

UNIVERSITY OF LOUISIANA SYSTEM

A COMPONENT UNIT OF THE
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Financial Statement Audit for the
Year Ended June 30, 2025
Issued December 30, 2025**

**UNIVERSITY OF LOUISIANA SYSTEM
627 NORTH 4TH STREET, SUITE 2-203
BATON ROUGE, LA 70802**

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December 30, 2025

Independent Auditor's Report

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Baton Rouge, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities and the aggregate discretely-presented component units of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely-presented component units of the System as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are nonprofit corporations included as blended component units in the basic financial statements which represent 28.6%, 21.3%, 7.9%, and 6.2%, respectively, of total assets, total liabilities, total revenues, and total expenses of the System. We also did not audit the financial statements of the University of Louisiana at Lafayette Foundation, Inc. and the University of New Orleans Foundation, which are discretely-presented component units included in the basic financial statements of the System. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the previously mentioned component units are based solely on the reports of the other auditors.

Basis for Opinions

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

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

Emphasis of Matter

As described in note 28 to the financial statements, the University of New Orleans has been experiencing considerable enrollment declines and related declines in self-generated revenue and State Funding Formula. Management's plans in regard to this matter are also described in note 28. Our opinions are not modified with respect to this matter.

As described in note 29 to the financial statements, the University of Louisiana at Lafayette has experienced liquidity constraints. Management's plans in regard to this matter are also described in note 29. Our opinions are not modified with respect to this matter.

As disclosed in Notes 1 and 16 to the financial statements, the System implemented Statement No. 101, *Compensated Absences*, issued by the Government Accounting Standards Board during fiscal year 2025. Our opinions are not modified with respect to this matter.

As disclosed in Note 1 to the financial statements, the System implemented NACUBO Advisory Report 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages viii through xvii, the Schedule of the System's Proportionate Share of the Net Pension Liability on page 90, the Schedule of the System's Employer Contributions on page 94, and the Schedule of the System's Proportionate Share of the Total Collective OPEB Liability on page 98 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the System's basic financial statements. The accompanying supplementary information combining financial schedules on pages 103 through 116, for the fiscal year ended June 30, 2025, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2025, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the supplementary information combining financial schedules for the fiscal year ended June 30, 2025, are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2025.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2025, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

JS:LA:RR:BQD:ch

ULS2025

UNIVERSITY OF LOUISIANA SYSTEM

MANAGEMENT'S DISCUSSION AND ANALYSIS



INTRODUCTION

This section of the University of Louisiana System's (System) annual financial report presents a discussion and analysis of the System's financial performance during the fiscal year that ended June 30, 2025. Please read this section in conjunction with the System's financial statements, which follow this section. The System is comprised of the following entities:

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

FINANCIAL HIGHLIGHTS

Per Table A-1 below, the System's net position overall changed from \$252 million (restated) to \$162 million, an approximate 35.7% decrease from June 30, 2024, to June 30, 2025. This change in net position was mainly caused by compensated absences liability increasing by \$250 million offset by an increase in capital assets of \$119 million and a \$45 million decrease to deferred inflow of resources mostly related to pension and OPEB changes. The fiscal year 2024 liability balance in Table A-1 is not consistent with the fiscal year 2025 balance due to the implementation of GASB Statement No. 101, *Compensated Absences*. See note 16 for further information on the restatements.

Per Table A-2 below, net student tuition and fees decreased by \$82 million as a result of an increase in gross tuition and fees of \$17 million, due to an increase in student enrollment, which was offset by an increase in scholarship allowances of \$99 million. The significant increase in scholarship allowances is the result of a change in accounting estimate due to the implementation of NACUBO Advisory 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount* (AR 2023-01) during fiscal year 2025. This decrease in net tuition and fees was offset by increases in capital appropriations and capital grants and gifts totaling \$67 million.

Capital appropriations increased by \$39 million, mostly for funding the construction of Aloft Hall and the Athletic Field House at Northwestern State University, Madison Hall at the University of Louisiana at Lafayette, and other state capital-funded projects at other universities. Capital grants and gifts increased by \$28 million, mostly due to donations received at Louisiana Tech University for a Football Video Board and also donations for the new stadium at University of Louisiana at Lafayette.

It should also be noted that restated total net position for fiscal year 2024 does not agree to beginning net position for fiscal year 2025 in Table A-2. This is due to restating fiscal year 2025 beginning net position for the implementation of GASB Statement No. 101, *Compensated Absences*, but not restating fiscal year 2024 operating expenses in Table A-2, which is in accordance with GASB Statement 100.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

liabilities associated with the operation of the System are included in the *Statement of Net Position*.

