,921,654					
Total current liabilities	21,736,435	30,872,681	13,598,227	12,317,019	15,504,654	32,904,725

(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	\$7,331,928	\$9,161,905	\$6,502,510	\$1,084,590	\$204,067,642
Investments			13,767,298		19,397,980
P3 receivable			10,296,615		10,296,615
Receivables (net)	62,285,088	8,411,926	30,392,545		160,867,108
Due from state treasury	450,374	343,750	440,123		3,376,178
Due from federal government	72,057	560,088			18,292,776
Inventories	58,761	244,641	91,265		2,519,428
Prepaid expenses and advances	3,696,077	1,208,885	2,082,960		13,172,490
Notes receivable (net)	693,345	259,215	152,871		1,286,220
Lease receivable	433,926	252,031	408,844		1,373,174
Other current assets	26,807		87,819		144,913
Total current assets	<u>75,048,363</u>	<u>20,442,441</u>	<u>64,222,850</u>	<u>1,084,590</u>	<u>434,794,524</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	26,737,582	5,715,215	6,181,984		131,472,426
Investments	114,000,051	40,428,618	24,034,037		307,084,414
Accounts receivable (net)		530,820			1,994,351
Notes receivables (net)	3,480,271	1,469,419	2,236,303		7,642,010
Investments			32,310		32,310
Lease receivable	4,926,023	8,921,109	1,544,559		17,913,993
Capital assets (net)	452,914,947	165,460,181	185,680,923	8,045	1,858,492,269
Other noncurrent assets			106,945		197,709
Total noncurrent assets	<u>602,058,874</u>	<u>222,525,362</u>	<u>219,817,061</u>	<u>8,045</u>	<u>2,324,829,482</u>
Total assets	<u>677,107,237</u>	<u>242,967,803</u>	<u>284,039,911</u>	<u>1,092,635</u>	<u>2,759,624,006</u>
Deferred outflows of Resources:					
Deferred outflows related to pensions	70,428,845	31,645,844	36,184,662	1,310,265	293,091,349
Deferred outflows related to other postemployment benefits (OPEB)	26,279,667	11,487,361	19,310,095	316,553	130,930,223
Total deferred outflows of resources	<u>96,708,512</u>	<u>43,133,205</u>	<u>55,494,757</u>	<u>1,626,818</u>	<u>424,021,572</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accruals	30,785,855	7,410,646	15,142,141	446,968	98,085,713
Due to state treasury					10,126
Due to federal government	354				354
Unearned revenues	25,331,438	5,761,252	6,473,731		68,118,684
Amounts held in custody for others	1,819,419	350,133	1,228,486		11,395,693
Compensated absences payable	988,131	821,694	605,617	44,356	5,631,803
Lease obligations	220,649	133,252			2,743,055
Subscription obligations	1,821,294	1,711,378	729,359		7,980,234
Notes payable	149,250		501,591		820,641
Bonds payable	7,015,000	4,501,023	3,307,296		28,726,097
OPEB liability	5,600,000	3,600,000	4,000,000	40,000	32,040,000
Other current liabilities	2,628,613	359,094			4,909,361
Total current liabilities	<u>76,360,003</u>	<u>24,648,472</u>	<u>31,988,221</u>	<u>531,324</u>	<u>260,461,761</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2023**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
LIABILITIES (CONT.)						
Noncurrent liabilities:						
Unearned revenues				\$331,210		
Compensated absences payable	\$4,006,460	\$4,804,733	\$2,905,060	3,615,325	\$3,777,921	\$7,171,715
Lease obligations	2,587,643	2,152,188		26,987		66,478
Subscription obligations		1,503,728	2,071,958	847,407		1,907,298
Notes payable		1,063,875				
Bonds payable		138,874,743	21,328,226	41,610,447		80,628,804
Net pension liability	58,002,033	120,750,506	60,167,822	75,378,298	90,740,981	140,208,957
OPEB liability	36,771,774	91,989,047	57,765,591	67,493,139	66,433,215	111,498,711
Other noncurrent liabilities				3,708,991	6,049	
Total noncurrent liabilities	<u>101,367,910</u>	<u>361,138,820</u>	<u>144,238,657</u>	<u>193,011,804</u>	<u>160,958,166</u>	<u>341,481,963</u>
Total liabilities	<u>123,104,345</u>	<u>392,011,501</u>	<u>157,836,884</u>	<u>205,328,823</u>	<u>176,462,820</u>	<u>374,386,688</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases			1,647,220	1,069,547		
Deferred inflows related to P3						
Deferred inflows related to pensions	2,980,312	6,282,058	5,472,013	2,103,072	3,846,394	5,059,522
Deferred inflows related to OPEB	15,322,034	32,894,720	20,482,260	23,497,649	24,697,677	40,753,926
Total deferred inflows of resources	<u>18,302,346</u>	<u>39,176,778</u>	<u>27,601,493</u>	<u>26,670,268</u>	<u>28,544,071</u>	<u>45,813,448</u>
NET POSITION						
Net investment in capital assets	125,024,934	195,507,560	206,411,727	55,139,901	47,823,914	122,200,629
Restricted for:						
Nonexpendable	9,934,229	36,086,181	13,886,027	16,564,662	13,209,175	14,072,023
Expendable	25,494,126	14,461,748	43,883,339	13,848,726	34,861,536	52,184,042
Unrestricted	<u>(76,375,593)</u>	<u>(200,918,989)</u>	<u>(86,832,256)</u>	<u>(141,194,597)</u>	<u>(125,355,008)</u>	<u>(243,682,801)</u>
TOTAL NET POSITION	<u>\$84,077,696</u>	<u>\$45,136,500</u>	<u>\$177,348,837</u>	<u>(\$55,641,308)</u>	<u>(\$29,460,383)</u>	<u>(\$55,226,107)</u>

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
LIABILITIES (CONT.)					
Noncurrent liabilities:					
Unearned revenues			\$299,772		\$630,982
Compensated absences payable	\$13,516,166	\$3,057,804	4,781,689	\$467,532	48,104,405
Lease obligations	666,266	853,899			6,353,461
Subscription obligations	1,299,814		1,207,775		8,837,980
Notes payable	195,865		1,215,718		2,475,458
Bonds payable	234,409,625	51,552,141	40,013,787		608,417,773
Net pension liability	256,607,459	108,535,464	121,590,222	4,592,557	1,036,574,299
OPEB liability	157,612,208	74,880,994	90,995,060	2,146,012	757,585,751
Other noncurrent liabilities			1,015,507		4,730,547
Total noncurrent liabilities	<u>664,307,403</u>	<u>238,880,302</u>	<u>261,119,530</u>	<u>7,206,101</u>	<u>2,473,710,656</u>
Total liabilities	<u>740,667,406</u>	<u>263,528,774</u>	<u>293,107,751</u>	<u>7,737,425</u>	<u>2,734,172,417</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	5,269,498	9,011,650	1,917,564		18,915,479
Deferred inflows related to P3			10,296,615		10,296,615
Deferred inflows related to pensions	4,819,995	2,696,116	7,092,494	279,134	40,631,110
Deferred inflows related to OPEB	57,866,138	26,678,140	36,522,747	1,003,739	279,719,030
Total deferred inflows of resources	<u>67,955,631</u>	<u>38,385,906</u>	<u>55,829,420</u>	<u>1,282,873</u>	<u>349,562,234</u>
NET POSITION					
Net investment in capital assets	207,999,486	106,769,019	139,488,397	8,045	1,206,373,612
Restricted for:					
Nonexpendable	59,215,000	34,920,819	24,939,417		222,827,533
Expendable	100,836,867	12,109,080	12,039,280		309,718,744
Unrestricted	<u>(402,858,641)</u>	<u>(169,612,590)</u>	<u>(185,869,597)</u>	<u>(6,308,890)</u>	<u>(1,639,008,962)</u>
TOTAL NET POSITION	<u>(\$34,807,288)</u>	<u>(\$15,813,672)</u>	<u>(\$9,402,503)</u>	<u>(\$6,300,845)</u>	<u>\$99,910,927</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, 2023**

