

# Financial Report

For the Year Ended June 30, 2024



*University of Louisiana at Lafayette*



# UNIVERSITY OF LOUISIANA AT LAFAYETTE

*A MEMBER OF THE UNIVERSITY OF LOUISIANA SYSTEM*

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## FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2024

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CARRIE D. HEBERT  
CASH COMPLIANCE ANALYST

ANNA V. BIENVENU  
ACADEMIC SUPPORT ACCOUNTANT

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**STATEMENT OF NET POSITION**  
**FISCAL YEAR ENDED JUNE 30, 2024**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$1,286,013	\$4,990,759	\$0	\$6,276,772
Receivables, net	53,842,090	224,001	(5,030,469)	49,035,622
Pledges receivable	0	10,631,092	0	10,631,092
Due from state treasury	967,007	0	0	967,007
Due from federal government	109,786	0	0	109,786
Inventories	62,568	0	0	62,568
Prepaid expenses and advances	4,441,340	171,068	0	4,612,408
Notes receivable	975,791	0	0	975,791
Lease Receivable	520,084	0	0	520,084
Other current assets	29,243	0	0	29,243
	<u>62,233,922</u>	<u>16,016,920</u>	<u>(5,030,469)</u>	<u>73,220,373</u>
<b>Total current assets</b>				
<b>Noncurrent Assets</b>				
Restricted assets:				
Cash and cash equivalents	33,454,071	35,851,262	0	69,305,333
Investments	121,088,608	204,230,661	(121,168,608)	204,150,661
Notes receivable, net	1,862,326	0	0	1,862,326
Pledges receivable	0	18,361,530	0	18,361,530
Lease Receivable	5,304,789	0	0	5,304,789
Capital assets, net (including leased & subscription assets)	469,020,516	11,690,104	0	480,710,620
Other noncurrent assets	0	1,766,331	0	1,766,331
	<u>630,730,310</u>	<u>271,899,888</u>	<u>(121,168,608)</u>	<u>781,461,590</u>
<b>Total noncurrent assets</b>				
	<u>692,964,232</u>	<u>287,916,808</u>	<u>(126,199,077)</u>	<u>854,681,963</u>
<b>Total assets</b>				
<b>Deferred Outflows of Resources</b>				
Deferred outflows relating to pensions	67,711,795			67,711,795
Deferred outflows relating to other postemployment benefits (OPEB)	24,925,757			24,925,757
	<u>92,637,552</u>			<u>92,637,552</u>
<b>Total deferred outflows of resources</b>				
	<u>92,637,552</u>	NONE	NONE	<u>92,637,552</u>
<b>Total assets and deferred outflows</b>				
	<u>\$785,601,784</u>	<u>\$287,916,808</u>	<u>(\$126,199,077)</u>	<u>\$947,319,515</u>

(Continued)

The accompanying notes are an integral part of this statement

**STATEMENT OF NET POSITION**  
**FISCAL YEAR ENDED JUNE 30, 2024**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$31,441,466	\$518,923	\$0	\$31,960,389
Due to federal government	355	0	0	355
Unearned revenues	18,193,257	2,933,332	0	21,126,589
Amounts held in custody for others	1,541,683	0	0	1,541,683
Other liabilities	2,712,586	0	0	2,712,586
<b>Current Portion of Noncurrent Liabilities</b>				
Compensated absences payable	1,052,801	0	0	1,052,801
Lease obligations	270,937	0	0	270,937
Subscription liability	846,449	0	0	846,449
Notes payable	156,158	28,651	0	184,809
Bonds payable	7,550,000	0	0	7,550,000
OPEB liability	5,900,000	0	0	5,900,000
Other current liabilities	0	5,253,306	(4,950,469)	302,837
<b>Total current liabilities</b>	<b>69,665,692</b>	<b>8,734,212</b>	<b>(4,950,469)</b>	<b>73,449,435</b>
<b>Long-term Portion of Noncurrent Liabilities</b>				
Compensated absences payable	14,141,773	0	0	14,141,773
Amounts held in custody for others	0	46,469,918	(46,469,918)	0
Lease obligations	663,531	0	0	663,531
Subscription liability	1,687,259	0	0	1,687,259
Notes payable	40,053	204,100	0	244,153
Bonds payable	238,548,834	0	0	238,548,834
Net pension liability	237,055,146	0	0	237,055,146
OPEB liability	169,431,183	0	0	169,431,183
Other noncurrent liabilities	0	3,778,400	0	3,778,400
<b>Total noncurrent liabilities</b>	<b>661,567,779</b>	<b>50,452,418</b>	<b>(46,469,918)</b>	<b>665,550,279</b>
<b>Total liabilities</b>	<b>731,233,471</b>	<b>59,186,630</b>	<b>(51,420,387)</b>	<b>738,999,714</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows relating to leases	5,727,838	0	0	5,727,838
Deferred inflows relating to pensions	10,526,034	0	0	10,526,034
Deferred inflows relating to OPEB	40,648,041	0	0	40,648,041
<b>Total deferred outflow of resources</b>	<b>56,901,913</b>	<b>0</b>	<b>0</b>	<b>56,901,913</b>
<b>Net Position</b>				
Net investment in capital assets	228,057,576	11,690,104	0	239,747,680
Restricted for:				
Nonexpendable	59,515,000	133,009,996	(63,238,715)	129,286,281
Expendable	117,270,856	78,323,587	(11,539,975)	184,054,468
Unrestricted	(407,377,032)	5,706,491	0	(401,670,541)
<b>Total net position</b>	<b>(2,533,600)</b>	<b>228,730,178</b>	<b>(74,778,690)</b>	<b>151,417,888</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$785,601,784</b>	<b>\$287,916,808</b>	<b>(\$126,199,077)</b>	<b>\$947,319,515</b>

(Concluded)