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

FINANCIAL ANALYSIS

Net Position

The System's total net position at June 30, 2025, decreased by approximately \$90 million, a 35.7% decrease from June 30, 2024 (Table A-1). Total assets increased 4.8% to \$2.97 billion, and total deferred inflows decreased by 15.8% to \$239 million, offset by an increase in total liabilities of 9.6% to \$2.97 billion.

Table A-1
University of Louisiana System
Comparative Statement of Net Position
As of June 30, 2025 and June 30, 2024
(in millions of dollars)

	*		Variance	Percent Variance
	2025	2024		
Assets:				
Current and other assets	\$939	\$923	\$16	1.7%
Capital assets	<u>2,033</u>	<u>1,914</u>	<u>119</u>	<u>6.2%</u>
Total assets	<u>2,972</u>	<u>2,837</u>	<u>135</u>	<u>4.8%</u>
Deferred outflows:				
Deferred outflows related to pensions	245	276	(31)	(11.2%)
Deferred outflows related to other postemployment benefits (OPEB)	<u>151</u>	<u>129</u>	<u>22</u>	<u>17.1%</u>
Total deferred outflows	<u>396</u>	<u>405</u>	<u>(9)</u>	<u>(2.2%)</u>
Liabilities:				
Current liabilities	360	268	92	34.3%
Noncurrent liabilities	<u>2,607</u>	<u>2,438</u>	<u>169</u>	<u>6.9%</u>
Total liabilities	<u>2,967</u>	<u>2,706</u>	<u>261</u>	<u>9.6%</u>
Deferred inflows:				
Deferred inflows related to leases	18	19	(1)	(5.3%)
Deferred inflows related to P3	<u>13</u>	<u>14</u>	<u>(1)</u>	<u>(7.1%)</u>
Deferred inflows related to pensions	86	59	27	45.8%
Deferred inflows related to OPEB	<u>122</u>	<u>192</u>	<u>(70)</u>	<u>(36.5%)</u>
Total deferred inflows	<u>239</u>	<u>284</u>	<u>(45)</u>	<u>(15.8%)</u>
Net position:				
Net investment in capital assets	1,407	1,283	124	9.7%
Restricted	<u>590</u>	<u>573</u>	<u>17</u>	<u>3.0%</u>
Unrestricted	<u>(1,835)</u>	<u>(1,604)</u>	<u>(231)</u>	<u>(14.4%)</u>
Total net position	<u>\$162</u>	<u>\$252</u>	<u>(\$90)</u>	<u>(35.7%)</u>

* Refer to Note 16, *Restatement of Beginning Net Position*, for restatements resulting from error and changes in accounting principles.

In accordance with GASB Statement 100, the comparative prior-year financial statements presented in this MD&A have not been restated for the change in accounting principle resulting from the implementation of GASB Statement 101.

Fiscal year 2024 current and other assets, capital assets, current and noncurrent liabilities, deferred inflows related to leases, net investment in capital assets and restricted net position in Table A-1 have been restated to correct errors.

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

Significant *Statement of Net Position* changes from 2024 include the following:

- Capital assets increased mostly from current-year construction-in-progress and other additions to buildings, land improvements, and right-to-use intangible assets.
- Current liabilities increased mostly related to an increase in the system's accounts payables and accrued liabilities and the current portion of compensated absences due to the implementation of GASB Statement No. 101, *Compensated Absences*.
- Noncurrent liabilities increased due to a decrease in the System's share of the net pension liability, which is offset by an increase in the System's share of the collective total OPEB liability and the noncurrent portion of compensated absences due to the implementation of GASB Statement No. 101, *Compensated Absences*.
- There were significant increases and decreases for the deferred inflows and outflows related to pensions and OPEB, these fluctuate each year based on actuarial valuations.
- Net investment in capital assets increased primarily from capital construction-in-progress, other capital additions, and decreases in bonds payable used to finance capital assets, offset by current-year depreciation.

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

Changes in Net Position

The change in net position at June 30, 2025, is approximately \$145 million, or 3.3% lower than at June 30, 2024. The changes in net position are detailed in Table A-2; educational and general expenses are detailed in Table A-3.

The System's total operating revenues decreased by 8.0% to approximately \$892 million, and total operating expenses decreased by 0.6% to approximately \$1.54 billion. The decrease in operating revenues is primarily the result of a decrease in net student tuition revenues by approximately \$82 million, which was the result of the implementation of NACUBO Advisory 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount* (AR 2023-01) as previously noted. AR 2023-01 required a change in calculating the estimated scholarship allowances that offset both student tuition revenues and auxiliary enterprise revenues. The decrease in operating expense is related to the implementation of NACUBO AR 2023-01, which specifically resulted in a decrease in scholarship and fellowship expense for FY25.