	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 \$ 210,381,376)	\$22,547,338	\$70,874,322	\$33,832,138	\$28,561,628	\$38,007,596	\$63,972,997
Federal grants and contracts	10,009,571	9,931,745	727,708	249,944	1,716,635	12,793,352
State and local grants and contracts	1,896,617	3,536,805	3,660,214	5,347,239	10,652,775	7,547,509
Nongovernmental grants and contracts	107,952	752,037	906,542	537,921	2,681,925	592,130
Sales and services of educational departments	2,281,631	1,769,060	490,672	170,228	4,856,243	824,428
Auxiliary enterprise revenues (net of scholarship allowances of \$26,372,509 including revenues used as security for revenue bonds)	25,738,990	36,010,744	9,887,622	18,693,135	8,003,719	21,555,445
Other operating revenues	1,613,098	1,798,214	2,684,219	1,509,309	2,385,947	2,295,905
Total operating revenues	64,195,197	124,672,927	52,189,115	55,069,404	68,304,840	109,581,766
OPERATING EXPENSES						
Educational and general:						
Instruction	21,937,656	51,153,915	27,186,989	30,098,054	47,198,309	62,920,513
Research	1,019,760	23,410,474	768,108	1,231,599	232,625	1,808,323
Public service	249,144	151,871	472,630	1,725,612	954,915	7,555,732
Academic support	3,404,168	12,528,511	5,566,090	6,963,672	13,639,563	13,969,670
Student services	6,882,167	6,745,072	5,141,634	5,441,131	8,155,213	11,610,466
Institutional support	23,662,379	12,935,634	8,031,935	9,203,410	10,228,474	17,080,863
Operations and maintenance of plant	8,724,993	14,140,784	11,666,629	7,859,721	7,626,433	18,585,038
Depreciation/amortization	5,245,545	15,444,616	7,946,538	6,943,232	3,666,708	11,194,653
Scholarships and fellowships	7,581,963	12,492,887	4,394,025	5,012,479	13,911,696	16,053,428
Auxiliary enterprises	29,564,531	44,649,930	16,680,057	15,652,819	11,391,321	18,015,541
Other operating expenses		283,852	1,945,877	195,216	75,671	193,805
Total operating expenses	108,272,306	193,937,546	89,800,512	90,326,945	117,080,928	178,988,032
OPERATING LOSS	(44,077,109)	(69,264,619)	(37,611,397)	(35,257,541)	(48,776,088)	(69,406,266)
NONOPERATING REVENUES (Expenses)						
State appropriations	17,707,523	35,877,264	25,116,778	18,729,668	26,901,016	35,029,407
Gifts	667,469	9,062,612	1,623,506	582,811		1,587,299
Federal nonoperating revenues	29,063,052	10,836,855	12,355,796	12,155,644	16,701,669	36,537,683
Net investment income	3,111,350	2,756,265	3,594,538	736,134	2,095,704	2,685,495
Interest expense	(1,326)	(5,648,233)	(790,030)	(2,315,326)	(31,920)	(3,118,022)
Payments to or on behalf of the university				582,447		
Loss on disposal of capital assets						
Insurance recoveries		882,748	2,341,309	177,687		
Other nonoperating revenues (expenses)	201,068	2,227,597	(114,092)	3,485,326	15,469,245	6,037,732
Net nonoperating revenues	50,749,136	55,995,108	44,127,805	34,134,391	61,135,714	78,759,594

(Continued)

Schedule 5

	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 \$ 210,381,376)	\$122,868,689	\$48,035,637	\$39,388,394		\$468,088,739
Federal grants and contracts	49,503,564	3,594,783	7,390,481		95,917,783
State and local grants and contracts	12,873,620	9,911,174	34,478,304		89,904,257
Nongovernmental grants and contracts	47,682,395	486,150	3,753,379		57,500,431
Sales and services of educational departments	302,941	190,100	201,776		11,087,079
Auxiliary enterprise revenues (net of scholarship allowances of \$26,372,509 including revenues used as security for revenue bonds)	46,182,255	17,659,688	17,962,873		201,694,471
Other operating revenues	5,045,438	1,231,141	12,811,915	\$4,179,028	35,554,214
Total operating revenues	<u>284,458,902</u>	<u>81,108,673</u>	<u>115,987,122</u>	<u>4,179,028</u>	<u>959,746,974</u>
OPERATING EXPENSES					
Educational and general:					
Instruction	101,273,969	42,850,115	37,587,039		422,206,559
Research	76,891,187	6,408,832	15,906,928		127,677,836
Public service	6,620,432	5,459,423	24,661,659		47,851,418
Academic support	21,533,935	6,367,734	9,956,453		93,929,796
Student services	17,154,487	9,568,245	10,412,197		81,110,612
Institutional support	34,407,226	13,920,779	15,847,407	7,262,738	152,580,845
Operations and maintenance of plant	23,055,210	12,335,428	19,980,313		123,974,549
Depreciation/amortization	28,556,754	9,661,920	10,856,600	6,191	99,522,757
Scholarships and fellowships	12,347,904	5,453,408	9,446,005		86,693,795
Auxiliary enterprises	58,041,736	24,505,219	21,176,446		239,677,600
Other operating expenses	1,077,230	(166,670)	1,898,693		5,503,674
Total operating expenses	<u>380,960,070</u>	<u>136,364,433</u>	<u>177,729,740</u>	<u>7,268,929</u>	<u>1,480,729,441</u>
OPERATING LOSS	<u>(96,501,168)</u>	<u>(55,255,760)</u>	<u>(61,742,618)</u>	<u>(3,089,901)</u>	<u>(520,982,467)</u>
NONOPERATING REVENUES (Expenses)					
State appropriations	65,619,184	32,560,497	29,055,717	1,843,705	288,440,759
Gifts	6,602,801	623,900	5,925,340		26,675,738
Federal nonoperating revenues	27,897,535	13,689,122	20,472,803		179,710,159
Net investment income	8,035,352	4,955,472	1,379,163	512,520	29,861,993
Interest expense	(9,280,747)	(1,194,802)	(1,578,450)		(23,958,856)
Payments to or on behalf of the university					582,447
Loss on disposal of capital assets		(105,570)			(105,570)
Insurance recoveries	511,388				3,913,132
Other nonoperating revenues (expenses)	(13,045,785)	1,405,731	596,118	12,543	16,275,483
Net nonoperating revenues	<u>86,339,728</u>	<u>51,934,350</u>	<u>55,850,691</u>	<u>2,368,768</u>	<u>521,395,285</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, 2023**

	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	\$6,672,027	(\$13,269,511)	\$6,516,408	(\$1,123,150)	\$12,359,626	\$9,353,328
Capital appropriations	1,590,357	1,621,684	7,506,964	5,409,110	2,205,536	3,739,831
Capital grants and gifts		503,569	861,907	406,684	26,070	1,260
Additions to permanent endowments	1,400,000	1,600,000	100,000		200,000	360,000
Other revenues (expenses), net		(1,285,234)				
CHANGE IN NET POSITION	9,662,384	(10,829,492)	14,985,279	4,692,644	14,791,232	13,454,419
NET POSITION - BEGINNING OF YEAR (Restated)	74,415,312	55,965,992	162,363,558	(60,333,952)	(44,251,615)	(68,680,526)
NET POSITION - END OF YEAR	<u>\$84,077,696</u>	<u>\$45,136,500</u>	<u>\$177,348,837</u>	<u>(\$55,641,308)</u>	<u>(\$29,460,383)</u>	<u>(\$55,226,107)</u>

(Concluded)

Schedule 5

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	(\$10,161,440)	(\$3,321,410)	(\$5,891,927)	(\$721,133)	\$412,818
Capital appropriations	9,190,139	17,767			31,281,388
Capital grants and gifts	18,723,452	23,032,838	86,781		43,642,561
Additions to permanent endowments	1,700,000		720,000		6,080,000
Other revenues (expenses), net			(2,109)		(1,287,343)
CHANGE IN NET POSITION	19,452,151	19,729,195	(5,087,255)	(721,133)	80,129,424
NET POSITION - BEGINNING OF YEAR (Restated)	(54,259,439)	(35,542,867)	(4,315,248)	(5,579,712)	19,781,503
NET POSITION - END OF YEAR	(34,807,288)	(15,813,672)	(9,402,503)	(6,300,845)	99,910,927