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2024**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>Operating Revenues</b>				
Student tuition and fees (net of allowances totaling \$46,808,051)	\$119,196,193	\$0	(\$4,161,311)	\$115,034,882
Gifts received by the foundations		13,745,471	(700,000)	13,045,471
Endowment income	0	17,349,903	(7,450,637)	9,899,266
Federal grants and contracts	45,071,114	0	0	45,071,114
State and local grants and contracts	18,668,470	0	0	18,668,470
Nongovernmental grants and contracts	30,164,062	0	0	30,164,062
Sales and services of educational departments	310,830	0	0	310,830
Auxiliary enterprise revenues (net of allowances totaling \$7,080,732)	49,922,638	0	(21,692)	49,900,946
Other operating revenues	9,900,245	1,255,255	0	11,155,500
<b>Total operating revenues</b>	<b>273,233,552</b>	<b>32,350,629</b>	<b>(12,333,640)</b>	<b>293,250,541</b>
<b>Operating Expenses</b>				
Educational and general:				
Instruction	104,481,700	0	0	104,481,700
Research	85,236,789	0	0	85,236,789
Public service	7,139,706	0	0	7,139,706
Academic support	22,505,670	0	0	22,505,670
Student services	19,191,844	0	0	19,191,844
Institutional support	38,884,350	0	0	38,884,350
Operations and maintenance of plant	25,346,145	0	0	25,346,145
Depreciation	29,114,106	305,576	0	29,419,682
Scholarships and fellowships	16,255,906	0	0	16,255,906
Auxiliary enterprises	64,130,046	0	0	64,130,046
Other operating expenses	690,277	33,027,378	(28,653,593)	5,064,062
<b>Total operating expenses</b>	<b>412,976,539</b>	<b>33,332,954</b>	<b>(28,653,593)</b>	<b>417,655,900</b>
<b>Operating income (loss)</b>	<b>(139,742,987)</b>	<b>(982,325)</b>	<b>16,319,953</b>	<b>(124,405,359)</b>

(Continued)

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2024**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>Nonoperating Revenues (Expenses)</b>				
State appropriations	\$95,256,683	\$0	\$0	\$95,256,683
Gifts	5,928,803	0	(5,928,803)	0
Federal nonoperating revenues (expenses)	32,754,009	0	0	32,754,009
Net investment income (loss)	11,300,607	1,194,766	0	12,495,373
Interest expense	(8,955,060)	0	0	(8,955,060)
Insurance recoveries	429,071	0	0	429,071
Other nonoperating revenues (expenses)	9,413,550	0	0	9,413,550
Net nonoperating revenues (expenses)	<u>146,127,663</u>	<u>1,194,766</u>	<u>(5,928,803)</u>	<u>141,393,626</u>
Income (loss) before other revenues, expenses, gains, and losses	<u>6,384,676</u>	<u>212,441</u>	<u>10,391,150</u>	<u>16,988,267</u>
Capital appropriations	7,159,825	0	0	7,159,825
Capital grants and gifts	18,955,425	0	(13,940,670)	5,014,755
Additions to permanent endowments	300,000	4,952,066	0	5,252,066
Increase (decrease) in net position	<u>32,799,926</u>	<u>5,164,507</u>	<u>(3,549,520)</u>	<u>34,414,913</u>
Net position at the beginning of the year	<u>(35,333,526)</u>	<u>223,565,671</u>	<u>(71,229,170)</u>	<u>117,002,975</u>
Net position at the end of the year	<u><u>(\$2,533,600)</u></u>	<u><u>\$228,730,178</u></u>	<u><u>(\$74,778,690)</u></u>	<u><u>\$151,417,888</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

<b>Cash Flows From Operating Activities</b>	
Tuition and fees	\$118,034,119
Grants and contracts	98,055,049
Sales and services of educational departments	312,664
Auxiliary enterprise receipts	47,109,695
Payments for employee compensation	(184,469,252)
Payments for benefits	(61,438,372)
Payments for utilities	(9,958,626)
Payments for supplies and services	(118,854,961)
Payments for scholarships and fellowships	(19,862,706)
Loans to students	(627,855)
Collection of loans to students	1,964,279
Other receipts (payments)	<u>10,128,044</u>
Net cash provided (used) by operating activities	<u>(119,607,922)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>	
State appropriations	94,740,048
Gifts and grants for other than capital purposes	6,454,836
Pell Grant receipts (do not report in gifts and grants)	32,397,650
Private gifts for endowment purposes	300,000
TOPS receipts	31,825,592
TOPS disbursements	(31,900,120)
CARES Act receipts	(144,926)
Direct lending receipts	58,538,376
Direct lending disbursements	(58,553,780)
Other receipts (disbursements)	<u>5,653,750</u>
Net cash provided (used) by noncapital financing sources	<u>139,311,426</u>
<b>Cash Flows From Capital Financing Activities</b>	
Proceeds from capital debt	12,552,533
Capital grants and gifts received	16,976,230
Purchases of capital assets	(36,513,517)
Principal paid on capital debt	(7,164,250)
Interest paid on capital debt	(10,245,779)
Payments for right of use leased assets (include principal and interest)	(105,560)
Proceeds from leases (include principal and interest)	2,578,819
Payments for SBITAs (include principal and interest)	(2,445,208)
Other sources (uses)	<u>1,097,113</u>
Net cash provided (used) by capital financing activities	<u>(23,269,619)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

<b>Cash Flows From Investing Activities</b>	
Proceeds from sales and maturities of investments	\$1,761,029
Interest received on investments	2,475,660
Proceeds from leases (only if classified as investment)	0
Interest received from leases (only if classified as investment)	<u>0</u>
Net cash provided (used) by investing activities	<u>4,236,689</u>
Net increase (decrease) in cash and cash equivalents	670,574
Cash and cash equivalents at the beginning of the year	<u>34,069,510</u>
Cash and cash equivalents at the end of the year	<u><u>\$34,740,084</u></u>
Operating income (loss)	(\$139,742,987)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	29,114,106
Retirement contributions paid by third parties	4,036,125
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in accounts receivable, net	5,816,929
(Increase) decrease in inventories	(3,806)
(Increase) decrease in prepaid expenses and advances	(138,625)
(Increase) decrease in notes receivable	1,335,501
(Increase) decrease in deferred outflows related to pensions	2,717,050
(Increase) decrease in deferred outflows related to OPEB	1,353,910
Increase (decrease) in accounts payable and accrued liabilities	(890,240)
Increase (decrease) in unearned revenue	(4,988,927)
Increase (decrease) in amounts held in custody for others	38,161
Increase (decrease) in compensated absences	690,277
Increase (decrease) in net pension liability	(19,552,313)
Increase (decrease) in total OPEB liability	12,118,975
Increase (decrease) in deferred inflows related to pensions	5,706,039
Increase (decrease) in deferred inflows related to OPEB	<u>(17,218,097)</u>
Net cash provided (used) by operating activities:	<u><u>(\$119,607,922)</u></u>

(Continued)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2024**

**Reconciliation of Cash and Cash Equivalents to the Statement of Net Position**

Cash and cash equivalents classified as current assets	1,286,013
Cash and cash equivalents classified as noncurrent assets	<u>33,454,071</u>
Total cash and cash equivalents	<u><u>\$34,740,084</u></u>

**Schedule of Noncash Investing, Capital, and Financing Activities**

Capital appropriations	\$7,159,825
Change in fair market value of investments	\$8,274,162
Capital gifts and grants	\$1,979,195
Capital assets acquired through leases, notes, and accounts payable	\$448,196
Disposition of capital assets	(\$1,097,113)
Other	\$869,933

\* Other (operating cash payments)

Tenant rentals; miscellaneous income, arts admissions, concessions, and sales; check fines

\*\*Other (cash flows from non capital financing activities)

Insurance recoveries; Pension liability; GO Grant

(Concluded)

The accompanying notes are an integral part of this statement.