Fiscal year 2024 educational and general expenses have been restated to correct errors as described more fully in Note 16.

Table A-2
University of Louisiana System
Comparative Statement of Changes in Revenues, Expenses, and Net Position
For the Fiscal Years Ended June 30, 2025, and June 30, 2024
(in millions of dollars)

	2025	(Restated) 2024	Variance	Percent Variance
Operating revenues:				
Student tuition and fees, net	\$375	\$457	(\$82)	(17.9%)
Auxiliary	214	214	0	0%
Other	303	299	4	1.3%
Total operating revenues	892	970	(78)	(8.0%)
Nonoperating revenues:				
State appropriations	349	350	(1)	(0.3%)
Gifts	26	31	(5)	(16.1%)
Other	287	282	5	1.8%
Total nonoperating revenues	662	663	(1)	(0.2%)
Other revenues:				
Capital appropriations	103	64	39	60.9%
Capital grants and gifts	50	22	28	127.3%
Additions to permanent endowments	2	3	(1)	(33.3%)
Total other revenues	155	89	66	74.2%
Total revenues	1,709	1,722	(13)	(0.8%)
Operating expenses:				
Educational and general	1,277	1,282	(5)	(0.4%)
Other	261	265	(4)	(1.5%)
Total operating expenses	1,538	1,547	(9)	(0.6%)
Other nonoperating expenses, net	26	25	1	NONE
Total expenses	1,564	1,572	(8)	(0.5%)
Change in net position	145	150	(5)	(3.3%)
Net position, beginning of the year (Restated)	17	102	(85)	(83.3%)
Total net position	\$162	\$252	(\$90)	(35.7%)

* Refer to Note 16, *Restatement of Beginning Net Position*, for restatements resulting from error and changes in accounting principles.

In accordance with GASB Statement 100, the comparative prior-year financial statements presented in this MD&A have not been restated for the change in accounting principle resulting from the implementation of GASB Statement 101.

Table A-3
University of Louisiana System
Comparative Schedule of Educational and General Expenses
For the Fiscal Years Ended June 30, 2025, and June 30, 2024
(in millions of dollars)

	*			
	2025	(Restated) 2024	Variance	Percent Variance
Instruction	\$435	\$422	\$13	3.1%
Research	130	137	(7)	(5.1%)
Public service	63	54	9	16.7%
Academic support	103	102	1	1.0%
Student services	79	82	(3)	(3.7%)
Institutional support	160	154	6	3.9%
Operations and plant maintenance	143	126	17	13.5%
Depreciation/amortization	118	110	8	7.3%
Scholarships and fellowships	46	95	(49)	(51.6%)
Total	<u>\$1,277</u>	<u>\$1,282</u>	<u>(\$5)</u>	<u>(0.4%)</u>

* Refer to Note 16, *Restatement of Beginning Net Position*, for restatements resulting from error and changes in accounting principles.

In accordance with GASB Statement 100, the comparative prior-year financial statements presented in this MD&A have not been restated for the change in accounting principle resulting from the implementation of GASB Statement 101.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2025, and 2024, the System's capital assets, at cost, totaled approximately \$4.2 billion and \$4 billion (restated), respectively. Net of accumulated depreciation, the System's capital assets at June 30, 2025, total approximately \$2 billion. This amount represents a net increase (including additions and disposals, net of depreciation) of approximately \$119 million, or 6.2%, from June 30, 2024. The increases were primarily related to increases in construction in progress, purchases of equipment and buildings, and the capitalization of subscription based intangible assets.

Debt Administration

The System had bonds totaling \$610 million, net of bond discounts, premiums, deferred amounts on debt refunding, and issuance costs outstanding at June 30, 2025, compared to \$634 million at June 30, 2024.

Bond activity during the fiscal year ended June 30, 2025, was as follows:

- The Louisiana Tech University blended component unit, Innovative Student Facilities, Inc., issued \$7.6 million of revenue bonds to construct a new parking facility. The Innovative Student Facilities, Inc. also issued \$7.8 million in revenue refunding bonds to refund the Louisiana Local Government Environmental Facilities and Community Development Authority – Series 2013 Revenue Refunding Bonds.
- The Louisiana Local Government Environmental Facilities and Community Development Authority and Regions Bank issued \$33 million of revenue refunding bonds to the NSU Facilities Corporation, the blended component unit of Nicholls State University. The purpose of these bonds was to refund the Series 2007B Bonds and to pay termination costs for the termination of the interest rate swap agreement associated with the Series 2007B Bonds.

