

# Financial Report

For the Year Ended June 30, 2022



*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, 2022

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GENERAL RESTRICTED ACCOUNTANT

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FUNDS HANDLING COMPLIANCE ACCOUNTANT

ANDREA F. GUIDRY  
AUXILIARY ACCOUNTANT

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**STATEMENT OF NET POSITION**  
**FISCAL YEAR ENDED JUNE 30, 2022**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$3,622,867	\$7,680,271		\$11,303,138
Receivables, net	64,878,485	1,676,265	(\$40,000)	66,514,750
Pledges receivable		12,979,480		12,979,480
Due from state treasury	537,660			537,660
Due from federal government	232,046			232,046
Inventories	54,576			54,576
Prepaid expenses and advances	3,522,728	288,260		3,810,988
Notes receivable	524,779			524,779
Lease Receivable	542,983			542,983
Other current assets	2,481			2,481
	<u>73,918,605</u>	<u>22,624,276</u>	<u>(40,000)</u>	<u>96,502,881</u>
<b>Total current assets</b>				
<b>Noncurrent Assets</b>				
Restricted assets:				
Cash and cash equivalents	29,402,903	9,377,856		38,780,759
Investments	110,122,035	201,942,421	(110,122,035)	201,942,421
Notes receivable (net)	4,679,526			4,679,526
Pledges receivable		17,670,771		17,670,771
Lease Receivable	4,546,915			4,546,915
Capital assets (net)	439,261,948	11,927,468		451,189,416
Other noncurrent assets		1,515,675		1,515,675
	<u>588,013,327</u>	<u>242,434,191</u>	<u>(110,122,035)</u>	<u>720,325,483</u>
<b>Total noncurrent assets</b>				
<b>Total assets</b>				
	<u>661,931,932</u>	<u>265,058,467</u>	<u>(110,162,035)</u>	<u>816,828,364</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows relating to pensions	52,657,725			52,657,725
Deferred outflows relating to other postemployment benefits (OPEB)	33,765,217			33,765,217
	<u>86,422,942</u>	NONE	NONE	<u>86,422,942</u>
<b>Total deferred outflows of resources</b>				
<b>Total assets and deferred outflows</b>				
	<u>\$748,354,874</u>	<u>\$265,058,467</u>	<u>(\$110,162,035)</u>	<u>\$903,251,306</u>

(Continued)

The accompanying notes are an integral part of this statement

**STATEMENT OF NET POSITION**  
**FISCAL YEAR ENDED JUNE 30, 2022**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$23,338,668	\$1,539,715		\$24,878,383
Due to federal government	354			354
Unearned revenues	24,067,222	3,466,666		27,533,888
Amounts held in custody for others	1,715,297			1,715,297
Other liabilities	2,653,189			2,653,189
<b>Current Portion of Noncurrent Liabilities</b>				
Compensated absences payable	1,027,016			1,027,016
Lease obligations	134,644			134,644
Notes payable	142,707	26,027		168,734
Bonds payable	6,770,000			6,770,000
OPEB liability	5,400,000			5,400,000
Other current liabilities		4,801,497		4,801,497
<b>Total current liabilities</b>	<b>65,249,097</b>	<b>9,833,905</b>	<b>NONE</b>	<b>75,083,002</b>
<b>Long-term Portion of Noncurrent Liabilities</b>				
Compensated absences payable	12,400,051			12,400,051
Amounts held in custody for others		42,467,139	(42,467,139)	0
Lease obligations	496,563			496,563
Notes payable	344,603	260,027		604,630
Bonds payable	242,271,178			242,271,178
Net pension liability	154,316,614			154,316,614
OPEB liability	217,915,243			217,915,243
<b>Total noncurrent liabilities</b>	<b>627,744,252</b>	<b>42,727,166</b>	<b>(42,467,139)</b>	<b>628,004,279</b>
<b>Total liabilities</b>	<b>692,993,349</b>	<b>52,561,071</b>	<b>(42,467,139)</b>	<b>703,087,281</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows relating to leases	5,032,441			5,032,441
Deferred inflows relating to pensions	91,527,433			91,527,433
Deferred inflows relating to OPEB	13,061,090			13,061,090
<b>Total deferred outflow of resources</b>	<b>109,620,964</b>	<b>NONE</b>	<b>NONE</b>	<b>109,620,964</b>
<b>Net Position</b>				
Net investment in capital assets	189,850,489	11,927,468		201,777,957
Restricted for:				
Nonexpendable	57,515,000	161,782,135	(84,241,180)	135,055,955
Expendable	93,858,233	35,515,658	16,546,284	145,920,175
Unrestricted	(395,483,161)	3,272,135		(392,211,026)
<b>Total net position</b>	<b>(54,259,439)</b>	<b>212,497,396</b>	<b>(67,694,896)</b>	<b>90,543,061</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$748,354,874</b>	<b>\$265,058,467</b>	<b>(\$110,162,035)</b>	<b>\$903,251,306</b>