## INTRODUCTION

The University of Louisiana at Lafayette (University) is a component unit of the University of Louisiana System, 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 University is under the management and supervision of the University of Louisiana System Board of Supervisors (System); however, the annual budget of the System and the University and changes to the degree programs, departments of instruction, et cetera, 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 a state university, operations of the University's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature. The chief executive officer of the System is the president. In addition, the chief executive officer of the University is the university president.

The University had approximately 15,345 students enrolled during the fall semester of the 2023/2024 academic year.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB.

#### B. REPORTING ENTITY

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

### *Blended Component Unit*

Ragin' Cajun Facilities, Inc. is a Louisiana nonprofit corporation that is considered a blended component unit of the University because it is fiscally dependent on the University. The purpose of this organization is to promote, assist, and benefit the mission of the University through the acquisition, construction, development, management, leasing or otherwise assisting in the acquisition, construction, development, management or leasing of student housing or other facilities on behalf of the University. Although the facilities corporation is legally separate, it is reported as a part of the University because the majority of its revenue comes from leasing facilities to the University.

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

- Ragin' Cajun Facilities, Inc., c/o Ms. Debra L. Calais, University of Louisiana at Lafayette, P.O. Box 40400, Lafayette, Louisiana 70504.

### *Discretely Presented Component Unit*

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

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

During the year ended June 30, 2024, the Foundation made distributions totaling \$28,650,221 to or on behalf of the University for both restricted and unrestricted purposes.

To obtain the Foundation's latest audit report, 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.

The blended and discretely presented component units are private nonprofit organizations whose financial statements are prepared in accordance with 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). 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 for Ragin' Cajun Facilities, Inc., and the Foundation, no modifications have been made to their financial information in the University's report. In addition, financial data of the ULL Foundation is presented separately in certain notes to the financial statements.

### **C. BASIS OF ACCOUNTING**

For financial reporting purposes, the University is considered a special-purpose government engaged in only business-type activities. All activities of the University are accounted for within a single proprietary (enterprise) fund. Accordingly, the University'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-agency transactions have been eliminated.

#### *Foundation*

FASB ASC §958 establishes external financial reporting for not-for-profit organizations, 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.

Donors include other types of contributors and grantors.

### **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. The statute requires 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 that (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that 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 with a maturity of three months or less when purchased. Under State law, the University 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 University 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 University 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 University 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 University's foundation holds and manages funds received by the University 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 at net asset value, where applicable, for certain endowment investments, in accordance with GASB Statement No. 31, as amended by GASB Statement No. 72. 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 University considers all highly-liquid investments (including restricted assets) with a maturity 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 University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of \$1,000,000 or more, and three to 10 years for internally generated software with development costs of \$1,000,000 or more. A threshold of \$50,000 is applied against the total contract value in the identification and reporting of leases under GASB 87, *Leases*. 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, and other equipment. Amortization is calculated using the straight-line method over the shorter of the lease term or the useful life of the leased 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, but 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 University'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 obligations with contractual maturities greater than one year; amounts for accrued compensated absences; the University's proportionate shares of the LASERS and Teachers' Retirement System of Louisiana (TRSL) actuarially accrued net pension liability and the actuarially accrued liability 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 pension 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 retirements 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.

## **K. NET POSITION**

The University's net position is classified as follows:

(1) Net Investment in Capital Assets

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

(2) Restricted Net Position – Expendable

Restricted expendable net position includes resources that the University 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 the 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 University and may be used at the discretion of the governing board to meet current expenses and for any purpose.

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

**L. CLASSIFICATIONS OF REVENUES AND EXPENSES**

The University has classified its revenues 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 University, 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 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**O. ADOPTION OF NEW ACCOUNTING PRINCIPLES**

For the year ended June 30, 2024, the UL System implemented the following:

- GASB Statement No. 99, *Omnibus 2022* which was issued in April 2022 and which has requirements that are related to financial guarantees and derivative instruments that are effective for fiscal years beginning after June 15, 2023.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*, which was issued in June 2022 and is effective for fiscal years beginning after June 15, 2023.

The System will include additional information on the new standards in its audited financial statements.

## 2. CASH AND CASH EQUIVALENTS

At June 30, 2024, the university has cash and cash equivalents (book balances) of \$34,740,084 as follows:

Demand deposits	\$13,179,368
Certificates of deposit	22,481
Petty cash	33,727
Blended component unit cash	<u>21,504,508</u>
 Total	 <u><u>\$34,740,084</u></u>

Custodial credit risk is the risk that in the event of a bank failure, the University’s deposits may not be returned to it. Under state law, the University’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 University or the pledging bank by a holding or custodial bank that is mutually acceptable to both parties.

As of June 30, 2024, the university’s bank balance totaled \$35,659,458.

The disclosure requirements in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are not applicable to the Foundation’s cash and cash equivalents, which totaled \$40,842,021 at June 30, 2024, as shown on its Statement of Financial Position.

## 3. INVESTMENTS

At June 30, 2024, the University reported investments totaling \$121,088,608 on the Statement of Net Position, all of which was held by the Foundation.

### *Fair Value Measurement*

GASB Statement No. 72, *Fair Value Measurement and Application*, 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 assets measured on a recurring basis at June 30, 2024 are as follows:

	Totals	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Investments Measured at Net Asset Value
Investments held by foundation					
Mutual funds	28,185,055	\$28,185,055	\$0	\$0	\$0
Money market accounts	10,767,900	10,767,900	0	0	0
Exchange traded funds	13,023,941	13,023,941	0	0	0
Common and preferred stock	5,484,693	5,484,693	0	0	0
Other - Futures contracts	49,882	49,882	0	0	0
Unit Investment Trusts and Limited Partnerships	11,447,583	0	0	0	11,447,583
Hedge funds:					
Equity - long/short	14,886,832	0	0	0	14,886,832
Multi-strategy	15,705,687	0	0	0	15,705,687
Other credit	14,973,291	0	0	0	14,973,291
Private equities	6,563,744	0	0	0	6,563,744
	121,088,608	\$57,511,471	\$0	\$0	\$63,577,137
Held by Blended component unit (not categorized)	0				
Total	\$121,088,608				

Fair values for the University's investments categorized in Level 1 (e.g., equity securities, certain mutual funds, money market accounts) have been obtained using quoted prices from active markets in which these securities are traded (e.g., New York Stock Exchange).