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

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

- Changes in current enrollment
- Changes in state appropriations
- Changes in the System's proportionate share of the net pension liability and the total collective OPEB liability
- For several years, the University of New Orleans has been experiencing considerable enrollment declines and declines in revenues without sufficiently reducing expenditures, resulting in budget deficits and cash flow concerns. In response to this, the legislature passed Senate Bill 202 of the 2025 Regular Session, which started the process to transfer the University of New Orleans to the LSU System. This is expected to happen effective July 1, 2026. See Note 28 for further information on the factors causing this and the University of New Orleans plan to strengthen its financial position.
- The University of Louisiana Lafayette has been facing liquidity constraints due to several years of operating losses and reduced cash reserves. Management has begun implementing expenditure

reductions, staffing and organizational changes, and budget controls to address these issues. Recent enrollment growth and a 10% tuition increase are expected to support financial improvement and, a plan is in place to reduce costs and increase revenues for fiscal year 2026. See Note 29 for further information.

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

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

UNIVERSITY OF LOUISIANA --- S Y S T E M

BASIC FINANCIAL STATEMENTS: UNIVERSITY OF LOUISIANA SYSTEM



**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
**Statement of Net Position
June 30, 2025**
ASSETS
Current assets:

Cash and cash equivalents (note 2)	\$219,311,116
Investments (note 3)	13,779,771
P3 Receivable	2,302,020
Receivables, net (note 4)	160,667,841
Due from state treasury	23,973,226
Due from federal government	23,922,512
Inventories	2,559,212
Prepaid expenses and advances	18,334,149
Notes receivable, net	1,128,832
Lease Receivable	1,291,215
Other current assets	158,578
Total current assets	<u>467,428,472</u>

Noncurrent assets:
Restricted assets:

Cash and cash equivalents (note 2)	100,552,512
Investments (note 3)	346,982,421
Receivables, net (note 4)	1,142,639
Notes receivable, net	4,768,644
Investments (note 3)	31,486
Lease Receivable	17,162,010
Capital assets, net (note 5)	2,033,165,344
Other noncurrent assets	364,179
Total noncurrent assets	<u>2,504,169,235</u>
 Total assets	 <u>2,971,597,707</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows relating to pensions (note 8)	244,856,130
Deferred outflows relating to other postemployment benefits (OPEB) (note 10)	<u>151,219,628</u>
Total deferred outflows of resources	<u>396,075,758</u>

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
**Statement of Net Position
June 30, 2025**
LIABILITIES
Current liabilities:

Accounts payable and accrued liabilities (note 6)	\$146,783,075
Due to state treasury	8,931
Due to federal government	354
Unearned revenues	71,061,734
Amounts held in custody for others	11,374,914
Compensated absences payable (note 12)	44,943,047
Lease obligations (notes 11 and 12)	3,630,298
Subscription obligations (notes 7 and 12)	10,981,108
Notes payable (note 12)	608,602
Bonds payable (note 12)	30,482,891
OPEB liability (note 10)	35,643,000
Other current liabilities	4,468,264
Total current liabilities	359,986,218

Noncurrent liabilities:

Unearned revenues	266,167
Compensated absences payable (note 12)	259,852,348
Lease obligations (notes 11 and 12)	2,923,797
Subscription obligations (notes 7 and 12)	8,294,389
Notes payable (note 12)	6,981,484
Bonds payable (note 12)	579,492,241
Net pension liability (note 8)	842,756,654
OPEB liability (note 10)	905,651,673
Other noncurrent liabilities	899,100
Total noncurrent liabilities	2,607,117,853
 Total liabilities	 2,967,104,071

DEFERRED INFLOWS OF RESOURCES

Deferred inflows relating to leases	17,787,688
Deferred inflows relating to P3	13,131,290
Deferred inflows relating to pensions (note 8)	85,991,377
Deferred inflows relating to OPEB (note 10)	121,974,332
 Total deferred inflows of resources	 238,884,687

NET POSITION

Net investment in capital assets	1,407,178,530
Restricted for:	
Nonexpendable (note 17)	244,682,180
Expendable (note 17)	344,644,826
Unrestricted	(1,834,820,829)
 Total net position	 \$161,684,707

(Concluded)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2025****OPERATING REVENUES**

Student tuition and fees (net of scholarship allowances of \$329,663,249)	\$374,515,680
Federal grants and contracts	105,513,722
State and local grants and contracts	95,975,511
Nongovernmental grants and contracts	40,811,268
Sales and services of educational departments	12,362,525
Auxiliary enterprise revenues (net of scholarship allowances of \$43,116,038 including revenues used as security for revenue bonds)	214,246,091
Other operating revenues	<u>48,143,056</u>
 Total operating revenues	 <u>891,567,853</u>