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2023**

	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	\$19,689,460	\$71,109,374	\$33,646,747	\$28,469,407	\$39,934,855	\$63,207,864
Grants and contracts	15,437,695	11,233,087	10,911,771	7,610,080	13,324,612	24,322,692
Sales and services of educational departments	2,281,631	1,770,190	490,672	117,669	4,856,243	1,099,625
Auxiliary enterprise receipts	25,787,881	35,674,114	8,508,360	17,605,717	9,106,522	21,973,159
Payments for employee compensation	(36,466,411)	(80,717,826)	(37,251,001)	(42,354,278)	(53,579,046)	(87,285,721)
Payments for benefits	(13,712,091)	(32,646,250)	(15,930,257)	(19,230,628)	(21,811,974)	(30,841,224)
Payments for utilities	(4,581,858)	(9,177,040)	(3,590,164)	(4,583,743)	(2,330,354)	(6,305,704)
Payments for supplies and services	(39,580,916)	(50,085,947)	(24,733,544)	(16,464,030)	(29,480,791)	(43,292,892)
Payments for scholarships and fellowships	(12,083,424)	(15,125,886)	(7,743,473)	(6,291,370)	(13,911,696)	(10,128,328)
Loans to students					84,079	
Collection of loans to students			21,124			66,073
Other receipts	850,972	1,671,814	2,617,498	2,124,065	1,437,691	3,927,079
Net cash used by operating activities	<u>(42,377,061)</u>	<u>(66,294,370)</u>	<u>(33,052,267)</u>	<u>(32,997,111)</u>	<u>(52,369,859)</u>	<u>(63,257,377)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	17,531,045	40,708,255	30,829,211	19,798,893	26,619,289	37,179,778
Gifts and grants for other than capital purposes	1,990,692	8,140,796	1,623,506	582,811		1,587,299
Pell grant receipts	18,942,930	11,167,221	10,083,470	10,053,946	15,591,917	22,602,073
Private gifts for endowment purposes	1,650,000		100,000		200,000	360,000
Taylor Opportunity Program for Students receipts	1,017,804	25,400,844	10,181,804	13,607,647	9,217,934	24,783,264
Taylor Opportunity Program for Students disbursements	(1,017,804)	(25,861,403)	(10,181,804)	(13,593,386)	(9,217,934)	(24,465,962)
CARES Act Receipts	12,765,510	240,642	2,272,326	2,049,618	1,109,752	12,680,515
Direct lending receipts	55,152,547	31,037,194	15,627,887	20,180,739	34,538,299	36,530,628
Direct lending disbursements	(55,152,547)	(30,543,404)	(15,627,887)	(20,180,739)	(34,538,299)	(36,519,263)
Other receipts (payments)	49	1,684,974	1,956,612	1,410,870	16,355,204	6,780,083
Net cash provided by noncapital financing sources	<u>52,880,226</u>	<u>61,975,119</u>	<u>46,865,125</u>	<u>33,910,399</u>	<u>59,876,162</u>	<u>81,518,415</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt		98,950				
Capital appropriations received	200,000					
Capital gifts and grants received						
Purchases of capital assets	(3,198,409)	(13,555,905)	(7,790,603)	(2,926,952)	(1,423,858)	(7,947,735)
Principal paid on capital debt		(4,317,800)	(1,551,373)	(2,370,000)	(410,000)	(5,364,564)
Interest paid on capital debt		(5,864,942)	(820,980)	(2,305,853)	(31,920)	(3,110,843)
Principal paid on leases	(1,559,898)	(724,769)		(26,832)		(22,680)
Interest paid on leases	(1,326)	(78,166)		(198)		(1,567)
Proceeds from leases (principal only)		24,000	85,884	206,881		
Interest received from leases			25,069	16,429		
Principal paid on SBITAs	(104,728)	(1,135,084)	(109,011)	(526,880)		(1,007,956)
Interest paid on SBITAs		(525)	(3,001)	5,887		(5,612)
Deposits with trustees				14,337		
Other receipts (payments)		(1,881,347)				
Net cash used by capital financing activities	<u>(4,664,361)</u>	<u>(27,435,588)</u>	<u>(10,164,015)</u>	<u>(7,913,181)</u>	<u>(1,865,778)</u>	<u>(17,460,957)</u>

(Continued)

Schedule 6

	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	\$122,859,496	\$48,143,620	\$39,208,734		\$466,269,557
Grants and contracts	109,348,867	13,255,768	46,796,746		252,241,318
Sales and services of educational departments	245,678	190,100	351,646		11,403,454
Auxiliary enterprise receipts	49,471,928	17,069,162	18,956,235		204,153,078
Payments for employee compensation	(170,852,725)	(63,027,488)	(79,397,558)	(\$2,319,786)	(653,251,840)
Payments for benefits	(59,730,131)	(30,684,277)	(28,961,321)	(891,316)	(254,439,469)
Payments for utilities	(10,299,483)	(5,917,609)	(10,643,707)		(57,429,662)
Payments for supplies and services	(98,009,401)	(31,390,150)	(46,770,514)	(3,591,352)	(383,399,537)
Payments for scholarships and fellowships	(15,746,198)	(5,230,439)	(9,615,889)		(95,876,703)
Loans to students	(612,211)	(45,641)			(573,773)
Collection of loans to students	1,648,197	375,065	152,615		2,263,074
Other receipts	5,619,827	938,298	13,187,520	3,472,244	35,847,008
Net cash used by operating activities	<u>(66,056,156)</u>	<u>(56,323,591)</u>	<u>(56,735,493)</u>	<u>(3,330,210)</u>	<u>(472,793,495)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	65,706,471	32,747,288	31,199,721	1,843,705	304,163,656
Gifts and grants for other than capital purposes	8,491,125	920,642	6,240,444		29,577,315
Pell grant receipts	27,235,356	11,835,930	12,781,555		140,294,398
Private gifts for endowment purposes	1,700,000				4,010,000
Taylor Opportunity Program for Students receipts	31,584,628	13,137,974	8,956,214		137,888,113
Taylor Opportunity Program for Students disbursements	(31,388,284)	(13,023,287)	(8,916,411)		(137,666,275)
CARES Act Receipts		6,384,529	7,691,248		45,194,140
Direct lending receipts	56,939,176	38,147,944	19,309,594		307,464,008
Direct lending disbursements	(56,949,175)	(38,251,768)	(19,850,629)		(307,613,711)
Other receipts (payments)	(14,149,203)	1,660,923	(1,296,339)		14,403,173
Net cash provided by noncapital financing sources	<u>89,170,094</u>	<u>53,560,175</u>	<u>56,115,397</u>	<u>1,843,705</u>	<u>537,714,817</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt					98,950
Capital appropriations received					200,000
Capital gifts and grants received	3,605,291	1,002,396			4,607,687
Purchases of capital assets	(14,573,073)	(7,017,984)	(5,536,517)		(63,971,036)
Principal paid on capital debt	(6,912,720)	(2,565,000)	(3,594,852)		(27,086,309)
Interest paid on capital debt	(10,187,460)	(1,144,772)	(1,846,792)		(25,313,562)
Principal paid on leases	(125,927)	(124,620)			(2,584,726)
Interest paid on leases	(10,357)	(15,271)			(106,885)
Proceeds from leases (principal only)	2,566,167	225,291	403,295		3,511,518
Interest received from leases	67,940	7,719	15,453		132,610
Principal paid on SBITAs	(2,089,198)	(616,930)	(739,659)		(6,329,446)
Interest paid on SBITAs	(4,898)	(25,647)			(33,796)
Deposits with trustees		(11,000)			3,337
Other receipts (payments)	1,458,858		2,607,235		2,184,746
Net cash used by capital financing activities	<u>(26,205,377)</u>	<u>(10,285,818)</u>	<u>(8,691,837)</u>		<u>(114,686,912)</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2023**