*Hedge Funds and Other Alternative Investments Measured at Net Asset Value*

Following is a summary of the fair value and unfunded commitments for the alternative and hedge fund investments held by the Foundation and which are included in investments measured at net asset value above, as of June 30, 2024:

	Fair Value	Unfunded Commitments
Alternative investments:		
Unit investment trusts and limited partnerships	11,447,583	
Hedge funds:		
Equity - long/short	14,886,832	
Multi-strategy	15,705,687	
Other credit	14,973,291	
Private equities	6,563,744	1,046,081
Subtotal	<u>\$63,577,137</u>	<u>\$1,046,081</u>

The table below summarizes the terms of the hedge fund investments with respect to lockup periods, redemption frequencies, and notice periods as of June 30, 2024:

	Lockup Period	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity - long/short	0 - 18 months	Monthly, Quarterly	30 - 45 days
Private equities	4 - 13 years	Manager Discretion	Manager Discretion
Other credit	10+ years	Manager Discretion	Manager Discretion
Multi-strategy	N/A	Manager Discretion	Manager Discretion
Unit investment trust	12+ years	Manager Discretion	Manager Discretion

Equity – long/short – This 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 as well as other direct investments. Net asset values of these funds are determined by utilizing the latest unaudited or audited financial statements and performance reports of hedge funds in which it invests. Any listed investments are valued at the last sales price on the date of determination. Any investments that are not listed are valued at the mean between the last closing and asked prices, as reported in the over the counter market, if available. For those investments where there is no quotation, the investment is valued at the estimated fair value, as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

Private equities – This category includes investments in funds whose primary strategy is to build a diversified portfolio of top-performing private equity positions in both funds and direct investments in companies and corporations. Net asset values of these funds are determined by

utilizing the latest unaudited or audited financial statements and performance reports of funds in which it invests. Any listed investments are valued at the last sales price on the date of determination. Any investments that are 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 where there is no quotation, the investment is valued at the estimated fair value, as determined by the investment manager of the fund, based upon relevant factors of the investees, such as current financial position, historical operating results, recent sales prices in the same or similar securities. Net asset values are computed monthly.

Other credit – This category includes investments in various funds. The funds primarily invest in debt instruments of private and public companies, U.S. government and municipal securities, mortgage backed securities, asset backed securities and provide mezzanine capital to middle market businesses. The net asset values of these funds are determined based on portfolio valuations utilizing different valuation techniques, depending upon the investment involved. Market quotes are utilized where available. For those equity and debt securities where prices are not observable, which are generally private investments in equity and debt securities of operating companies, fair value is determined by reference to public market or private transactions for comparable assets. Net asset values are computed on a monthly basis.

Multi–strategy – This category includes 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 where no independent sources are available, the investment manager determines the fair values by other means, which may include obtaining appraisals. Some funds utilize 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 it invests. Any listed investments are valued at the last sales price on the date of determination. For those investments where there is no quotation, the fair value is estimated at the net asset value calculated by the fund manager.

Unit investment trust – This category includes 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.

The Foundation transacts in certain derivative investments as part of its overall investment strategy. The primary objective of these investments is to rebalance the portfolio investment allocations on a continuing basis.

These derivative investments have not been designated as hedges. The fair value of these derivative instruments are included within the “Investments” line item on the statement of financial position with changes in fair value reflected as realized gains (losses) or net change in unrealized gains (losses) on investments within the statement of activities.

### *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, the University does not have policies to limit interest rate risk. The University’s fixed-income investments and maturities at June 30, 2024, follow:

Description	Percentage of Investments	Fair Value	Investment Maturities in Years				
			Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 20 Years
Investments held by foundation							
Mutual funds	23.28%	\$28,185,055					
Money market accounts	8.89%	10,767,900					
Exchange traded funds	10.76%	13,023,941					
Common and preferred stock	4.53%	5,484,693					
Other	0.04%	49,882					
Unit Investment Trusts and Limited Partnership	9.45%	11,447,583					
Hedge funds:							
Equity - long/short	12.29%	14,886,832					
Multi-strategy	12.97%	15,705,687					
Other credit	12.37%	14,973,291					
Private equities	5.42%	6,563,744					
Held by Blended Component Units	0.00%	0					
Totals	100.00%	\$121,088,608	\$0	\$0	\$0	\$0	\$0

### *Custodial Credit Risk*

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty the University 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 University’s investment policies generally require that issuers must provide the University 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. The University does not have policies to further limit concentration of credit risk.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As stated above, the University follows R.S. 49:327 to limit credit risk. The University does not have policies to further limit credit risk. The Foundation follows guidelines established by the Board of Regents to limit credit risk for the University's endowment investments.

The University's investments totaling \$121,088,608 at June 30, 2024, are unrated.

*University of Louisiana at Lafayette Foundation*

The fair values of the Foundation's investments totaling \$204,230,661 at June 30, 2024, as shown on the Statement of Financial Position, follow:

Type of Investment	Amount
Certificates of deposit	\$271,129
Equities	9,977,103
Unit investment trusts and limited partnerships	21,335,322
Derivative assets	63,936
Mutual and exchange traded funds	65,536,573
Hedge funds and other alternative investments	107,046,598
Total	<u><u>\$204,230,661</u></u>

**4. RECEIVABLES**

Receivables, net of an allowance for doubtful accounts, at June 30, 2024, reported on the Statement of Net Position are composed of the following:

Account	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Portion
Student tuition and fees	\$8,968,457	(\$5,724,650)	\$3,243,807	\$0
Auxiliary enterprises	11,398,631	(6,307,191)	\$5,091,440	0
Contributions and gifts	7,546,163	0	\$7,546,163	0
Federal, state, and private grants and contracts	35,521,256	0	\$35,521,256	0
Insurance recoveries	89,181	0	\$89,181	0
Other	2,350,243	0	\$2,350,243	0
Total	<u><u>\$65,873,931</u></u>	<u><u>(\$12,031,841)</u></u>	<u><u>\$53,842,090</u></u>	<u><u>\$0</u></u>