OPERATING EXPENSES

Educational and general:	
Instruction	434,722,398
Research	130,041,407
Public service	62,717,271
Academic support	102,956,106
Student services	79,201,871
Institutional support	159,898,190
Operations and maintenance of plant	142,830,408
Depreciation/amortization	117,536,827
Scholarships and fellowships	46,702,767
Auxiliary enterprises	251,762,160
Other operating expenses	<u>9,225,375</u>
 Total operating expenses	 <u>1,537,594,780</u>

OPERATING LOSS(646,026,927)

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT B**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Revenues, Expenses, and
Changes in Net Position
For the Fiscal Year Ended June 30, 2025****NONOPERATING REVENUES (Expenses)**

State appropriations	\$348,952,451
Gifts	26,218,941
Federal nonoperating revenues	192,833,078
Net investment income	43,718,388
Interest expense	(22,261,200)
Payments to or on behalf of the university	776,859
Loss on sale/exchange of capital assets	(52,914)
Insurance recoveries	2,140,021
Other nonoperating revenues	<u>46,817,850</u>
Net nonoperating revenues	<u>639,143,474</u>

LOSS BEFORE OTHER REVENUES AND EXPENSES(6,883,453)

Capital appropriations	102,519,567
Capital grants and gifts	49,677,303
Additions to permanent endowments	2,335,000
Other expenses, net	<u>(3,186,269)</u>

CHANGE IN NET POSITION144,462,148**NET POSITION - BEGINNING OF YEAR, Restated (note 16)**17,222,559**NET POSITION - END OF YEAR**\$161,684,707

(Concluded)

The accompanying notes are an integral part of this statement.

STATEMENT C**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025****CASH FLOWS FROM OPERATING ACTIVITIES:**

Tuition and fees	\$376,340,418
Grants and contracts	243,662,323
Sales and services of educational departments	8,907,073
Auxiliary enterprise receipts	216,384,904
Payments for employee compensation	(683,185,669)
Payments for benefits	(234,792,152)
Payments for utilities	(49,147,848)
Payments for supplies and services	(410,115,755)
Payments for scholarships and fellowships	(41,878,757)
Loans to students	(837,083)
Collection of loans to students	1,433,963
Other receipts	44,070,536
Net cash used by operating activities	<u>(529,158,047)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

State appropriations	338,080,005
Gifts and grants for other than capital purposes	40,831,208
Pell Grant receipts	188,962,490
Private gifts for endowment purposes	2,095,000
TOPS receipts	131,295,672
TOPS disbursements	(131,468,342)
CARES Act receipts	469,291
Direct lending receipts	310,572,837
Direct lending disbursements	(311,028,953)
Other receipts	42,944,510
Net cash provided by noncapital financing sources	<u>612,753,718</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:

Proceeds from capital debt	48,740,542
Capital grants and gifts received	34,459,895
Purchases of capital assets	(104,289,316)
Principal paid on capital debt	(72,509,697)
Interest paid on capital debt	(23,737,275)
Payments for right of use leased assets	(3,251,448)
Proceeds from leases	5,350,826
Payments for SBITAs	(12,697,021)
Proceeds from P3	275,148
Deposits with trustees	849,342
Other payments	(5,375,466)
Net cash used by capital financing activities	<u>(\$132,184,470)</u>

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT C**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025****CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from sales and maturities of investments	\$37,229,955
Interest received on investments	22,862,228
Purchases of investments	(32,252,695)
Net cash provided by investing activities	<u>27,839,488</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS**(20,749,311)****CASH AND CASH EQUIVALENTS AT BEGINNING
OF YEAR****340,612,939****CASH AND CASH EQUIVALENTS AT END OF YEAR****\$319,863,628****RECONCILIATION OF OPERATING LOSS TO
NET CASH USED BY OPERATING ACTIVITIES:**

Operating loss	(\$646,026,927)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation/amortization expense	117,536,827
Retirement contributions paid by third parties	4,314,437
Amortization of bond issuance costs	47,952
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) Decrease in accounts receivable, net	(2,914,851)
(Increase) Decrease in inventories	(394,681)
(Increase) Decrease in prepaid expenses and advances	(794,597)
(Increase) Decrease in notes receivable	666,330
(Increase) Decrease in other assets	(314,692)
(Increase) Decrease in deferred outflows related to pensions	31,138,688
(Increase) Decrease in deferred outflows related to OPEB	(22,176,887)
Increase (Decrease) in accounts payable and accrued liabilities	32,162,950
Increase (Decrease) in unearned revenue	1,714,948
Increase (Decrease) in amounts held in custody for others	1,320,737
Increase (Decrease) in compensated absences	15,258,294
Increase (Decrease) in net pension liability	(110,015,501)
Increase (Decrease) in total OPEB liability	93,050,084
Increase (Decrease) in other liabilities	76,928
Increase (Decrease) in deferred inflows related to pensions	26,606,984
Increase (Decrease) in deferred inflows related to OPEB	<u>(70,415,070)</u>
Net cash used by operating activities	<u>(\$529,158,047)</u>