(Concluded)

**STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
FISCAL YEAR ENDED JUNE 30, 2022**

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>Operating Revenues</b>				
Student tuition and fees (net of allowances totaling \$35,968,826)	\$129,411,805		(\$2,671,662)	\$126,740,143
Gifts received by the foundations		\$13,227,078	(500,000)	12,727,078
Endowment income		(18,056,180)	9,206,766	(8,849,414)
Federal grants and contracts	55,368,669			55,368,669
State and local grants and contracts	9,634,173			9,634,173
Nongovernmental grants and contracts	25,652,763			25,652,763
Sales and services of educational departments	169,830			169,830
Auxiliary enterprise revenues (net of allowances totaling \$6,264,276)	46,096,250		(90,090)	46,006,160
Other operating revenues	5,693,775	4,311,937		10,005,712
<b>Total operating revenues</b>	<b>272,027,265</b>	<b>(517,165)</b>	<b>5,945,014</b>	<b>277,455,114</b>
<b>Operating Expenses</b>				
Educational and general:				
Instruction	92,936,181			92,936,181
Research	75,102,453			75,102,453
Public service	5,895,213			5,895,213
Academic support	18,142,841			18,142,841
Student services	13,641,578			13,641,578
Institutional support	35,463,039			35,463,039
Operations and maintenance of plant	17,486,795			17,486,795
Depreciation	24,908,335	303,751		25,212,086
Scholarships and fellowships	30,938,707			30,938,707
Auxiliary enterprises	51,217,408			51,217,408
Other operating expenses	70,276	25,903,047	(19,218,161)	6,755,162
<b>Total operating expenses</b>	<b>365,802,826</b>	<b>26,206,798</b>	<b>(19,218,161)</b>	<b>372,791,463</b>
<b>Operating income (loss)</b>	<b>(93,775,561)</b>	<b>(26,723,963)</b>	<b>25,163,175</b>	<b>(95,336,349)</b>

(Continued)

The accompanying notes are an integral part of this statement.

	University	University of Louisiana at Lafayette Foundation, Inc.	Eliminations	Total Combined
<b>Nonoperating Revenues (Expenses)</b>				
State appropriations	\$56,918,597			\$56,918,597
Gifts	6,355,728		(\$5,999,569)	356,159
Federal nonoperating revenues (expenses)	46,552,233			46,552,233
Net investment income (loss)	(18,969,000)	(\$1,193,475)		(20,162,475)
Interest expense	(9,827,950)			(9,827,950)
Insurance recoveries	731,552			731,552
Other nonoperating revenues (expenses)	3,212,117	(790)		3,211,327
	<u>84,973,277</u>	<u>(1,194,265)</u>	<u>(5,999,569)</u>	<u>77,779,443</u>
Income (loss) before other revenues, expenses, gains, and losses	<u>(8,802,284)</u>	<u>(27,918,228)</u>	<u>19,163,606</u>	<u>(17,556,906)</u>
Capital appropriations	4,771,005			4,771,005
Capital grants and gifts	7,160,025		(5,617,733)	1,542,292
Additions to permanent endowments	100,000	9,421,481		9,521,481
	<u>3,228,746</u>	<u>(18,496,747)</u>	<u>13,545,873</u>	<u>(1,722,128)</u>
Increase (decrease) in net position	<u>3,228,746</u>	<u>(18,496,747)</u>	<u>13,545,873</u>	<u>(1,722,128)</u>
Net position at the beginning of the year	<u>(57,488,185)</u>	<u>230,994,143</u>	<u>(81,240,769)</u>	<u>92,265,189</u>
Net position at the end of the year	<u><u>(\$54,259,439)</u></u>	<u><u>\$212,497,396</u></u>	<u><u>(\$67,694,896)</u></u>	<u><u>\$90,543,061</u></u>