## 5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2024, follow:

### *University*

Description	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:							
Land	\$18,656,987		\$18,656,987	\$6,619,321			\$25,276,308
Construction-in-progress	9,890,681		9,890,681	\$31,320,415	(\$13,068,073)		28,143,023
Right-to-Use Land	541,274		541,274			(113,952)	427,322
Total assets not being depreciated	29,088,942	0	29,088,942	37,939,736	(13,068,073)	(113,952)	53,846,653
Capital assets being depreciated/amortized:							
Land improvements	34,687,299		34,687,299		2,413,524		37,100,823
Buildings	656,781,320		656,781,320	1,184,928	10,654,549	(5,045,560)	663,575,237
Equipment (including library books)	137,895,415		137,895,415	4,922,945		(1,579,804)	141,238,556
Software (internally generated and purchased)	10,839,256		10,839,256				10,839,256
Right-to-Use Land improvements	0		0				0
Right-to-Use Buildings	0		0				0
Right-to-Use Equipment (including library books)	531,197		531,197	447,119			978,316
Right-to-Use Intangible Assets (SBITAs)	5,207,203		5,207,203	1,822,060		(2,509,100)	4,520,163
Total capital assets being depreciated/amortized	845,941,690	0	845,941,690	8,377,052	13,068,073	(9,134,464)	858,252,351
Less accumulated depreciation:							
Land improvements	(12,958,592)		(12,958,592)	(1,683,086)			(14,641,678)
Buildings	(287,567,957)		(287,567,957)	(19,511,228)		4,161,582	(302,917,603)
Equipment	(108,705,349)		(108,705,349)	(5,482,706)		1,579,804	(112,608,251)
Software (internally generated and purchased)	(10,839,256)		(10,839,256)				(10,839,256)
Less accumulated amortization:							
Right-to-Use Land improvements	0		0				0
Right-to-Use Buildings	0		0				0
Right-to-Use Equipment (including library books)	(171,101)		(171,101)	(203,961)		(55,890)	(430,952)
Right-to-Use Intangible Assets (SBITAs)	(1,873,430)		(1,873,430)	(2,233,125)		2,465,807	(1,640,748)
Total accumulated depreciation/amortization	(422,115,685)	0	(422,115,685)	(29,114,106)	0	8,151,303	(443,078,488)
Total capital assets, net	\$452,914,947	\$0	\$452,914,947	\$17,202,682	\$0	(\$1,097,113)	\$469,020,516

*Foundation*

	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:						
Land	\$2,906,052		\$2,906,052	\$215,422	\$(615,180)	\$2,506,294
Art and collectibles	3,406,179		3,406,179	162,960		3,569,139
Construction-in-progress	0		0			0
Right-to-Use Land	0		0			0
Total assets not being depreciated	6,312,231	0	6,312,231	378,382	(615,180)	6,075,433
Capital assets being depreciated:						
Buildings	11,173,819		11,173,819		(100,168)	11,073,651
Vehicles, furniture, and equipment	881,543		881,543	45,144		926,687
Software (internally generated/purchased)	76,703		76,703			76,703
Right-to-Use Buildings	0		0			0
Right-to-Use Equipment	0		0			0
Total assets being depreciated	12,132,065	0	12,132,065	45,144	(100,168)	12,077,041
Less accumulated depreciation						
Buildings	(5,270,462)		(5,270,462)	(294,011)	14,468	(5,550,005)
Vehicles, furniture, and equipment	(824,097)		(824,097)	(11,565)		(835,662)
Software (internally generated/purchased)	(76,703)		(76,703)			(76,703)
Right-to-Use Buildings	0		0			0
Right-to-Use Equipment	0		0			0
Total accumulated depreciation	(6,171,262)	0	(6,171,262)	(305,576)	14,468	(6,462,370)
Total capital assets, net	\$12,273,034	\$0	\$12,273,034	\$117,950	(\$700,880)	\$11,690,104

Although not capitalized, the University 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.

The University does not capitalize collections of works of art or historical treasures because these items meet the following criteria for exclusion from capitalization in accordance with the requirements of GASB 34: they are considered inexhaustible and are held for public exhibition, educational purposes, or research in enhancement of primarily student and public service instead of financial gain.

## 6. PAYABLES

Payables and accrued expenses at June 30, 2024, are summarized in the following:

Account Name	Amount
Vendor payables	\$19,957,363
Accrued salaries and payroll deductions	11,481,828
Other	<u>2,275</u>
Total payables	<u><u>\$31,441,466</u></u>

## 7. COMPENSATED ABSENCES

At June 30, 2024, 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	Amount
Annual Leave	\$8,733,845
Sick Leave	6,227,359
Compensatory Leave	<u>233,370</u>
Total compensated absences	<u><u>\$15,194,574</u></u>

## 8. PENSION LIABILITY

The University participates in two State public employee retirement systems, the Louisiana State Employees' Retirement System (LASERS) and the Teachers' Retirement System of Louisiana (TRSL). The System includes the required disclosures for LASERS and TRSL in its audited financial statements.

## 9. OPTIONAL RETIREMENT SYSTEM

The University participates in the optional retirement plan (ORP), a defined contribution plan, which is administered by TRSL and 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 System includes the required disclosures for ORP in its audited financial statements.

## 10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The University provides certain continuing health care and life insurance benefits for its retired employees, offering them the opportunity to participate in the State’s Office of Group Benefits plan. Substantially, all University employees become eligible for these benefits if they reach normal retirement age while working for the University. The System includes the required disclosures for the other postemployment benefit plan in its audited financial statements.

## 11. LEASE OBLIGATIONS

### *Lessee Leases*

The University’s leasing operations consist primarily of leasing property for providing laundry and parking services to students; monitoring athletes’ performance; marine survival training center operations; network services; radio tower space for KRVS station; and office space for the Distance Learning department.

As disclosed in Note 5, the University has a total of \$1,405,638 right-to-use, or leased assets, that are capitalized in accordance with policy.

For FY24, the University had the following outflows of resources (expenses) related to leases that were not previously included in the measurement of the lease liability reported in the Statement of Net Position:

Variable Payments	\$17,576
Residual Value Guarantees	0
Termination Penalties	0
Other	0
<b>Total</b>	<b><u>\$17,576</u></b>

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

Fiscal Year Ending	Principal	Interest	Total
2025	\$270,937	\$12,093	\$283,030
2026	228,010	8,497	\$236,507
2027	219,769	5,338	\$225,107
2028	100,473	2,186	\$102,659
2029	12,685	1,631	\$14,316
2030-2034	66,336	5,244	\$71,580
2035-2039	36,258	725	\$36,983
2040-2044			\$0
2045-2049			\$0
2050-2054			\$0
Thereafter			\$0
Total Lease Liability	<u>\$934,468</u>	<u>\$35,714</u>	<u>\$970,182</u>

*Lessor Leases*

The University's leasing operations consist primarily of leasing property for providing an accredited internship program with a hotel and restaurants to students, providing wireless installations, and office space for medical operations, coastal restoration services and economic development services.