(Continued)

The accompanying statements are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025****RECONCILIATION OF CASH AND CASH EQUIVALENTS
TO THE STATEMENT OF NET POSITION:**

Cash and cash equivalents classified as current assets	\$219,311,116
Cash and cash equivalents classified as noncurrent assets	<u>100,552,512</u>
Total cash and cash equivalents	<u><u>\$319,863,628</u></u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Capital appropriations	\$102,519,567
Change in fair market value of investments	\$12,977,877
Private gifts for endowment purposes	\$720,000
Capital gifts and grants	\$15,217,408
Capital assets acquired through leases, notes, and accounts payable	\$21,829,900
Disposition of capital assets	(\$3,262,066)
Other	\$1,553,608

(Concluded)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA --- S Y S T E M

BASIC FINANCIAL STATEMENTS: COMPONENT UNITS



STATEMENT D

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Financial Position, June 30, 2025**

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
ASSETS			
Cash and cash equivalents (note 2)	\$27,924,978	\$1,655,757	\$29,580,735
Cash - restricted for collateral (note 2)	1,112,411		1,112,411
Cash - restricted for debt service (note 2)	7,368,718		7,368,718
Cash and cash equivalents - endowments (note 2)		2,398,661	2,398,661
Investments (note 3)	237,590,402	109,918,174	347,508,576
Accrued interest receivable	83,598		83,598
Accounts receivable	345,882	19,689	365,571
Contributions receivable, net	29,489,529	220,697	29,710,226
Prepaid expenses	4,071,452	152,838	4,224,290
Fixed assets, net (note 5)	11,383,133	6,438,669	17,821,802
Unconditional promises to give, net		7,198,764	7,198,764
Split-interest agreements		1,650,916	1,650,916
Other assets	1,579,911	226,125	1,806,036
 Total assets	 \$320,950,014	 \$129,880,290	 \$450,830,304
LIABILITIES			
Accounts payable and accruals	\$430,147	\$254,610	\$684,757
Accrued expenses	5,688,177		5,688,177
Amounts held in custody for others	49,473,993	28,343,340	77,817,333
Notes payable (note 12)	204,102		204,102
Construction line of credit	29,999,790		29,999,790
Other liabilities	2,666,665	1,119,766	3,786,431
 Total liabilities	 88,462,874	 29,717,716	 118,180,590
NET ASSETS			
Without donor restrictions (note 17)	19,607,392	9,210,226	28,817,618
With donor restrictions (note 17)	212,879,748	90,952,348	303,832,096
 Total net assets	 232,487,140	 100,162,574	 332,649,714
 Total liabilities and net assets	 \$320,950,014	 \$129,880,290	 \$450,830,304

* As of December 31, 2024

The accompanying notes are an integral part of this statement.

STATEMENT E

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

COMPONENT UNITS

Statement of Activities

For the Year Ended June 30, 2025

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
Change in net assets without donor restrictions			
Revenues, gains, losses, and other support:			
Contributions	\$1,502,481	\$448,939	\$1,951,420
Interest and dividends	729,288		729,288
Gains and losses on investments:		1,156,266	1,156,266
Realized	10,542		10,542
Unrealized	604,179		604,179
Service fees, special events, and program revenue		1,386,035	1,386,035
Rental income		110,878	110,878
Other income	1,026,902	71,443	1,098,345
Net assets released from restrictions:			
Satisfaction of purpose restrictions	50,856,878	7,479,874	58,336,752
Transfers between net asset classifications	318,920		318,920
 Total revenues, gains, losses, and other support	 55,049,190	 10,653,435	 65,702,625
 Expenses - amounts paid to benefit University of Louisiana System for:			
Projects specified by donors	46,908,882		46,908,882
Property donations	1,375,000		1,375,000
Interest	1,007,281		1,007,281
Fundraising	740,585	1,506,699	2,247,284
Program operations/services		9,034,870	9,034,870
Supporting services:			
Salaries and benefits	1,659,446	731,871	2,391,317
Insurance	176,099		176,099
Office operations	756,884	22,027	778,911
Information technology		56,009	56,009
Travel	58,018	611	58,629
Professional services	268,232		268,232
Dues and subscriptions	88,385		88,385
Meetings and development	26,890	95	26,985
Interest	10,482		10,482
Depreciation	309,287		309,287
Bad debt expense (recovery)	(113,910)		(113,910)
 Total expenses	 53,271,561	 11,352,182	 64,623,743
 Change in net assets without donor restrictions	 \$1,777,629	 (\$698,747)	 \$1,078,882

*For the year ended December 31, 2024

(Continued)

The accompanying notes are an integral part of this statement.