	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	\$658,513		\$6,350,700	\$4,617,200	\$549,465	\$3,303,392
Interest received on investments	2,562,047	\$1,013,726	(2,756,162)	137,033	785,462	1,543,730
Purchases of investments	(793,918)		(830,101)	(4,093,952)	(100,000)	(3,422,130)
Net cash provided (used) by investing activities	<u>2,426,642</u>	<u>1,013,726</u>	<u>2,764,437</u>	<u>660,281</u>	<u>1,234,927</u>	<u>1,424,992</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,265,446	(30,741,113)	6,413,280	(6,339,612)	6,875,452	2,225,073
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	41,785,237	53,222,938	66,661,453	24,918,722	55,748,892	43,788,586
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	<u>\$50,050,683</u>	<u>\$22,481,825</u>	<u>\$73,074,733</u>	<u>\$18,579,110</u>	<u>\$62,624,344</u>	<u>\$46,013,659</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating loss	(\$44,077,109)	(\$69,264,619)	(\$37,611,397)	(\$35,257,541)	(\$48,776,088)	(\$69,406,266)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation/amortization expense	5,245,545	15,444,616	7,946,538	6,943,232	3,666,708	11,194,653
Retirement contributions paid by third parties	201,068	429,613	226,274	259,594	316,992	477,146
Amortization of bond issuance costs				56,298		
Changes in assets, deferred outflows, liabilities and deferred inflows:						
(Increase) decrease in accounts receivable, net	(3,392,549)	(4,187,810)	4,085,407	748,395	(530,692)	1,079,448
(Increase) decrease in inventories	(44,563)	(30,773)	(4,973)		(16,750)	(24,543)
(Increase) decrease in prepaid expenses and advances	4,678	187,120	45,148	(300,460)	79,810	212,491
(Increase) decrease in notes receivable, net			148,916		84,079	
(Increase) decrease in other assets			(14,761)	(11,058)	1,237	66,073
(Increase) decrease in deferred outflows related to pensions	(4,517,548)	(8,573,217)	(4,093,445)	(4,702,872)	(6,068,154)	(9,073,850)
(Increase) decrease in deferred outflows related to OPEB	1,069,257	1,008,205	1,934,917	839,619	3,222,493	3,664,390
Increase (decrease) in accounts payable and accrued liabilities	564,729	810,845	(235,087)	(1,006,596)	(1,805,232)	3,985,291
Increase (decrease) in unearned revenue	4,007,117	749,317	1,261	11,143	1,785,751	762,272
Increase (decrease) in amounts held in custody for others	(762,126)	68,215	26,952	(142,171)	614	(104,532)
Increase (decrease) in compensated absences	225,474	283,852	133,764	92,525	(32,953)	(193,230)
Increase (decrease) in net pension liability	22,733,952	43,905,489	20,112,943	28,449,417	33,211,770	49,764,322
Increase (decrease) in OPEB liability	(13,627,729)	(32,452,799)	(21,571,033)	(23,596,708)	(25,116,173)	(40,344,917)
Increase (decrease) in other liabilities	238,593				158,164	
Increase (decrease) in deferred inflows related to pensions	(18,823,616)	(39,566,390)	(19,724,016)	(24,055,022)	(30,393,224)	(45,577,805)
Increase (decrease) in deferred inflows related to OPEB	8,577,766	24,893,966	15,540,325	18,675,094	17,841,789	30,261,680
Net cash used by operating activities	<u>(\$42,377,061)</u>	<u>(\$66,294,370)</u>	<u>(\$33,052,267)</u>	<u>(\$32,997,111)</u>	<u>(\$52,369,859)</u>	<u>(\$63,257,377)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and cash equivalents classified as current assets	\$8,344,651	\$10,331,808	\$61,523,903	\$4,452,887	\$59,666,188	\$35,667,272
Cash and cash equivalents classified as noncurrent assets	41,706,032	12,150,017	11,550,830	14,126,223	2,958,156	10,346,387
Cash and cash equivalents at the end of the year	<u>\$50,050,683</u>	<u>\$22,481,825</u>	<u>\$73,074,733</u>	<u>\$18,579,110</u>	<u>\$62,624,344</u>	<u>\$46,013,659</u>

(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	\$2,495,069	\$3,598,357	\$19,813,832		\$41,386,528
Interest received on investments	1,640,110	1,291,260	2,235,687	\$512,520	8,965,413
Purchases of investments		(3,034,500)	(23,445,570)		(35,720,171)
Net cash provided (used) by investing activities	<u>4,135,179</u>	<u>1,855,117</u>	<u>(1,396,051)</u>	<u>512,520</u>	<u>14,631,770</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	1,043,740	(11,194,117)	(10,707,984)	(973,985)	(35,133,820)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR					
	<u>33,025,770</u>	<u>26,071,237</u>	<u>23,392,478</u>	<u>2,058,575</u>	<u>370,673,888</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR					
	<u>\$34,069,510</u>	<u>\$14,877,120</u>	<u>\$12,684,494</u>	<u>\$1,084,590</u>	<u>\$335,540,068</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$96,501,168)	(\$55,255,760)	(\$61,742,618)	(\$3,089,901)	(\$520,982,467)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation/amortization expense	28,556,754	9,661,920	10,856,600	6,191	99,522,757
Retirement contributions paid by third parties	918,772	392,417	491,324	12,543	3,725,743
Amortization of bond issuance costs			38,323		94,621
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable, net	1,699,832	(1,976,888)	937,487		(1,537,370)
(Increase) decrease in inventories	(4,185)	(9,336)	52,155		(82,968)
(Increase) decrease in prepaid expenses and advances	(173,349)	117,297	48,048		220,783
(Increase) decrease in notes receivable, net	1,030,688	247,300	152,615		1,663,598
(Increase) decrease in other assets			(23,084)		18,407
(Increase) decrease in deferred outflows related to pensions	(17,771,120)	(9,989,877)	(8,898,327)	(295,897)	(73,984,307)
(Increase) decrease in deferred outflows related to OPEB	7,485,550	2,253,917	(1,384,945)	247,525	20,340,928
Increase (decrease) in accounts payable and accrued liabilities	5,703,431	(2,497,584)	1,890,712	(528,841)	6,881,668
Increase (decrease) in unearned revenue	1,597,550	528,845	(1,161,298)		8,281,958
Increase (decrease) in amounts held in custody for others	38,439	176,230	610,637		(87,742)
Increase (decrease) in compensated absences	1,077,230	(166,670)	(1,063,138)	28,170	385,024
Increase (decrease) in net pension liability	102,290,845	45,337,668	52,167,200	1,891,108	399,864,714
Increase (decrease) in OPEB liability	(60,103,035)	(27,894,690)	(26,071,591)	(1,029,237)	(271,807,912)
Increase (decrease) in other liabilities		(1,125,137)	258		(728,122)
Increase (decrease) in deferred inflows related to pensions	(86,707,438)	(36,329,087)	(44,824,865)	(1,333,640)	(347,335,103)
Increase (decrease) in deferred inflows related to OPEB	44,805,048	20,205,844	21,189,014	761,769	202,752,295
Net cash used by operating activities	<u>(\$66,056,156)</u>	<u>(\$56,323,591)</u>	<u>(\$56,735,493)</u>	<u>(\$3,330,210)</u>	<u>(\$472,793,495)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$7,331,928	\$9,161,905	\$6,502,510	\$1,084,590	\$204,067,642
Cash and cash equivalents classified as noncurrent assets	<u>26,737,582</u>	<u>5,715,215</u>	<u>6,181,984</u>		<u>131,472,426</u>
Cash and cash equivalents at the end of the year	<u>\$34,069,510</u>	<u>\$14,877,120</u>	<u>\$12,684,494</u>	<u>\$1,084,590</u>	<u>\$335,540,068</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2023**

	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	\$1,390,357	\$1,621,684	\$7,506,964	\$5,409,110	\$2,205,536	\$3,739,831
Change in fair market value of investments	(\$549,303)	\$1,742,543	(\$955,982)	\$262,236	(\$1,579,290)	\$1,141,765
Private gifts for endowment purposes		\$1,600,000				
Capital gifts and grants		\$503,569	\$861,907	\$406,684	\$26,070	\$1,260
Capital assets acquired through leases, notes, and accounts payable	\$4,037,835	\$3,775,182	\$3,268,246	\$1,908,676		\$4,034,482
Disposition of capital assets		(\$11,192)		(\$1,149,327)	(\$5,600)	
Other		\$648,129				

(Concluded)

Schedule 6

	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	\$9,190,139	\$17,767			\$31,081,388
Change in fair market value of investments	\$7,334,901	\$3,772,863	\$1,485,415		\$12,655,148
Private gifts for endowment purposes			\$720,000		\$2,320,000
Capital gifts and grants	\$15,118,161	\$22,030,442	(\$86,781)		\$38,861,312
Capital assets acquired through leases, notes, and accounts payable	\$5,120,572	\$2,084,779	\$2,681,506		\$26,911,278
Disposition of capital assets	(\$1,458,858)	(\$105,570)	(\$2,109)		(\$2,732,656)
Other	\$846,029				\$1,494,158