(Concluded)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

<b>Cash Flows From Operating Activities</b>	
Tuition and fees	\$127,821,214
Grants and contracts	77,081,953
Sales and services of educational departments	169,830
Auxiliary enterprise receipts	43,862,436
Payments for employee compensation	(162,971,735)
Payments for benefits	(58,286,130)
Payments for utilities	(8,878,257)
Payments for supplies and services	(102,355,660)
Payments for scholarships and fellowships	(34,877,744)
Loans to students	(683,436)
Collection of loans to students	1,140,594
Other receipts (payments)	<u>5,947,163</u>
Net cash provided (used) by operating activities	<u>(112,029,772)</u>
<b>Cash Flows From Non-Capital Financing Activities</b>	
State appropriations	56,530,496
Gifts and grants for other than capital purposes	12,861,685
Pell Grant receipts (do not report in gifts and grants)	25,379,502
Private gifts for endowment purposes	100,000
TOPS receipts	34,108,443
TOPS disbursements	(34,018,287)
CARES Act receipts	32,608,786
Direct lending receipts	56,380,901
Direct lending disbursements	(56,350,934)
Other receipts (payments)	<u>877,344</u>
Net cash provided (used) by noncapital financing sources	<u>128,477,936</u>
<b>Cash Flows From Capital Financing Activities</b>	
Proceeds from capital debt	57,266,408
Capital grants and gifts received	5,862,529
Purchases of capital assets	(6,791,551)
Principal paid on capital debt	(65,421,444)
Interest paid on capital debt	(9,453,239)
Principal paid on leases	(14,680)
Interest paid on leases	(3,376)
Proceeds from leases (principal only)	50,039
Interest received from leases	64,874
Other sources (uses)	<u>(1,403,706)</u>
Net cash provided (used) by capital financing activities	<u>(19,844,146)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

<b>Cash Flows From Investing Activities</b>	
Proceeds from sales and maturities of investments	\$3,106,860
Interest received on investments	840,980
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>3,947,840</u>
Net increase (decrease) in cash and cash equivalents	551,858
Cash and cash equivalents at the beginning of the year	<u>32,473,912</u>
Cash and cash equivalents at the end of the year	<u>\$33,025,770</u>
Operating income (loss)	(\$93,775,561)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	24,908,335
Retirement contributions paid by third parties	871,259
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in accounts receivable, net	(23,498,862)
(Increase) decrease in inventories	784,728
(Increase) decrease in prepaid expenses and advances	221,474
(Increase) decrease in notes receivable	449,336
(Increase) decrease in deferred outflows related to pensions	37,588,783
(Increase) decrease in deferred outflows related to OPEB	(13,902,113)
Increase (decrease) in accounts payable and accrued liabilities	1,585,133
Increase (decrease) in unearned revenue	5,824,082
Increase (decrease) in amounts held in custody for others	59,068
Increase (decrease) in compensated absences	60,276
Increase (decrease) in net pension liability	(155,747,554)
Increase (decrease) in total OPEB liability	26,826,902
Increase (decrease) in deferred inflows related to leases	0
Increase (decrease) in deferred inflows related to pensions	84,610,421
Increase (decrease) in deferred inflows related to OPEB	<u>(8,895,479)</u>
Net cash provided (used) by operating activities:	<u>(\$112,029,772)</u>

(Continued)

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2022**

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

Cash and cash equivalents classified as current assets	3,622,867
Cash and cash equivalents classified as noncurrent assets	<u>29,402,903</u>

Total cash and cash equivalents \$33,025,770

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

Capital appropriations	\$4,771,005
Change in fair market value of investments	(\$24,624,341)
Capital gifts and grants	\$1,297,496
Disposition of capital assets	(\$248,017)
Retirement contributions paid by third parties	\$871,259
Other	\$325,137

\* 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 16,225 students enrolled during the fall semester of the 2021/2022 academic year and employed approximately 1,863 employees.

### 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, 2022, the Foundation made distributions totaling \$21,021,572 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.

## **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, 2022, the University implemented GASB Statement No. 87, *Leases*, which was issued in June 2017 and is effective for fiscal years beginning after June 15, 2021. Previous guidance required leases to be classified as either capital or operating leases, and GASB 87 removes these terms. GASB-87 requires all contracts fitting the lease framework to be reported like the old capital leases. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

**2. CASH AND CASH EQUIVALENTS**

At June 30, 2022, the university has cash and cash equivalents (book balances) of \$33,025,770 as follows:

Demand deposits	\$22,812,485
Certificates of deposit	22,989
Petty cash	28,654
Blended component unit cash	<u>10,161,642</u>
Total	<u><u>\$33,025,770</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, 2022, the university's bank balance totaled \$32,853,835.

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 \$17,058,127 at June 30, 2022, as shown on its Statement of Financial Position.