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**COMPONENT UNITS
Statement of Activities
For the Year Ended June 30, 2025**

**Change in net assets with donor restrictions
Revenues, gains, losses and other support:**

Contributions \$32,938,969
Interest and dividends 636,001
Gains and losses on investments:
 Realized 4,767,032
 Unrealized 14,563,223
Service fees, special events, and program revenue 990,826
Other income 249,906
Net assets released from restrictions:
 Satisfaction of purpose restrictions (50,856,878)
 Transfers between net asset classifications (318,920)

Total revenues, gains, losses and other support 1,979,333

Change in net assets with donor restrictions

Change in net assets

	University of Louisiana at Lafayette Foundation, Inc.	University of New Orleans Foundation*	Total Foundations
Contributions	\$32,938,969	\$5,826,017	\$38,764,986
Interest and dividends	636,001		636,001
Gains and losses on investments:			
Realized	4,767,032		4,767,032
Unrealized	14,563,223		14,563,223
Service fees, special events, and program revenue		990,826	990,826
Other income	249,906		249,906
Net assets released from restrictions:			
Satisfaction of purpose restrictions	(50,856,878)	(7,479,874)	(58,336,752)
Transfers between net asset classifications	(318,920)		(318,920)
Total revenues, gains, losses and other support	<u>1,979,333</u>	<u>5,239,082</u>	<u>7,218,415</u>
Change in net assets with donor restrictions	1,979,333	5,239,082	7,218,415
Change in net assets	3,756,962	4,540,335	8,297,297
Net assets at beginning of year	228,730,178	95,622,239	324,352,417
Net assets at end of year	\$232,487,140	\$100,162,574	\$332,649,714

*For the year ended December 31, 2024

(Concluded)

The accompanying notes are an integral part of this statement.

UNIVERSITY OF LOUISIANA --- S Y S T E M

BASIC FINANCIAL STATEMENTS: NOTES TO THE FINANCIAL STATEMENTS



INTRODUCTION

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

The System is comprised of nine universities located in nine cities as follows: Grambling State University at Grambling; Louisiana Tech University at Ruston; McNeese State University at Lake Charles; Nicholls State University at Thibodaux; Northwestern State University at Natchitoches; Southeastern Louisiana University at Hammond; University of Louisiana at Lafayette; University of Louisiana at Monroe; and University of New Orleans. The universities had approximately 83,178 students enrolled during the fall semester of the 2024/2025 academic year.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

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

Blended Component Units

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

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

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

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

entirely or almost entirely with the resources of its primary government.

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

- Black and Gold Facilities, Inc., c/o Ms. Rachel Davis, Grambling State University, P.O. Box 4287, Grambling, Louisiana 71245
- Innovative Student Facilities, Inc., c/o Mrs. Lisa Bradley, Louisiana Tech University, P.O. Box 7924, Ruston, Louisiana 71272
- Cowboy Facilities, Inc., c/o Ms. April Broussard, McNeese State University, 4205 Ryan Street, Lake Charles, Louisiana 70605
- NSU Facilities Corporation, c/o Mr. Terry Braud Jr., Nicholls State University, P.O. Box 2003, Thibodaux, Louisiana 70310
- University Facilities, Inc., c/o Mr. Sam Domiano, Southeastern Louisiana University, SLU Box 10709, Hammond, Louisiana 70402
- Ragin' Cajun Facilities, Inc., c/o Ms. Debra L. Calais, University of Louisiana at Lafayette, P.O. Box 40400, Lafayette, Louisiana 70504.
- University of Louisiana at Monroe Facilities, Inc., c/o Dr. William Graves, University of Louisiana at Monroe, 700 University Avenue, Monroe, Louisiana 71209
- University of New Orleans Research and Technology Foundation, Inc., c/o Mr. Andrew Pitman, University of New Orleans Research and Technology Foundation, Inc., 2021 Lakeshore Drive, Suite 420, New Orleans, Louisiana 70122

Discretely-presented Component Units

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

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

The Foundations act primarily as fundraising organizations to supplement the resources available to their respective universities in support of their

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

During the year ended June 30, 2025, the ULL Foundation and the UNO Foundation made distributions of \$46,872,922 and \$4,265,798, respectively, on behalf of their respective universities for both restricted and unrestricted purposes.