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2022**

	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	\$12,772,294	\$30,746,490	\$56,888,969	\$10,150,709	\$52,685,547	\$34,177,720
Investments						6,169,569
Receivables (net)	5,098,934	6,242,524	14,479,451	6,080,786	8,707,193	14,437,048
Due from state treasury	150,000	5,100,000	6,051,976	1,500,000		2,500,000
Due from federal government	7,327,220	4,134,463	768,862	1,567,110	107,193	9,503,466
Inventories	269,013	494,087	335,892		303,030	601,137
Prepaid expenses and advances	487,480	3,211,596	239,516	1,074,414	634,258	763,235
Notes receivable (net)			117,385			168,711
Lease receivable		23,968	71,735	179,110		
Other current assets	250,270	9,076			22,178	
Total current assets	<u>26,355,211</u>	<u>49,962,204</u>	<u>78,953,786</u>	<u>20,552,129</u>	<u>62,459,399</u>	<u>68,320,886</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	29,012,943	22,476,448	9,772,484	14,768,013	3,063,345	9,610,866
Investments	9,793,633	36,489,446	18,915,693	17,309,284	15,997,401	22,302,833
Accounts receivable (net)				763,404	126,564	
Notes Receivables (net)	341		142,196		367,022	140,218
Investments						
Lease receivable			1,679,862	951,802		
Capital assets (net)	125,831,376	339,732,469	218,581,095	91,607,715	49,468,108	203,123,715
Other noncurrent assets		99,840				
Total noncurrent assets	<u>164,638,293</u>	<u>398,798,203</u>	<u>249,091,330</u>	<u>125,400,218</u>	<u>69,022,440</u>	<u>235,177,632</u>
Total assets	<u>190,993,504</u>	<u>448,760,407</u>	<u>328,045,116</u>	<u>145,952,347</u>	<u>131,481,839</u>	<u>303,498,518</u>
Deferred outflows of Resources:						
Deferred outflows related to pensions	11,924,168	25,749,695	12,290,024	17,376,646	19,085,907	30,066,207
Deferred outflows related to other postemployment benefits (OPEB)	7,396,962	16,427,475	11,627,037	13,043,270	14,947,024	21,833,660
Total deferred outflows of resources	<u>19,321,130</u>	<u>42,177,170</u>	<u>23,917,061</u>	<u>30,419,916</u>	<u>34,032,931</u>	<u>51,899,867</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	7,727,465	8,910,712	5,050,093	4,728,680	7,846,590	7,673,410
Due to state treasury						5,952
Due to federal government						
Unearned revenues	592,269	7,618,756	2,504,930	1,557,702	4,007,230	6,892,146
Amounts held in custody for others	3,648,692	1,315,809	562,520	432,255	1,827	2,954,724
Compensated absences payable	374,264	501,110	538,787	380,793	560,036	593,088
Lease obligations	791,554	698,357		26,832		
Notes payable		167,800				
Contracts payable						
Bonds payable		4,387,777	1,465,000	2,370,000	410,000	4,755,000
OPEB liability	2,100,000	4,200,000	2,600,000	3,000,000	2,400,000	3,800,000
Other current liabilities	1,683,061					
Total current liabilities	<u>16,917,305</u>	<u>27,800,321</u>	<u>12,721,330</u>	<u>12,496,262</u>	<u>15,225,683</u>	<u>26,674,320</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	\$3,622,867	\$18,533,902	\$13,954,450	\$2,058,575	\$235,591,523
Investments			12,507,891		18,677,460
Receivables (net)	64,966,145	6,683,562	30,768,037		157,463,680
Due from state treasury	450,000	468,500	2,500,000		18,720,476
Due from federal government	232,046	6,114,736			29,755,096
Inventories	54,576	235,305	143,420		2,436,460
Prepaid expenses and advances	3,522,728	1,326,182	2,047,854		13,307,263
Notes receivable (net)	524,779	341,924	204,931		1,357,730
Lease receivable	542,983	225,291	464,881		1,507,968
Other current assets	2,481		100,055		384,060
Total current assets	<u>73,918,605</u>	<u>33,929,402</u>	<u>62,691,519</u>	<u>2,058,575</u>	<u>479,201,716</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	29,402,903	7,537,335	9,438,028		135,082,365
Investments	110,122,035	37,328,263	22,473,579		290,732,167
Accounts receivable (net)		496,484			1,386,452
Notes Receivables (net)	4,679,526	1,490,818	2,336,858		9,156,979
Investments			32,379		32,379
Lease receivable	4,546,915	9,173,140	2,266,918		18,618,637
Capital assets (net)	439,261,948	145,925,632	188,258,289	14,236	1,801,804,583
Other noncurrent assets			154,662		254,502
Total noncurrent assets	<u>588,013,327</u>	<u>201,951,672</u>	<u>224,960,713</u>	<u>14,236</u>	<u>2,257,068,064</u>
Total assets	<u>661,931,932</u>	<u>235,881,074</u>	<u>287,652,232</u>	<u>2,072,811</u>	<u>2,736,269,780</u>
Deferred outflows of Resources:					
Deferred outflows related to pensions	52,657,725	21,655,967	27,286,335	1,014,368	219,107,042
Deferred outflows related to other postemployment benefits (OPEB)	33,765,217	13,741,278	19,126,642	564,078	152,472,643
Total deferred outflows of resources	<u>86,422,942</u>	<u>35,397,245</u>	<u>46,412,977</u>	<u>1,578,446</u>	<u>371,579,685</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accruals	23,338,668	9,927,636	13,183,269	975,809	89,362,332
Due to state treasury					5,952
Due to federal government	354				354
Unearned revenues	24,067,222	5,259,738	7,001,970		59,501,963
Amounts held in custody for others	1,715,297	173,903	617,849		11,422,876
Compensated absences payable	1,027,016	771,898	478,524	43,904	5,269,420
Lease obligations	134,644	125,848			1,777,235
Notes payable	142,707		486,844		797,351
Contracts payable		1,143,092			1,143,092
Bonds payable	6,770,000	2,496,374	3,272,591		25,926,742
OPEB liability	5,400,000	3,300,000	4,100,000	45,000	30,945,000
Other current liabilities	2,653,189	341,139			4,677,389
Total current liabilities	<u>65,249,097</u>	<u>23,539,628</u>	<u>29,141,047</u>	<u>1,064,713</u>	<u>230,829,706</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2022**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
LIABILITIES (CONT.)						
Noncurrent liabilities:						
Unearned revenues				\$390,404		
Compensated absences payable	\$3,843,551	\$4,566,515	\$2,621,672	3,590,953	\$3,888,712	\$7,484,306
Lease obligations	1,022,686	2,865,776		53,896		
Notes payable		1,131,452				
Bonds payable		143,447,522	22,893,046	43,994,150	430,000	86,178,368
Net pension liability	35,268,081	76,845,017	40,054,879	46,928,881	57,529,211	90,444,635
OPEB liability	50,299,503	124,441,846	79,436,624	91,289,847	91,549,388	152,143,628
Other noncurrent liabilities				5,889,857	47,885	
Total noncurrent liabilities	<u>90,433,821</u>	<u>353,298,128</u>	<u>145,006,221</u>	<u>192,137,988</u>	<u>153,445,196</u>	<u>336,250,937</u>
Total liabilities	<u>107,351,126</u>	<u>381,098,449</u>	<u>157,727,551</u>	<u>204,634,250</u>	<u>168,670,879</u>	<u>362,925,257</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases		23,934	1,733,104	1,091,316		
Deferred inflows related to pensions	21,803,928	45,848,448	25,196,029	26,158,094	34,239,618	50,637,327
Deferred inflows related to OPEB	6,744,268	8,000,754	4,941,935	4,822,555	6,855,888	10,492,246
Total deferred inflows of resources	<u>28,548,196</u>	<u>53,873,136</u>	<u>31,871,068</u>	<u>32,071,965</u>	<u>41,095,506</u>	<u>61,129,573</u>
NET POSITION						
Net investment in capital assets	125,831,376	195,089,280	196,535,618	49,118,010	48,628,108	115,347,014
Restricted for:						
Nonexpendable	8,181,377	34,540,408	13,800,000	16,282,197	13,005,352	13,754,027
Expendable	22,288,122	21,441,300	42,316,610	13,410,141	22,999,307	43,163,944
Unrestricted	<u>(81,885,563)</u>	<u>(195,104,996)</u>	<u>(90,288,670)</u>	<u>(139,144,300)</u>	<u>(128,884,382)</u>	<u>(240,921,430)</u>
TOTAL NET POSITION	<u>\$74,415,312</u>	<u>\$55,965,992</u>	<u>\$162,363,558</u>	<u>(\$60,333,952)</u>	<u>(\$44,251,615)</u>	<u>(\$68,656,445)</u>

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
LIABILITIES (CONT.)					
Noncurrent liabilities:					
Unearned revenues			\$797,206		\$1,187,610
Compensated absences payable	\$12,400,051	\$3,274,270	5,971,662	\$439,814	48,081,506
Lease obligations	496,563	987,151			5,426,072
Notes payable	344,603		1,717,317		3,193,372
Bonds payable	242,271,178	56,052,813	42,863,512		638,130,589
Net pension liability	154,316,614	63,197,796	69,423,022	2,701,449	636,709,585
OPEB liability	217,915,243	103,075,684	118,400,550	3,170,249	1,031,722,562
Other noncurrent liabilities			345,406		6,283,148
Total noncurrent liabilities	<u>627,744,252</u>	<u>226,587,714</u>	<u>239,518,675</u>	<u>6,311,512</u>	<u>2,370,734,444</u>
Total liabilities	<u>692,993,349</u>	<u>250,127,342</u>	<u>268,659,722</u>	<u>7,376,225</u>	<u>2,601,564,150</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	5,032,441	9,237,412	2,702,050		19,820,257
Deferred inflows related to pensions	91,527,433	39,025,203	51,917,359	1,612,774	387,966,213
Deferred inflows related to OPEB	13,061,090	6,472,296	15,312,561	241,970	76,945,563
Total deferred inflows of resources	<u>109,620,964</u>	<u>54,734,911</u>	<u>69,931,970</u>	<u>1,854,744</u>	<u>484,732,033</u>
NET POSITION					
Net investment in capital assets	189,850,489	89,580,772	145,360,268	14,236	1,155,355,171
Restricted for:					
Nonexpendable	57,515,000	31,890,288	23,378,959		212,347,608
Expendable	93,858,233	14,262,720	17,481,865		291,222,242
Unrestricted	<u>(395,483,161)</u>	<u>(169,317,714)</u>	<u>(190,747,575)</u>	<u>(5,593,948)</u>	<u>(1,637,371,739)</u>
TOTAL NET POSITION	<u><u>(\$54,259,439)</u></u>	<u><u>(\$33,583,934)</u></u>	<u><u>(\$4,526,483)</u></u>	<u><u>(\$5,579,712)</u></u>	<u><u>\$21,553,282</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, 2022**