### 3. INVESTMENTS

At June 30, 2022, the University reported investments totaling \$110,122,035 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, 2022 are as follows:

	Totals	Identical Assets Level 1	Inputs Level 2	Inputs Level 3	Net Asset Value
Investments held by foundation					
Mutual funds	\$37,429,306	\$37,429,306			
Money market accounts	4,376,735	4,376,735			
Common and preferred stock	6,324,464	6,324,464			
Other	12,689	12,689			
Unit Investment Trusts and Limited Partnerships	13,425,313				13,425,313
Hedge funds:					
Equity - long/short	10,209,358				10,209,358
Multi-strategy	14,457,732				14,457,732
Other credit	14,639,085				14,639,085
Private equities	9,247,353				9,247,353
	110,122,035	\$48,143,194	NONE	NONE	\$61,978,841
Held by Blended component unit (not categorized)	0				
Total	\$110,122,035				

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, 2022:

	Fair Value	Unfunded Commitments
Alternative investments:		
Unit investment trusts and limited partnerships	13,425,313	
Hedge funds:		
Equity - long/short	10,209,358	
Multi-strategy	14,457,732	
Other credit	14,639,085	
Private equities	9,247,353	1,218,085
Subtotal	<u>\$61,978,841</u>	<u>\$1,218,085</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, 2022:

	Lockup Period	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Distressed opportunities	1 year + 7% penalty	Quarterly	90 days
Equity - long/short	0 - 18 months	Monthly, Quarterly	30 - 45 days
Private equities	4 - 13 years	Annual, Manager Discretion	0 - 90 days
Other credit	0 - 10+ years	Daily, Quarterly, Manager Discretion	0 - 60 days
Multi-strategy	0 - 25 months	Monthly, Quarterly, Annual	5 - 90 days

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

Private equities include investments in funds whose primary strategy is to build diversified portfolios of top-performing private equity positions in both funds and direct investments in companies and corporations. Net asset values of the funds are determined by using the latest unaudited or audited financial statements and performance reports of hedge funds in which the private equity funds are invested. Any listed investments are valued at the last sales price on the date of determination. Any investments not listed are valued at the last closing bid price (or average of bid prices) last quoted on such date as reported by an established quotation service for

over the counter securities. For those investments with no quotations, the investments are valued at their estimated fair values as determined by the investment manager of the fund based upon relevant factors of the investees such as current financial position, historical operating results, and/or recent sales prices in the same or similar securities. Net asset values are computed monthly.

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

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

#### *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, 2022, follow:

Description	Investments	Fair Value	Year	1-5 Years	6-10 Years	11-20 Years	Over 20 Years
Investments held by foundation							
Mutual funds	33.99%	\$37,429,306					
Money market accounts	3.97%	4,376,735					
Common and preferred stock	5.74%	6,324,464					
Other	0.01%	12,689					
Unit Investment Trusts and Limited Partnership	12.19%	13,425,313					
Hedge funds:							
Equity - long/short	9.27%	10,209,358					
Multi-strategy	13.13%	14,457,732					
Other credit	13.29%	14,639,085					
Private equities	8.40%	9,247,353					
Held by Blended Component Units	0.00%	0					
Totals	100.00%	\$110,122,035	\$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 \$110,122,035 at June 30, 2022, are unrated.

*University of Louisiana at Lafayette Foundation*

The fair values of the Foundation's investments totaling \$201,942,421 at June 30, 2022, as shown on the Statement of Financial Position, follow:

Type of Investment	Amount
Certificates of deposit	\$829,918
Stocks and equities	12,140,626
Mutual and exchange traded funds investments	62,042,157
Hedge funds and alternative investments	101,173,649
Unit investment funds	25,743,951
Derivative assets	12,120
Total	<u>\$201,942,421</u>

**4. RECEIVABLES**

Receivables, net of an allowance for doubtful accounts, at June 30, 2022, 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	\$7,407,108	(\$4,309,771)	\$3,097,337	\$0
Auxiliary enterprises	9,556,386	(4,291,096)	\$5,265,290	0
Contributions and gifts	8,696,471		\$8,696,471	0
Federal, state, and private grants and contracts	44,035,684		\$44,035,684	0
Insurance recoveries	263,517		\$263,517	0
Other	3,520,186		\$3,520,186	0
Total	<u>\$73,479,352</u>	<u>(\$8,600,867)</u>	<u>\$64,878,485</u>	<u>NONE</u>

## 5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2022, follow:

### University

Description	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:							
Land	\$11,897,728		\$11,897,728	\$1,701,428			\$13,599,156
Construction-in-progress	5,311,124		5,311,124	\$3,356,722	(\$3,655,360)		5,012,486
Right-to-Use Land	0	256,613	256,613			(38,017)	218,596
Total assets not being depreciated	17,208,852	256,613	17,465,465	5,058,150	(3,655,360)	(38,017)	18,830,238
Capital assets being depreciated/amortized:							
Land improvements	30,452,640		30,452,640	223,139	1,227,980		31,903,759
Buildings	632,398,105		632,398,105	2,726,436	2,427,380	(300,000)	637,251,921
Equipment (including library books)	133,176,601		133,176,601	3,915,235		(1,970,658)	135,121,178
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	60,368	60,368	321,932			382,300
Right-to-Use Equipment (including library books)	0	163,240	163,240				163,240
Total capital assets being depreciated/amortized	806,866,602	223,608	807,090,210	7,186,742	3,655,360	(2,270,658)	815,661,654
Less accumulated depreciation:							
Land improvements	(9,931,451)		(9,931,451)	(1,444,495)			(11,375,946)
Buildings	(249,657,345)		(249,657,345)	(18,245,682)		90,000	(267,813,027)
Equipment	(101,954,215)		(101,954,215)	(5,098,838)		1,970,658	(105,082,395)
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	(68,528)			(68,528)
Right-to-Use Equipment (including library books)	0		0	(50,792)			(50,792)
Total accumulated depreciation/amortization	(372,382,267)	0	(372,382,267)	(24,908,335)	0	2,060,658	(395,229,944)
Total capital assets, net	\$451,693,187	\$480,221	\$452,173,408	(\$12,663,443)	\$0	(\$248,017)	\$439,261,948