The following is a schedule of the University's lease related revenues for the year ended June 30, 2024:

Lease Related Revenues (those included in calculation of lease receivable only):

Lease Revenue	\$555,358
Interest Revenue	91,486
Other lease related revenues	0
Total	<u>\$646,844</u>

Variable and Other Lease Related Revenues (those not included in measurement of lease receivable):

Variable Revenues	\$116,290
Residual Value Guarantees	0
Termination Penalties	0
Other	0
Total	<u>\$116,290</u>

## 12. LONG-TERM LIABILITIES

Following is a summary of bond and other long-term debt transactions of the University and the Foundation for the year ended June 30, 2024:

### *University*

	Beginning Balance	Adjustments	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes and bonds payable:							
Notes payable	\$345,115		\$345,115		(\$148,904)	\$196,211	\$156,158
Bonds payable							
Publicly offered	225,545,369		225,545,369	\$12,552,533	(6,313,430)	231,784,472	5,905,000
Direct placements	15,879,256		15,879,256		(1,564,894)	14,314,362	1,645,000
Bonds payable subtotal	241,424,625	0	241,424,625	12,552,533	(7,878,324)	246,098,834	7,550,000
Total notes and bonds payable	241,769,740	0	241,769,740	12,552,533	(8,027,228)	246,295,045	7,706,158
Other liabilities:							
Accrued compensated absences payable	14,504,297		14,504,297	\$1,755,830	(1,065,553)	15,194,574	1,052,801
Lease Obligations	886,915		886,915	\$845,705	(798,152)	934,468	270,937
Subscription Obligations	3,121,108		3,121,108	\$4,463,105	(5,050,505)	2,533,708	846,449
Total	\$260,282,060	\$0	\$260,282,060	\$19,617,173	(\$14,941,438)	\$264,957,795	\$9,876,345

### *Foundation*

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes payable	\$260,027	\$0	(\$27,276)	\$232,751	\$28,651

Details of all debt outstanding at June 30, 2024, follow:

*University Bonds Payable*

Issue	Date of Issue	Original Issue	Beginning Principal Balance	Issued (Redeemed)	Ending Principal Balance	Maturities	Interest Rates	Ending Interest Outstanding
<b>Publicly Offered:</b>								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Lafayette Public Trust Financing Authority:								
Refunding Bonds Series 2012	October 30, 2012	14,740,000	9,455,000	(775,000)	8,680,000	2033	3.63 - 5.00%	1,538,142
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Cajundome Project Series 2015	August 18, 2015	18,500,000	18,500,000	0	18,500,000	2045	3.5 - 4.125%	10,401,924
Student Housing and Parking Project Revenue Refunding Bonds Series 2017	April 19, 2017	95,945,000	88,265,000	(3,015,000)	85,250,000	2042	3.5 - 5.0%	38,555,713
Housing Project Series 2018	May 23, 2018	47,410,000	47,410,000	0	47,410,000	2049	5.00%	50,846,875
Lewis Street Parking Garage Project Series 2021 Refunding 2013	September 23, 2021	18,550,000	18,005,000	(560,000)	17,445,000	2044	4.00%	7,725,050
Athletic Facilities Project Series 2021 Refunding 2013	September 23, 2021	17,380,000	16,870,000	(525,000)	16,345,000	2044	4.00%	7,233,850
Student Union and University Facilities Project Series 2021 Refunding 2010	September 23, 2021	14,550,000	14,025,000	(545,000)	13,480,000	2041	4.00%	4,962,400
University of Louisiana at Lafayette Facilities Project Series 2023A Taxable	October 31, 2023	11,335,000		11,335,000	11,335,000	2049	4.75 - 5.13%	9,922,370
University of Louisiana at Lafayette Facilities Project Series 2023B Taxable	October 31, 2023	2,705,000		2,705,000	2,705,000	2032	5.63 - 6.25%	670,370
<b>Subtotal</b>		<b>241,115,000</b>	<b>212,530,000</b>	<b>8,620,000</b>	<b>221,150,000</b>			
Discounts			(140,706)	(246,481)	(387,187)			
Premiums			17,596,894	(1,249,554)	16,347,340			
Deferred loss on refunding			0	0	0			
Bond issuance and insurance costs			(4,440,819)	(884,862)	(5,325,681)			
<b>Total Publicly Offered</b>		<b>241,115,000</b>	<b>225,545,369</b>	<b>6,239,103</b>	<b>231,784,472</b>			<b>131,856,694</b>
<b>Direct Placements</b>								
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	7,560,000	(575,000)	6,985,000	2034	3.50%	1,231,694
Cajundome Refunding Lease, Revenue Bonds, Series 2016	August 2, 2016	11,005,000	6,335,000	(855,000)	5,480,000	2030	2.47%	362,678
Cajundome Project Series 2019	July 10, 2019	2,600,000	2,125,000	(165,000)	1,960,000	2034	2.91%	280,573
<b>Subtotal - Direct Placements</b>		<b>23,750,000</b>	<b>16,020,000</b>	<b>(1,595,000)</b>	<b>14,425,000</b>			
Bond issuance and insurance costs			(140,744)	30,106	(110,638)			
<b>Subtotal - Bonds - Direct Placements</b>		<b>23,750,000</b>	<b>15,879,256</b>	<b>(1,564,894)</b>	<b>14,314,362</b>			<b>1,874,945</b>
<b>Total - All Bonds</b>		<b>\$264,865,000</b>	<b>\$241,424,625</b>	<b>\$4,674,209</b>	<b>\$246,098,834</b>			<b>\$133,731,639</b>

Annual requirements to amortize all University bonds outstanding at June 30, 2024, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2025	\$5,905,000	\$9,899,788	\$1,645,000	\$399,012
2026	6,195,000	9,614,090	1,690,000	350,447
2027	6,480,000	9,309,622	1,740,000	300,438
2028	6,805,000	8,989,935	1,785,000	249,041
2029	7,125,000	8,664,115	1,855,000	195,721
2030-2034	43,675,000	37,786,398	5,710,000	380,286
2035-2039	50,500,000	27,250,944	0	0
2040-2044	52,965,000	15,629,156		
2045-2049	41,500,000	4,712,646		
2050-2054	0	0		
Sub-total	221,150,000	131,856,694	14,425,000	1,874,945
Unamortized Discount/ Premium/Issuance Costs	10,634,472		(110,638)	
Total	<u>\$231,784,472</u>	<u>\$131,856,694</u>	<u>\$14,314,362</u>	<u>\$1,874,945</u>

Following are the debt service reserve requirements of the various bond issues outstanding at June 30, 2024:

<u>Bond Issue</u>	<u>Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/ (Deficiency)</u>
Ragin' Cajun Facilities, Inc.:			NONE
Total			

In addition to the debt reserves above, as permitted by the Innovative Student Facilities Inc.'s bond indentures, Ragin' Cajun Facilities, Inc. obtained surety bonds issued by insurance companies 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>
<b>University of Louisiana at Lafayette</b>	
<b>Publicly Offered:</b>	
Ragin' Cajun Facilities, 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
Facilities Project - Series 2023A Tax-Exempt	\$994,731
Facilities Project - Series 2023B Taxable	\$428,125
<b>Direct Placement:</b>	
Ragin' Cajun Facilities, Inc.:	
Cajundome Refunding Lease Revenue Bonds - Series 2016	\$1,020,325