	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 \$198,807,874)	\$24,337,078	\$75,220,305	\$39,468,070	\$35,589,122	\$50,031,720	\$68,987,206
Federal grants and contracts	8,143,397	7,036,887	1,364,953	123,952	1,798,242	11,908,506
State and local grants and contracts	1,029,523	3,834,227	7,353,895	2,395,120	7,352,906	5,906,502
Nongovernmental grants and contracts	1,448	1,038,621	388,876	263,480	1,906,681	118,052
Sales and services of educational departments	1,757,643	1,628,174	432,241	116,015	4,396,628	827,414
Auxiliary enterprise revenues (net of scholarship allowances of \$24,690,554 including revenues used as security for revenue bonds)	27,587,642	32,565,590	10,403,122	19,384,141	3,181,730	20,986,135
Other operating revenues	736,601	1,597,916	2,077,468	1,511,311	2,245,556	1,661,640
Total operating revenues	<u>63,593,332</u>	<u>122,921,720</u>	<u>61,488,625</u>	<u>59,383,141</u>	<u>70,913,463</u>	<u>110,395,455</u>
OPERATING EXPENSES						
Educational and general:						
Instruction	18,180,697	45,369,275	26,749,672	29,212,057	43,118,954	59,702,915
Research	561,526	18,370,557	789,312	1,064,440	188,759	1,340,396
Public service	389,979	157,112	624,059	1,735,848	855,027	6,494,871
Academic support	3,109,071	13,110,391	8,401,565	6,645,663	11,818,800	12,971,513
Student services	5,842,437	5,518,784	5,091,690	11,933,844	7,820,959	10,633,346
Institutional support	25,109,588	12,369,899	7,131,479	10,456,766	11,108,129	13,864,503
Operations and maintenance of plant	5,579,792	13,488,655	8,675,701	7,991,532	9,301,420	17,454,491
Depreciation	7,782,125	13,518,840	5,286,401	6,375,263	3,886,967	9,933,682
Scholarships and fellowships	21,816,690	21,670,414	15,299,076	7,273,268	20,799,302	33,201,624
Auxiliary enterprises	29,298,285	41,088,781	14,738,038	14,662,913	9,905,811	17,147,519
Other operating expenses		(138,294)	424,834	158,709	(166,006)	(111,729)
Total operating expenses	<u>117,670,190</u>	<u>184,524,414</u>	<u>93,211,827</u>	<u>97,510,303</u>	<u>118,638,122</u>	<u>182,633,131</u>
OPERATING LOSS	<u>(54,076,858)</u>	<u>(61,602,694)</u>	<u>(31,723,202)</u>	<u>(38,127,162)</u>	<u>(47,724,659)</u>	<u>(72,237,676)</u>
NONOPERATING REVENUES (Expenses)						
State appropriations	16,118,408	42,077,739	25,469,128	17,450,030	24,166,697	33,568,885
Gifts	728,134	6,212,471	968,457	642,041		1,059,941
Federal nonoperating revenues	46,285,406	28,424,588	24,079,152	27,686,467	32,968,814	49,547,588
Investment gain (loss), net	(1,590,090)	(7,724,029)	(4,865,019)	(2,918,744)	(2,965,038)	583,135
Interest expense	(18,768)	(5,824,952)	(1,200,051)	(2,370,141)	(47,120)	(3,281,542)
Payments to or on behalf of the university				678,657		
Loss on disposal of capital assets	(993,251)			(137,899)		
Impairment gain related to leased assets				3,880		
Insurance recoveries		977,162	8,530,647	543,682		3,126,761
Other nonoperating revenues (expenses)	(1,593,969)	2,176,805	276,874	3,268,783	3,107,887	(7,238,429)
Net nonoperating revenues	<u>58,935,870</u>	<u>66,319,784</u>	<u>53,259,188</u>	<u>44,846,756</u>	<u>57,231,240</u>	<u>77,366,339</u>

(Continued)

Schedule 8

	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 \$198,807,874)	\$129,411,805	\$52,246,508	\$45,662,443		\$520,954,257
Federal grants and contracts	55,368,669	3,334,844	6,324,621		95,404,071
State and local grants and contracts	9,634,173	9,320,626	24,649,990		71,476,962
Nongovernmental grants and contracts	25,652,763	639,106	4,088,605		34,097,632
Sales and services of educational departments	169,830	581,533	841,390		10,750,868
Auxiliary enterprise revenues (net of scholarship allowances of \$24,690,554 including revenues used as security for revenue bonds)	46,096,250	16,036,260	14,600,746		190,841,616
Other operating revenues	5,693,775	1,077,597	11,158,818	\$2,772,472	30,533,154
Total operating revenues	272,027,265	83,236,474	107,326,613	2,772,472	954,058,560
OPERATING EXPENSES					
Educational and general:					
Instruction	92,936,181	38,167,469	33,007,485		386,444,705
Research	75,102,453	6,578,310	15,434,965		119,430,718
Public service	5,895,213	5,115,328	18,222,473		39,489,910
Academic support	18,142,841	6,019,236	9,251,439		89,470,519
Student services	13,641,578	8,693,776	7,430,021		76,606,435
Institutional support	35,463,039	14,110,328	15,089,964	4,539,254	149,242,949
Operations and maintenance of plant	17,486,795	11,622,011	19,903,171		111,503,568
Depreciation	24,908,335	7,580,570	9,913,334	6,194	89,191,711
Scholarships and fellowships	30,938,707	13,772,501	7,353,739		172,125,321
Auxiliary enterprises	51,217,408	24,461,147	18,595,300		221,115,202
Other operating expenses	70,276	125,599	1,024,626		1,388,015
Total operating expenses	365,802,826	136,246,275	155,226,517	4,545,448	1,456,009,053
OPERATING LOSS	(93,775,561)	(53,009,801)	(47,899,904)	(1,772,976)	(501,950,493)
NONOPERATING REVENUES (Expenses)					
State appropriations	56,918,597	30,380,944	29,746,564	1,785,005	277,681,997
Gifts	6,355,728	6,356,903	4,137,805		26,461,480
Federal nonoperating revenues	46,552,233	26,862,833	27,850,089		310,257,170
Investment gain (loss), net	(18,969,000)	(4,599,938)	(3,028,791)	26,287	(46,051,227)
Interest expense	(9,827,950)	(1,063,829)	(1,579,285)		(25,213,638)
Payments to or on behalf of the university					678,657
Loss on disposal of capital assets		(79,315)			(1,210,465)
Impairment gain related to leased assets					3,880
Insurance recoveries	731,552		161,655		14,071,459
Other nonoperating revenues (expenses)	3,212,117	1,463,796	1,043,163	12,388	5,729,415
Net nonoperating revenues	84,973,277	59,321,394	58,331,200	1,823,680	562,408,728

**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, 2022**

	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	\$4,859,012	\$4,717,090	\$21,535,986	\$6,719,594	\$9,506,581	\$5,128,663
Capital appropriations	384,163	2,784,067	11,262,472	929,183	371,407	756,512
Capital grants and gifts	1,968,973	1,549,171	562,141	1,108,940	49,780	7,120
Additions to permanent endowments		600,000		100,000	100,000	300,000
Other revenues (expenses), net		(2,096,216)				
CHANGE IN NET POSITION	7,212,148	7,554,112	33,360,599	8,857,717	10,027,768	6,192,295
NET POSITION - BEGINNING OF YEAR (Restated)	67,203,164	48,411,880	129,002,959	(69,191,669)	(54,279,383)	(74,848,740)
NET POSITION - END OF YEAR	\$74,415,312	\$55,965,992	\$162,363,558	(\$60,333,952)	(\$44,251,615)	(\$68,656,445)

(Concluded)