*Foundation*

	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:						
Land	\$2,536,444		\$2,536,444			\$2,536,444
Art and collectibles	3,037,894		3,037,894	110,543		3,148,437
Construction-in-progress	0		0			0
Right-to-Use Land	0		0			0
Total assets not being depreciated	<u>5,574,338</u>	<u>0</u>	<u>5,574,338</u>	<u>110,543</u>	<u>0</u>	<u>5,684,881</u>
Capital assets being depreciated:						
Buildings	11,150,716		11,150,716	23,103		11,173,819
Vehicles, furniture, and equipment	861,135		861,135	16,342		877,477
Software (internally generated/purchases)	76,703		76,703			76,703
Right-to-Use Buildings	0		0			0
Right-to-Use Equipment	0		0			0
Total assets being depreciated	<u>12,088,554</u>	<u>0</u>	<u>12,088,554</u>	<u>39,445</u>	<u>0</u>	<u>12,127,999</u>
Less accumulated depreciation						
Buildings	(4,681,929)		(4,681,929)	(294,244)		(4,976,173)
Vehicles, furniture, and equipment	(823,030)		(823,030)	(9,506)		(832,536)
Software (internally generated/purchases)	(76,703)		(76,703)			(76,703)
Right-to-Use Buildings	0		0			0
Right-to-Use Equipment	0		0			0
Total accumulated depreciation	<u>(5,581,662)</u>	<u>0</u>	<u>(5,581,662)</u>	<u>(303,750)</u>	<u>0</u>	<u>(5,885,412)</u>
Total capital assets, net	<u>\$12,081,230</u>	<u>\$0</u>	<u>\$12,081,230</u>	<u>(\$153,762)</u>	<u>\$0</u>	<u>\$11,927,468</u>

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, 2022, are summarized in the following:

Account Name	Amount
Vendor payables	\$13,987,832
Accrued salaries and payroll deductions	9,322,043
Other	28,793
	<hr/>
Total payables	<u><u>\$23,338,668</u></u>

## 7. COMPENSATED ABSENCES

At June 30, 2022, 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	\$7,480,368
Sick Leave	5,738,623
Compensatory Leave	208,076
	<hr/>
Total compensated absences	<u><u>\$13,427,067</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; marine survival training center operations; network services; and 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 \$764,136 right-to-use, or leased assets, that are capitalized in accordance with policy.

For FY22, 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	0
Residual Value Guarantees	0
Termination Penalties	0
Other	0
<b>Total</b>	<u><u>NONE</u></u>

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

<u>Fiscal Year Ending June 30, 2022</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$134,644	\$2,357	\$137,001
2024	125,884	1,848	\$127,732
2025	87,080	1,335	\$88,415
2026	64,059	920	\$64,979
2027	53,044	535	\$53,579
2028-2032	100,881	147	\$101,028
2033-2037	65,615	0	\$65,615
2038-2042	0	0	\$0
2043-2047	0	0	\$0
2048-2052	0	0	\$0
Thereafter	0	0	\$0
<b>Total Lease Liability</b>	<u><u>\$631,207</u></u>	<u><u>\$7,142</u></u>	<u><u>\$638,349</u></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 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, 2022:

<u>Lease Related Revenues (those included in calculation of lease receivable only):</u>	
Lease Revenue	362,423
Interest Revenue	63,970
Other lease related revenues	0
<b>Total</b>	<u><u>426,393</u></u>
<u>Variable and Other Lease Related Revenues (those not included in measurement of lease receivable):</u>	
Variable Revenues	97,911
Residual Value Guarantees	0
Termination Penalties	0
Other	0
<b>Total</b>	<u><u>97,911</u></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, 2022:

### *University*

	Beginning Balance	Adjustments	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes and bonds payable:							
Notes payable	\$623,058		\$623,058		(\$135,748)	\$487,310	\$142,707
Bonds payable							
Publicly offered	237,363,948		237,363,948	\$57,266,408	(62,985,106)	231,645,250	5,220,000
Direct placements	18,865,967		18,865,967		(1,470,039)	17,395,928	1,550,000
Bonds payable subtotal	256,229,915	0	256,229,915	57,266,408	(64,455,145)	249,041,178	6,770,000
Total notes and bonds payable	256,852,973	0	256,852,973	57,266,408	(64,590,893)	249,528,488	6,912,707
Other liabilities:							
Accrued compensated absences payable	13,366,791		13,366,791	\$1,395,860	(1,335,584)	13,427,067	1,027,016
Lease Obligations		480,221	480,221	\$319,077	(168,091)	631,207	134,644
Total	\$270,219,764	\$480,221	\$270,699,985	\$58,981,345	(\$66,094,568)	\$263,586,762	\$8,074,367

### *Foundation*

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes payable	\$530,584	\$0	(\$244,530)	\$286,054	\$26,027

Details of all debt outstanding at June 30, 2022, 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:								
Student Union and University								
Facilities Project - Series 2010	November 15, 2010	\$22,200,000	\$17,580,000	(\$17,580,000)	\$0			
Refunding Bonds Series 2012	October 30, 2012	14,740,000	10,910,000	(715,000)	10,195,000	2033	3.0 - 5.0%	2,305,442
Louisiana Local Government Environmental								
Facilities and Community Development Authority -								
Lewis Street Parking Garage Project,								
Series 2013	November 21, 2013	25,205,000	22,055,000	(22,055,000)	0			
Athletic Facilities Project Series 2013	November 26, 2013	23,605,000	20,650,000	(20,650,000)	0			
Ragin' Cajun Facilities, Inc. -								
Cajundome Project, Series 2015	August 18, 2015	18,500,000	18,500,000	0	18,500,000	2045	3.5 - 4.125%	11,885,111
Revenue Refunding Bonds - Student								
Housing and Parking Project - Series 2017	April 19, 2017	95,945,000	93,945,000	(2,780,000)	91,165,000	2042	3.0 - 5.0%	46,743,325
Housing Project - Series 2018	May 23, 2018	47,410,000	47,410,000	0	47,410,000	2049	5.00%	55,587,875
Lewis Street Parking Garage Project,								
Student Union and University Facilities								
Project - Series 2021 Refunding 2010	September 23, 2021	14,550,000	0	14,550,000	14,550,000	2041	3.0 - 4.0%	6,065,175
Series 2021 Refunding 2013	September 23, 2021	18,550,000	0	18,550,000	18,550,000	2044	3.0 - 4.0%	9,130,104
Athletic Facilities Project								
Series 2021 Refunding 2013	September 23, 2021	17,380,000	0	17,380,000	17,380,000	2044	3.0 - 4.0%	8,550,329
<b>Subtotal</b>		<b>298,085,000</b>	<b>231,050,000</b>	<b>(13,300,000)</b>	<b>217,750,000</b>			
Discounts		(886,353)	(585,047)	437,388	(147,659)			
Premiums		22,520,210	11,538,121	7,257,921	18,796,042			
Bond issuance and insurance costs		(7,766,803)	(4,639,126)	(114,007)	(4,753,133)			
<b>Subtotal - Bonds - Publicly Offered</b>		<b>311,952,054</b>	<b>237,363,948</b>	<b>(5,718,698)</b>	<b>231,645,250</b>			<b>140,267,361</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	8,650,000	(535,000)	8,115,000	2034	3.50%	1,750,656
Cajundome Refunding Lease,								
Revenue Bonds, Series 2016	August 2, 2016	11,005,000	7,980,000	(810,000)	7,170,000	2030	2.47%	661,466
Cajundome Project Series 2019	July 10, 2019	2,600,000	2,445,000	(160,000)	2,285,000	2034	2.91%	401,022
<b>Subtotal - Direct Placements</b>		<b>23,750,000</b>	<b>19,075,000</b>	<b>(1,505,000)</b>	<b>17,570,000</b>			
Bond issuance and insurance costs		(401,768)	(209,033)	34,961	(174,072)			
<b>Subtotal - Bonds - Direct Placements</b>		<b>23,348,232</b>	<b>18,865,967</b>	<b>(1,470,039)</b>	<b>17,395,928</b>			<b>2,813,144</b>
<b>Total - All Bonds</b>		<b>\$335,300,286</b>	<b>\$256,229,915</b>	<b>(\$7,188,737)</b>	<b>\$249,041,178</b>			<b>\$143,080,505</b>