*Notes Payable*

*University*

<u>Note</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Beginning Principal Balance</u>	<u>Issued (Redeemed)</u>	<u>Ending Principal Balance</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Ending Interest Outstanding</u>
MidSouth Bank 1	September 18, 2015	\$1,300,000	\$345,625	(\$149,250)	\$196,375	2026	4.45%	\$6,000
Less Note Amortization Costs			(510)	346	(164)			
Total			<u>\$345,115</u>	<u>(\$148,904)</u>	<u>\$196,211</u>			<u>\$6,000</u>

Annual requirements to amortize all notes outstanding for the University at June 30, 2024, follow:

	<u>Principal</u>	<u>Interest</u>
2025	\$156,158	\$5,669
2026	40,217	331
2027	0	0
2028		
2029		
2030-2034	<u>0</u>	<u>0</u>
Subtotal	196,375	6,000
Unamortized Costs	<u>(164)</u>	
Total	<u>\$196,211</u>	<u>\$6,000</u>

*Foundation*

<u>Note</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Beginning Principal Balance</u>	<u>Issued (Redeemed)</u>	<u>Ending Principal Balance</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Ending Interest Outstanding</u>
<b>University of Louisiana at Lafayette Foundation, Inc.</b>								
U.S. Department of Education	June 9, 2011	\$500,000	\$260,027	(\$27,276)	\$232,751	2031	4.75%	\$41,915
Total		\$500,000	\$260,027	(\$27,276)	\$232,751			\$41,915

Annual requirements to amortize all notes outstanding for the Foundation at June 30, 2024, follow:

	<u>Principal</u>	<u>Interest</u>
2025	\$28,651	\$10,582
2026	30,062	9,172
2027	31,542	7,691
2028	33,079	6,154
2029	34,724	4,510
2030-2034	74,693	3,806
Total	\$232,751	\$41,915

**13. REFUNDING OF BONDS**

The University did not have any refunding of bonds.

**14. INTEREST RATE SWAP AGREEMENTS**

The University did not participate in any interest rate swap agreements.

**15. REVENUE USED AS SECURITY FOR REVENUE BONDS**

The University did not have any revenue used as security for revenue bonds.

## 16. RESTATEMENT OF BEGINNING NET POSITION/NET ASSETS

The beginning net position as reflected on the Statement of Revenues, Expenses, and Changes in Net Position and net position on Statement of Net Position for the University has been restated to reflect the following changes:

	<u>University</u>
PY Ending Net Position (Audited)	(\$34,807,288)
Receivables	(\$2,366,627)
Payables	\$24,469
Unearned Revenues	<u>1,815,920</u>
Net position at June 30, 2023, restated	<u>(\$35,333,526)</u>

During fiscal year 2024, an overall analysis of grant funds discovered errors mainly due to erroneous setup in the ERP system and conversion from the legacy system. The correction of the errors resulted in an overstatement of grant receivables of \$2,366,627, an overstatement of grant deferred revenues of \$1,815,920, and an overstatement of grant payables of \$24,469 for the fiscal year ended June 30, 2023.

## 17. RESTRICTED NET POSITION

### *University*

The University has the following restricted expendable net position at June 30, 2024:

<u>Account Title</u>	<u>Amount</u>
Endowments	\$65,533,318
Student Fees	13,957,836
Student Loan Fund	3,724,130
Grants and Contracts	22,310,315
Maintenance Reserves	5,533,314
Debt Service/Retirement of Indebtedness	129,673
Scholarships	3,057,149
Gifts - Restricted by Donors	<u>3,025,121</u>
Total expendable	<u><u>\$117,270,856</u></u>

Of the total net position reported on Statement of Net Position for the year ended June 30, 2024, \$3,431,853 was restricted by enabling legislation.

The University’s restricted nonexpendable net position totaling \$59,515,000 as of June 30, 2024, was comprised entirely of endowment funds.

*Donor Restricted Endowments*

If a donor has not provided specific instructions, State law permits the University 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, 2024, the University reported restricted-expendable net appreciation of endowments totaling \$65,533,318 all of which is available to be spent for restricted purposes. The University 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.

*Foundation*

Restricted net assets for the Foundation follow:

	<u>Amount</u>
Net Assets:	
Without Donor Restrictions	\$17,396,595
With Donor Restrictions	<u>\$211,333,583</u>
Total net assets	<u><u>\$228,730,178</u></u>

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## 18. CONDENSED FINANCIAL INFORMATION

Following is condensed financial information for Ragin' Cajun Facilities, Inc., the University's blended component unit:

Statement of Net Position	Ragin' Cajun Facilities, Inc.
Assets:	
Current Assets	\$25,311
Capital Assets	251,522,227
Other Assets	<u>21,504,507</u>
Total assets	<u><u>\$273,052,045</u></u>
Liabilities:	
Current Liabilities	\$14,044,578
Long-term Liabilities	<u>238,588,887</u>
Total liabilities	<u><u>\$252,633,465</u></u>
Net Position:	
Net Investment in Capital Assets	\$14,027,461
Restricted Net Position - Expendable	8,688,108
Unrestricted Net Position	<u>(2,296,989)</u>
Total net position	<u><u>\$20,418,580</u></u>
Statement of Revenues, Expenses, and Changes in Net Position	
Operating revenues	\$16,044,792
Operating expenses	(1,360,552)
Depreciation expense	<u>(13,354,114)</u>
Net operating income	1,330,126
Nonoperating revenues (expenses):	
Investment income	368,460
Interest expense	(8,955,060)
Other	1,364,662
Capital contributions/additions to permanent and term endowments	<u>16,976,230</u>
Changes in net position	11,084,418
Net position beginning of the year	<u>9,334,162</u>
Net position end of the year	<u><u>\$20,418,580</u></u>

Statement of Cash Flows		Ragin' Cajun Facilities, Inc.
Net cash flows provided (used) by:		
Operating Activities		\$24,877,787
Capital and Related Financing Activities		<u>(15,360,457)</u>
Net Increase (Decrease) in Cash		9,517,330
Cash, Beginning of the Year		<u>11,987,177</u>
Cash, End of the Year		<u><u>\$21,504,507</u></u>

## 19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$76,156,537	\$18,762,131	\$50,952	\$9,512,080	\$0		\$104,481,700
Research	38,390,549	10,202,236	2,111,165	34,532,839	0		85,236,789
Public service	3,628,134	1,010,906	18,205	2,482,461	0		7,139,706
Academic support	13,074,714	4,924,690	103,685	4,402,581	0		22,505,670
Student services	8,935,460	2,805,862	13,444	7,437,078	0		19,191,844
Institutional support	21,066,937	7,998,843	727	9,817,843	0		38,884,350
Operations and maintenance of plant	4,588,381	2,376,534	5,348,332	13,032,898	0		25,346,145
Depreciation	0	0	0	0		29,114,106	29,114,106
Scholarships and fellowships	0	0	0	0	16,255,906		16,255,906
Auxiliary enterprises	18,148,446	5,144,561	2,481,950	34,237,483	4,117,606		64,130,046
Other	0	690,277	0	0	0		690,277
Total operating expenses	<u>\$183,989,158</u>	<u>\$53,916,040</u>	<u>\$10,128,460</u>	<u>\$115,455,263</u>	<u>\$20,373,512</u>	<u>\$29,114,106</u>	<u>\$412,976,539</u>

## 20. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are considered State liabilities and paid upon appropriation by the legislature and not the University. Therefore, the University, through its legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. In addition, the University had not incurred any claims cost. However, it did incur \$10,765 in litigation cost in the current year. Other losses of the University 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 fund-raising 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 University.