Schedule 8

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	(\$8,802,284)	\$6,311,593	\$10,431,296	\$50,704	\$60,458,235
Capital appropriations	4,771,005	202,181	3,548		21,464,538
Capital grants and gifts	7,160,025	1,143,767	35,159		13,585,076
Additions to permanent endowments	100,000		280,000		1,480,000
Other revenues (expenses), net			23		(2,096,193)
CHANGE IN NET POSITION	3,228,746	7,657,541	10,750,026	50,704	94,891,656
NET POSITION - BEGINNING OF YEAR (Restated)	(57,488,185)	(41,241,475)	(15,276,509)	(5,630,416)	(73,338,374)
NET POSITION - END OF YEAR	(54,259,439)	(\$33,583,934)	(\$4,526,483)	(\$5,579,712)	\$21,553,282

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2022**

	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	\$24,381,803	\$75,258,773	\$38,832,483	\$35,224,788	\$44,640,222	\$69,802,791
Grants and contracts	8,808,951	11,059,797	59,131,664	3,624,949	12,802,426	25,728,966
Sales and services of educational departments	1,790,022	1,627,542	432,241	(99,856)	4,396,628	(916,304)
Auxiliary enterprise receipts	27,559,862	32,153,068	9,659,397	19,419,930	3,002,404	17,067,305
Payments for employee compensation	(33,440,584)	(75,691,224)	(37,947,911)	(41,622,731)	(53,743,192)	(78,205,994)
Payments for benefits	(13,377,909)	(31,366,167)	(16,773,794)	(17,672,531)	(21,884,136)	(38,596,143)
Payments for utilities	(2,629,830)	(7,981,136)	(3,107,643)	(3,708,500)	(2,861,827)	(4,067,942)
Payments for supplies and services	(38,594,898)	(43,632,355)	(21,547,895)	(19,431,215)	(23,238,662)	(36,265,746)
Payments for scholarships and fellowships	(27,025,546)	(24,307,369)	(18,988,760)	(15,489,329)	(20,799,302)	(28,682,265)
Loans to students						
Collection of loans to students			54,861		73,292	460,114
Other receipts (payments)	1,054,334	1,588,028	2,008,361	(1,070,920)	1,259,457	(2,600,604)
Net cash provided (used) by operating activities	(51,473,795)	(61,291,043)	11,753,004	(40,825,415)	(56,352,690)	(76,275,822)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	16,027,013	37,023,648	19,488,682	15,976,024	24,197,021	31,116,938
Gifts and grants for other than capital purposes	3,537,320	6,554,717	968,457	642,041		1,059,941
Pell grant receipts	18,429,826	9,957,824	9,541,480	10,094,293	17,135,742	21,751,708
Private gifts for endowment purposes				100,000	100,000	300,000
Taylor Opportunity Program for Students receipts	1,378,727	28,553,385	12,566,527	15,015,078	10,970,507	24,773,167
Taylor Opportunity Program for Students disbursements	(1,378,727)	(28,561,890)	(12,566,527)	(15,001,243)	(10,970,507)	(25,184,677)
CARES Act Receipts	25,016,056	18,054,701	14,537,672	18,356,732	15,833,072	27,200,540
Direct lending receipts	55,519,087	31,374,743	16,010,491	20,963,789	38,495,078	35,682,377
Direct lending disbursements	(55,519,087)	(32,157,791)	(16,010,491)	(20,963,789)	(38,495,078)	(35,283,079)
Other receipts (payments)	(2,877,369)	2,126,209	8,530,647		2,805,870	(3,760,443)
Net cash provided by noncapital financing sources	60,132,846	72,925,546	53,066,938	45,182,925	60,071,705	77,656,472
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt		491,099	22,638,881			
Capital gifts and grants received	823,473					
Proceeds from sale of capital assets				2,050,000		
Purchases of capital assets	(1,227,004)	(24,488,217)	(55,115,196)	(698,757)	(1,467,152)	(2,085,887)
Principal paid on capital debt	(1,486,416)	(3,790,640)	(24,232,776)	(2,275,000)	(400,000)	(5,197,681)
Interest paid on capital debt	(17,003)	(6,015,694)	(1,310,131)	(2,419,632)	(47,120)	(3,281,542)
Principal paid on leases	(1,955,939)	(686,791)		(26,754)		(545,000)
Interest paid on leases	(1,765)	(83,290)		(276)		
Proceeds from leases (principal only)		24,000	80,214	272,543		
Interest received from leases			25,471	14,385		
Other receipts (payments)		(789,736)		(782,464)		
Net cash used by capital financing activities	(3,864,654)	(35,339,269)	(57,913,537)	(3,865,955)	(1,914,272)	(11,110,110)

(Continued)

Schedule 9

	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	\$127,821,214	\$52,203,960	\$42,998,664		\$511,164,698
Grants and contracts	77,081,953	12,989,204	36,637,134		247,865,044
Sales and services of educational departments	169,830	581,533	378,799		8,360,435
Auxiliary enterprise receipts	43,862,436	16,159,513	13,118,619		182,002,534
Payments for employee compensation	(162,971,735)	(60,946,201)	(73,665,165)	(\$2,050,966)	(620,285,703)
Payments for benefits	(58,286,130)	(28,493,113)	(28,844,665)	(790,721)	(256,085,309)
Payments for utilities	(8,878,257)	(5,463,008)	(8,145,654)		(46,843,797)
Payments for supplies and services	(102,355,660)	(32,322,554)	(40,290,526)	(1,140,032)	(358,819,543)
Payments for scholarships and fellowships	(34,877,744)	(13,772,501)	(7,858,825)		(191,801,641)
Loans to students	(683,436)	(24,647)			(708,083)
Collection of loans to students	1,140,594	492,094	149,190		2,370,145
Other receipts (payments)	5,947,163	781,745	11,390,217	2,707,348	23,065,129
Net cash provided (used) by operating activities	<u>(112,029,772)</u>	<u>(57,813,975)</u>	<u>(54,132,212)</u>	<u>(1,274,371)</u>	<u>(499,716,091)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	56,530,496	29,956,253	27,305,969	1,785,005	259,407,049
Gifts and grants for other than capital purposes	12,861,685	6,481,963	2,981,046		35,087,170
Pell grant receipts	25,379,502	12,175,224	12,085,741		136,551,340
Private gifts for endowment purposes	100,000		280,000		880,000
Taylor Opportunity Program for Students receipts	34,108,443	15,008,617	10,848,501		153,222,952
Taylor Opportunity Program for Students disbursements	(34,018,287)	(15,101,028)	(10,408,037)		(153,190,923)
CARES Act Receipts	32,608,786	17,755,085	15,764,348		185,126,992
Direct lending receipts	56,380,901	39,118,625	22,406,076		315,951,167
Direct lending disbursements	(56,350,934)	(38,912,093)	(22,376,798)		(316,069,140)
Other receipts (payments)	877,344	739,735	22,365	522,923	8,987,281
Net cash provided by noncapital financing sources	<u>128,477,936</u>	<u>67,222,381</u>	<u>58,909,211</u>	<u>2,307,928</u>	<u>625,953,888</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt	57,266,408	4,774,443	5,000,000		90,170,831
Capital gifts and grants received	5,862,529				6,686,002
Proceeds from sale of capital assets					2,050,000
Purchases of capital assets	(6,791,551)	(10,192,295)	(1,766,181)		(103,832,240)
Principal paid on capital debt	(65,421,444)	(3,895,000)	(3,511,696)		(110,210,653)
Interest paid on capital debt	(9,453,239)	(1,235,257)	(1,860,807)		(25,640,425)
Principal paid on leases	(14,680)	(92,348)			(3,321,512)
Interest paid on leases	(3,376)	(14,090)			(102,797)
Proceeds from leases (principal only)	50,039	154,055	527,194		1,108,045
Interest received from leases	64,874	44,717	20,484		169,931
Other receipts (payments)	(1,403,706)	(34,105)	283,165		(2,726,846)
Net cash used by capital financing activities	<u>(19,844,146)</u>	<u>(10,489,880)</u>	<u>(1,307,841)</u>		<u>(145,649,664)</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2022**