Annual requirements to amortize all University bonds outstanding at June 30, 2022, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2023	\$5,220,000	\$9,615,687	\$1,550,000	\$491,982
2024	5,420,000	9,417,987	1,595,000	446,218
2025	5,635,000	9,184,250	1,645,000	399,012
2026	5,905,000	8,914,838	1,690,000	350,447
2027	6,175,000	8,627,600	1,740,000	300,438
2028-2032	37,490,000	38,398,085	7,310,000	773,841
2033-2037	44,810,000	29,141,151	2,040,000	51,206
2038-2042	50,350,000	18,434,977	0	0
2043-2047	41,465,000	7,950,286	0	0
2048-2052	15,280,000	582,500	0	0
Sub-total	217,750,000	140,267,361	17,570,000	2,813,144
Unamortized Discount/ Premium/Issuance Costs	13,895,250		(174,072)	
Total	<u>\$231,645,250</u>	<u>\$140,267,361</u>	<u>\$17,395,928</u>	<u>\$2,813,144</u>

Following are the debt service reserve requirements of the various bond issues outstanding at June 30, 2022:

<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 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
<b>Direct Placement:</b>	
Ragin' Cajun Facilites, 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	\$624,789	(\$136,445)	\$488,344	2026	4.45%	\$37,698
Less Note Amortization Costs			(1,731)	697	(1,034)			
Total			<u>\$623,058</u>	<u>(\$135,748)</u>	<u>\$487,310</u>			<u>\$37,698</u>

Annual requirements to amortize all notes outstanding for the University at June 30, 2022, follow:

	<u>Principal</u>	<u>Interest</u>
2023	\$142,707	\$19,120
2024	149,250	12,577
2025	156,157	5,670
2026	40,230	331
2027	0	0
2028-2032	<u>0</u>	<u>0</u>
Subtotal	488,344	37,698
Unamortized Costs	<u>(1,034)</u>	
Total	<u>\$487,310</u>	<u>\$37,698</u>

*Foundation*

Note	Date of Issue	Original Issue	Beginning Principal Balance	Issued (Redeemed)	Ending Principal Balance	Maturities	Interest Rates	Ending Interest Outstanding
<b>University of Louisiana at Lafayette Foundation, Inc.</b>								
U.S. Department of Education	June 9, 2011	\$500,000	\$310,829	(\$24,775)	\$286,054	2031	4.75%	\$67,080
CARES Act PPP Loan	March 24, 2021	199,900	219,755	(219,755)	0	2026	1.00%	0
Total		<u>\$699,900</u>	<u>\$530,584</u>	<u>(\$244,530)</u>	<u>\$286,054</u>			<u>\$67,080</u>

Annual requirements to amortize all notes outstanding for the Foundation at June 30, 2022, follow:

	Principal	Interest
2023	\$26,027	\$13,207
2024	27,276	11,958
2025	28,651	10,582
2026	30,062	9,172
2027	31,542	7,691
2028-2032	<u>142,496</u>	<u>14,470</u>
Total	<u>\$286,054</u>	<u>\$67,080</u>

**13. REFUNDING OF BONDS**

Series 2021 Student Union/University Refunding Bonds

In September 2021, \$17,580,000 of outstanding Series 2010 Student Union Revenue Bonds were refunded with the Series 2021 Student Union Refunding Revenue Bonds in the amount of \$14,550,000 and were issued at a premium of \$2,501,768. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$422,560 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$577,140 on the Series 2010 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturity on the refunding bonds is October 1, 2040 and remain the same as the original issue.

### Series 2021 Athletics Facilities Refunding Bonds

In September 2021, the outstanding \$20,650,000 of Series 2013 Athletics Complex Revenue Bonds were refunded with the Series 2021 Athletics Complex Refunding Revenue Bonds in the amount of \$17,380,000 and were issued at a premium of \$2,813,435. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$541,438 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$460,514 on the Series 2013 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturities on the refunding bonds are October 1, 2043, which remain the same as the original issue.

### Series 2021 Parking Garage Refunding Bonds

In September 2021, the outstanding \$22,055,000 of Series 2013 Parking Revenue Bonds for the East Lewis Street Parking Garage were refunded with the Series 2021 Parking Refunding Revenue Bonds in the amount of \$18,550,000 and were issued at a premium of \$3,003,334. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$568,131 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$507,649 on the Series 2013 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturities on the refunding bonds is October 1, 2043, which are the same as the original issue.

The three bond series were refunded in the aggregate amount of \$60,285,000, as notated above, with the issuance of refunding bonds in the aggregate amount of \$50,480,000. The write off of unamortized bond costs and bond discounts on the bonds refunding resulted in a loss in refunding of \$1,545,303. The net present value of savings for the three refunded issues in the current fiscal year is \$14,529,935. The annual decrease in the resulting debt service payments from the issuance of the refunding bonds is an average reduction of approximately \$904,000 in principal and interest payments per year through 2041, with an average annual decrease of approximately \$619,000 in the three years thereafter. Maturities for the refunded bonds are identical to the original issues they replaced.