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2024, was \$2,889,197, which includes \$958,780 for contributions to the TRSL pension plan from nonemployer contributing entities.

## **22. FOUNDATIONS**

The accompanying financial statements do not include the accounts of the University of Louisiana at Lafayette Alumni Association.

## **23. DEFERRED COMPENSATION PLAN**

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

## **24. COOPERATIVE ENDEAVOR AGREEMENTS**

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, 2024, project payments totaling \$2,814,342 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, 2024.

### 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, 2024, project payments totaling \$720,687 were paid.

### University of Louisiana at Lafayette/Iberia Economic Development Authority

#### *General*

In November 2022, the Company 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. In 2024, additional funding was appropriated and the proposed level of funding for the two facilities is currently at \$34,600,000 and \$55,400,000, 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 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, 2024, both projects are in the early planning stages, and the RCFI incurred \$691,885 on the BSL-3 facility and \$20,415 on the CDMO facility. The RCFI has received \$495,667 in capital grants and gifts.

### University of Louisiana at Lafayette/Louisiana Department of Natural Resources

#### *General*

In September 2023, the University entered into a CEA with the State and the LDNR for 3 years providing a grant of \$1,000,000 to the University to create a regional clean hydrogen hub (HALO Hub consortium), to support the decarbonization of certain industrial activities in Louisiana mitigating Louisiana's current contribution to climate change, to create a low carbon fuel and

feedstock for both manufacturing and transportation use, to create good paying jobs, and to lead to increased investment in Louisiana.

### *Obligations*

Using the LDNR grant funds together with \$100,000 of its own resources, the University will engage in activities reasonably aimed at achieving the project goals and objectives. Project costs will include contractor payments services for consultants and contractors supporting the HALO Hub consortium and other costs in furtherance of the project. No project costs had been incurred at June 30, 2024.

### University of Louisiana at Lafayette/Pfizer

#### *General*

In June 2023, the RCFI and Pfizer, Inc. entered into a Cooperative Endeavor Agreement for the latter to provide funding in the amount of \$1,500,000 toward the cost of furniture, fixtures and equipment necessary to operate the BSL-3 Facility referred to above. RCFI received the full award in the 2024 fiscal year. The funds are to be used by the completion date of December 31, 2026 if not extended, or returned to Pfizer. NIRC and Pfizer entered into a Master Scientific Services and Supply Agreement; whereby, Pfizer reserves the right to reserve sufficient capacity for the purpose of one or more vaccine studies at the BSL-3 Facility for the initial five years the Facility is operational.

#### *Obligations*

No project costs had been incurred at June 30, 2024.

### University of Louisiana at Lafayette/ University of Louisiana at Lafayette Foundation

#### *General*

In October 2023, a Cooperative Endeavor Agreement was executed between RCFI, the Board of Supervisors for the University of Louisiana System, on behalf of the University of Louisiana at Lafayette and the University of Louisiana at Lafayette Foundation (the "ULLF"). The intent of the agreement was to cause the design, development, equipping, renovation, reconstruction and/or construction of the University's football stadium including but not limited to luxury suites, loge boxes, a stadium club and club-level seating, public seating and related facilities on the campus of the University and to set forth the various duties and obligations of the parties related to the construction and financing of the Stadium Project.

To facilitate the construction of the Stadium Project, the Board will lease portions of the University's existing football stadium to RCFI, and RCFI will contract for the design, development, and construction of the Project and will lease the completed Project back to the Board. In order to finance a portion of the Project, RCFI will cause the issuance and sale of

Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (RCFI – ULL Facilities Project Series 2024A and 2024B with face amounts of \$11,335,000 and \$2,705,000, respectively). ULL will pay rental revenues to RCFI in an amount sufficient to service the debt service requirements on the bond obligations. Additionally, as part of the agreement, RCFI made an equity contribution to fund a portion of the Project in the amount of \$881,092.

The University of Louisiana at Lafayette Foundation has secured construction and permanent financing in the amount of \$41,500,000 with a lead bank and other participating banks to be contributed to RCFI for construction of the Stadium Project to be repaid through pledged contributions for the additional funding for the project. Through June 30, 2024, RCFI has recorded contributions from ULLF in the amount of \$11,658,784. These contributions were funded by donations received and draws against the line of credit.

*Obligations*

The hard and soft costs for the Stadium Project is estimated at \$65 million, with an anticipated completion date prior to the 2025 football season. Costs paid and accrued through June 30, 2024 is \$19,594,354, including demolition costs of the existing section of the stadium to be renovated.

**25. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)**

The University’s SBITAs operations consist primarily of software subscriptions for ERP software and hosting services; credit card payment software; website hosting services; academic and training materials; video management software; and parking permit and ticket software.

For FY24, the University 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	\$10,781
Residual Value Guarantees	0
Termination Penalties	0
Other	0
<b>Total</b>	<b><u>\$10,781</u></b>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$846,449	\$57,500	\$903,949
2026	663,381	39,349	\$702,730
2027	256,845	24,819	\$281,664
2028	211,337	18,877	\$230,214
2029	133,821	13,892	\$147,713
2030-2034	421,875	21,267	\$443,142
2035-2039	0	0	\$0
2040-2044	0	0	\$0
2045-2049	0	0	\$0
2050-2054	0	0	\$0
Thereafter	0	0	\$0
Total SBITA Liability	<u>\$2,533,708</u>	<u>\$175,704</u>	<u>\$2,709,412</u>

**26. RELATED PARTY TRANSACTIONS**

The University did not have any related party transactions.

**27. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPPs)**

The University did not have any Public-Private or Public-Public partnerships (PPPs).

**28. SUBSEQUENT EVENTS**

No events of a material nature have occurred subsequent to the Statement of Net Position date that would require adjustment to or disclosure in the accompanying financial statements.