	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 investments	\$6,418,931		(\$3,787,735)	\$4,286,726	\$967,440	\$4,295,722
Interest received on investments	708,181	\$126,042	(1,077,284)	13,533	203,631	4,247,367
Purchases of investments	(2,359,846)		6,175,621	(3,575,660)		(3,903,936)
Net cash provided (used) by investing activities	4,767,266	126,042	1,310,602	724,599	1,171,071	4,639,153
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	9,561,663	(23,578,724)	8,217,007	1,216,154	2,975,814	(5,090,307)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR						
	32,223,574	76,801,662	58,444,446	23,702,568	52,773,078	48,878,893
CASH AND CASH EQUIVALENTS AT END OF THE YEAR						
	\$41,785,237	\$53,222,938	\$66,661,453	\$24,918,722	\$55,748,892	\$43,788,586
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating loss	(\$54,076,858)	(\$61,602,694)	(\$31,723,202)	(\$38,127,162)	(\$47,724,659)	(\$72,237,676)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:						
Depreciation expense	7,782,125	13,518,840	5,286,401	6,375,263	3,886,967	9,933,682
Nonemployer contributing entity revenue	200,029	434,461	239,720	257,969	312,005	475,228
Amortization of bond issuance costs				56,298		
Changes in assets, deferred outflows, liabilities and deferred inflows:						
(Increase) decrease in accounts receivable, net	405,197	(415,264)	48,725,697	(1,215,056)	(3,140,781)	571,556
(Increase) decrease in inventories	(77,141)	(29,750)	(67,206)		9,222	141,352
(Increase) decrease in prepaid expenses and advances		6,646	(44,347)	149,502	(186,094)	(255,930)
(Increase) decrease in notes receivable, net			256,497		73,292	
(Increase) decrease in other assets			(18,493)	(39,596)	1,589	460,114
(Increase) decrease in deferred outflows related to pensions	7,910,310	17,090,672	9,620,676	10,365,566	13,246,385	20,613,034
(Increase) decrease in deferred outflows related to OPEB	(2,506,539)	(6,105,540)	(4,705,720)	(5,360,683)	(6,014,451)	(9,453,964)
Increase (decrease) in accounts payable and accrued liabilities	1,304,505	722,518	176,299	455,861	1,286,308	(1,968,404)
Increase (decrease) in unearned revenue	(721,290)	(957,437)	106,992	(661,781)	(864,523)	109,274
Increase (decrease) in amounts held in custody for others	317,733	105,061	(181,016)	43,215	(29,181)	(219,360)
Increase (decrease) in compensated absences	(182,054)	(139,400)	(312,540)	(51,372)	(304,955)	150,107
Increase (decrease) in net pension liability	(32,385,772)	(69,924,386)	(43,483,466)	(42,769,953)	(55,137,123)	(81,079,310)
Increase (decrease) in OPEB liability	3,091,752	11,354,497	8,818,727	9,857,144	11,659,352	17,889,713
Increase (decrease) in other liabilities	1,370,924			80,728	(20,640)	
Increase (decrease) in deferred inflows related to pensions	18,671,083	40,301,945	23,242,018	24,066,579	31,016,572	45,508,425
Increase (decrease) in deferred inflows related to OPEB	(2,577,799)	(5,651,212)	(4,184,033)	(4,307,937)	(4,421,975)	(6,913,663)
Net cash provided (used) by operating activities	(\$51,473,795)	(\$61,291,043)	\$11,753,004	(\$40,825,415)	(\$56,352,690)	(\$76,275,822)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and cash equivalents classified as current assets	\$12,772,294	\$30,746,490	\$56,888,969	\$10,150,709	\$52,685,547	\$34,177,720
Cash and cash equivalents classified as noncurrent assets	29,012,943	22,476,448	9,772,484	14,768,013	3,063,345	9,610,866
Cash and cash equivalents at the end of the year	\$41,785,237	\$53,222,938	\$66,661,453	\$24,918,722	\$55,748,892	\$43,788,586

(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 (losses) from sales and maturities of investments	\$3,106,860	\$397,516	\$232,429		\$15,917,889
Interest received on investments	840,980	1,571,577	421,979	\$26,287	7,082,293
Purchases of investments		(2,150,500)			(5,814,321)
Net cash provided (used) by investing activities	<u>3,947,840</u>	<u>(181,407)</u>	<u>654,408</u>	<u>26,287</u>	<u>17,185,861</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	551,858	(1,262,881)	4,123,566	1,059,844	(2,226,006)
CASH AND CASH EQUIVALENTS AT BEGINNING 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>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR					
	<u>\$33,025,770</u>	<u>\$26,071,237</u>	<u>\$23,392,478</u>	<u>\$2,058,575</u>	<u>\$370,673,888</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$93,775,561)	(\$53,009,801)	(\$47,899,904)	(\$1,772,976)	(\$501,950,493)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation expense	24,908,335	7,580,570	9,913,334	6,194	89,191,711
Nonemployer contributing entity revenue	871,259	363,371	464,694	12,388	3,631,124
Amortization of bond issuance costs			37,451		93,749
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable, net	(23,498,862)	(90,359)	(2,573,758)		18,768,370
(Increase) decrease in inventories	784,728	(12,175)	(20,592)		728,438
(Increase) decrease in prepaid expenses and advances	221,474	(135,530)	(500,204)		(744,483)
(Increase) decrease in notes receivable, net	449,336	332,401	149,190		1,260,716
(Increase) decrease in other assets			(46,135)		357,479
(Increase) decrease in deferred outflows related to pensions	37,588,783	13,699,570	19,064,173	740,405	149,939,574
(Increase) decrease in deferred outflows related to OPEB	(13,902,113)	(5,410,264)	(7,627,362)	8,038	(61,078,598)
Increase (decrease) in accounts payable and accrued liabilities	1,585,133	952,659	3,234,605	218,867	7,968,351
Increase (decrease) in unearned revenue	5,824,082	(183,944)	557,557		3,208,930
Increase (decrease) in amounts held in custody for others	59,068	2,060	(139,786)		(42,206)
Increase (decrease) in compensated absences	60,276	125,599	132,487	15,970	(505,882)
Increase (decrease) in net pension liability	(155,747,554)	(60,065,503)	(78,640,998)	(2,275,320)	(621,509,385)
Increase (decrease) in OPEB liability	26,826,902	9,782,340	5,991,254	295,563	105,567,244
Increase (decrease) in other liabilities		(46,818)	(266,913)		1,117,281
Increase (decrease) in deferred inflows related to pensions	84,610,421	33,430,114	46,891,231	1,594,125	349,332,513
Increase (decrease) in deferred inflows related to OPEB	(8,895,479)	(5,128,265)	(2,852,536)	(117,625)	(45,050,524)
Net cash provided (used) by operating activities	<u>(\$112,029,772)</u>	<u>(\$57,813,975)</u>	<u>(\$54,132,212)</u>	<u>(\$1,274,371)</u>	<u>(\$499,716,091)</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	\$3,622,867	\$18,533,902	\$13,954,450	\$2,058,575	\$235,591,523
Cash and cash equivalents classified as noncurrent assets	<u>29,402,903</u>	<u>7,537,335</u>	<u>9,438,028</u>		<u>135,082,365</u>
Cash and cash equivalents at the end of the year	<u>\$33,025,770</u>	<u>\$26,071,237</u>	<u>\$23,392,478</u>	<u>\$2,058,575</u>	<u>\$370,673,888</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2022**

	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	\$384,163	\$2,784,067	\$11,262,472	\$929,183	\$371,407	\$756,512
Change in fair market value of investments	(\$1,832,550)	(\$7,850,315)	(\$2,552,064)	(\$5,183,505)	(\$2,974,145)	(\$3,664,232)
Private gifts for endowment purposes		\$600,000		\$100,000		
Capital gifts and grants	\$1,145,500	\$1,549,171	\$562,141	\$1,108,940	\$49,780	\$7,120
Capital assets acquired through leases, notes, and accounts payable		\$1,102,280				
Disposition of capital assets	(\$993,251)	(\$28,816)		(\$137,899)	(\$1,200)	\$231,114
Other	\$3,968,611	\$703,027				

(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	\$4,771,005	\$202,181	\$3,548		\$21,464,538
Change in fair market value of investments	(\$24,624,341)	(\$6,219,826)	(\$3,720,917)		(\$58,621,895)
Private gifts for endowment purposes			\$280,000		\$980,000
Capital gifts and grants	\$1,297,496	\$1,143,767	(\$35,159)		\$6,828,756
Capital assets acquired through leases, notes, and accounts payable		\$1,158,336	(\$14,700)		\$2,245,916
Disposition of capital assets	(\$248,017)	(\$79,315)			(\$1,257,384)
Other	\$325,137				\$4,996,775

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.

December 29, 2023

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 (*Government Auditing Standards*), the financial statements of the business-type activities and aggregate discretely presented component units of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2023, 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, 2023. 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. and the University of New Orleans Foundation, which are discretely presented component units 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., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the NSU Facilities Corporation and University Facilities, Inc., or that are reported on separately by those auditors who audited the financial statements of the NSU Facilities Corporation and University Facilities, Inc.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, 2023. In addition, other external auditors audited the University of

Louisiana at Lafayette Foundation, Inc. and the University of New Orleans Foundation which are discretely presented component units 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, 2023, 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.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

LA:CJH:RR:BQD:ch

ULS 2023