## **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)	(\$57,488,185)
Capital Assets	\$480,221
Leases Obligations	(480,221)
Lease Receivable	5,120,560
Deferred Inflows relating to Leases	<u>(5,120,560)</u>
Net position at June 30, 2021, restated	<u><u>(\$57,488,185)</u></u>

The restatements from GASB 87 had a net effect of \$0 on the University's beginning net position.

## 17. RESTRICTED NET POSITION

### *University*

The University has the following restricted expendable net position at June 30, 2022:

<u>Account Title</u>	<u>Amount</u>
Endowments	\$55,676,625
Student Fees	16,655,182
Student Loan Fund	6,093,223
Gifts (Restricted by Donors)	4,654,813
Grants and Contracts	5,628,320
Maintenance Reserves	3,976,312
Debt Service/Retirement of Indebtedness	102,900
Scholarships	<u>1,070,858</u>
Total expendable	<u><u>\$93,858,233</u></u>

Of the total net position reported on Statement of Net Position for the year ended June 30, 2022, \$5,315,129 was restricted by enabling legislation.

The University's restricted nonexpendable net position totaling \$57,515,000 as of June 30, 2022, 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, 2022, the University reported restricted-expendable net appreciation of endowments totaling \$55,676,625, 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*

The UL Lafayette Foundation reported its net assets as follows:

	<u>Amount</u>
Net Assets:	
Without Donor Restrictions	\$15,204,598
With Donor Restrictions	<u>\$197,292,798</u>
 Total net assets	 <u><u>\$212,497,396</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	\$2,481
Capital Assets	253,386,617
Other Assets	10,161,642
	<u>10,161,642</u>
Total assets	<u>\$263,550,740</u>
Liabilities:	
Current Liabilities	\$10,123,948
Long-term Liabilities	242,615,781
	<u>242,615,781</u>
Total liabilities	<u>\$252,739,729</u>
Net Position:	
Net Investment in Capital Assets	\$4,606,365
Restricted Net Position - Expendable	8,734,025
Unrestricted Net Position	(2,529,379)
	<u>(2,529,379)</u>
Total net position	<u>\$10,811,011</u>
<u>Statement of Revenues, Expenses, and Changes in Net Position</u>	
Operating revenues	\$13,610,393
Operating expenses	(522,943)
Depreciation expense	(13,189,885)
	<u>(13,189,885)</u>
Net operating income	(102,435)
Nonoperating revenues (expenses):	
Investment income	5,460
Interest expense	(9,889,189)
Other	1,044,237
Capital contributions/additions to permanent and term endowments	5,953,942
	<u>5,953,942</u>
Changes in net position	(2,987,985)
Net position beginning of the year	13,798,996
	<u>13,798,996</u>
Net position end of the year	<u>\$10,811,011</u>

Statement of Cash Flows	Ragin' Cajun Facilities, Inc.
Net cash flows provided (used) by:	
Operating Activities	\$10,777,080
Capital and Related Financing Activities	<u>(10,130,100)</u>
Net Increase (Decrease) in Cash	646,980
Cash, Beginning of the Year	<u>9,514,662</u>
Cash, End of the Year	<u><u>\$10,161,642</u></u>

## 19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Total
Instruction	\$68,490,300	\$13,388,308	\$53,309	\$11,004,264			\$92,936,181
Research	34,264,777	2,827,551	2,307,508	35,702,617			75,102,453
Public service	3,165,879	532,838		2,196,496			5,895,213
Academic support	11,639,919	2,609,173	93,538	3,800,211			18,142,841
Student services	7,607,879	1,612,626	6,906	4,414,167			13,641,578
Institutional support	17,774,334	6,041,094	1,793	11,645,818			35,463,039
Operations and maintenance of plant	3,717,130	679,459	4,474,333	8,615,873			17,486,795
Depreciation						\$24,908,335	24,908,335
Scholarships and fellowships					\$30,938,707		30,938,707
Auxiliary enterprises	16,417,245	2,005,351	2,184,671	27,182,266	3,427,875		51,217,408
Other		60,276		10,000			70,276
Total operating expenses	<u>\$163,077,463</u>	<u>\$29,756,676</u>	<u>\$9,122,058</u>	<u>\$104,571,712</u>	<u>\$34,366,582</u>	<u>\$24,908,335</u>	<u>\$365,802,826</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 and/or 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, 2022, was \$4,122,474, which includes \$871,259 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.lla.la.gov](http://www.lla.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, 2022, project payments totaling \$1,278,935 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, 2022.

### 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, 2022, project payments totaling \$12,276 were paid.

## **25. SUBSEQUENT EVENTS**

The University did not have any subsequent events.