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

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

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

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

C. BASIS OF ACCOUNTING

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

Discrete Component Unit

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

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

D. BUDGET PRACTICES

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

**E. CASH AND CASH EQUIVALENTS
AND INVESTMENTS**

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

national banks having their principal offices in Louisiana. Cash equivalents reported on the Statement of Net Position include all negotiable certificates of deposit, regardless of maturity.

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

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

Investments are reported at fair value, or net asset value where applicable, in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended by GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in the carrying value of investments, resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. For purposes of the Statement of Cash Flows, the System considers all highly-liquid investments (including restricted assets) with maturities of three months or less when purchased to be cash equivalents.

F. NONCURRENT RESTRICTED ASSETS

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

G. CAPITAL ASSETS

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

estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of \$1,000,000 or more, and 3 to 10 years for internally generated software with development costs of \$1,000,000 or more. A threshold of \$50,000 is applied against the total contract value in the identification and reporting of leases and Subscription-Based Information Technology Arrangements (SBITAs) under GASB 87, *Leases*, and GASB 96, *Subscription-Based Information Technology Arrangements*. The threshold is applicable to lessee and lessor leases of all types including, but not limited to, leases of land, buildings, office space, vehicles, printers, computers, other equipment and any subscription-based arrangements meeting the definition of a SBITA. Amortization is calculated using the straight-line method over the shorter of the lease or SBITA term or the useful life of the underlying lease or SBITA assets.

H. UNEARNED REVENUES

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

I. COMPENSATED ABSENCES

As noted below in Section O., the System implemented GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025, and the compensated absence liability included in the Statement of Net Position is computed in accordance with the statement. Additionally, the change requires a restatement to beginning net position which is disclosed in Note 16.

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

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

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

J. NONCURRENT LIABILITIES

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

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

K. NET POSITION

The System's net position is classified as follows:

(1) Net Investment in Capital Assets

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

(2) Restricted Net Position – Expendable

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

(3) Restricted Net Position – Nonexpendable

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

(4) Unrestricted Net Position

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

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

L. CLASSIFICATION OF REVENUES AND EXPENSES

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

(1) Operating Revenue

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

(2) Nonoperating revenue

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

(3) Operating expenses

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

(4) Nonoperating expenses

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

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

As noted below in section O., the System implemented NACUBO Advisory 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount* (AR 2023-01) for the year ended June 30, 2025. As part of this implementation, the System has chosen to utilize NACUBO's recommended Method A to estimate the amount reported as scholarship allowance in the Statement of Revenues, Expenses and Changes in Net Position. The change in methodology has no impact on the change in net position for prior years.

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. The NACUBO Advisory 2023-01 defines discounts as "amounts awarded by institutions to students that reduce their out-of-pocket costs for tuition and fees and/or auxiliary services costs (such as residential services)."

N. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

For the year ended June 30, 2025, the System implemented a change in accounting estimates related to students accounts receivables and the related allowance for doubtful accounts. Prior to this change, each university within the System applied its own methodology; however, beginning in fiscal year 2025, the System adopted a standardized, system wide approach that utilizes three years of historical collections data to calculate the allowance for doubtful accounts annually. This change was made to improve consistency, comparability and reliability of financial reporting across all nine universities within the System. In accordance with GASB 100, *Accounting Changes and Error Corrections*, this is a change in accounting estimate that does not require a restatement of prior

periods, but instead is reported prospectively. The change impacts student receivables, which are reported net of the allowance for doubtful accounts within accounts receivables included in the Statement of Net Position and also the amounts disclosed in Note 4.

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2025, the System implemented the following:

- GASB Statement No. 101, *Compensated Absences*, which was issued in June of 2022 and is effective for fiscal years beginning after December 15, 2023. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. GASB 101 significantly changed the methodology for measuring the compensated absence liability by lowering the threshold for recognizing a liability. Under this new guidance, a liability must be recognized for leave that is *more likely than not* to be used for time off or otherwise paid in cash or settled through noncash means. This change in accounting principle required retroactive application to the prior fiscal year, and it significantly increased the System's compensated absences liability and decreased net position as of both June 30, 2024 and June 30, 2025. The impacts to the June 30, 2024, net position are reflected in Note 16.
- GASB Statement No. 102, *Certain Risk Disclosures*, which was issued in December 2023 and is effective for fiscal years beginning after June 15, 2024. This statement establishes disclosure requirements related to certain risks and uncertainties that could significantly affect financial position. Upon evaluation, the System determined that it does not have any concentrations or vulnerabilities that meet the disclosure criteria required by GASB 102.
- NACUBO Advisory Report 2023-01, *Public Institutions: Accounting for and Reporting Financial Aid as a Discount*, which is not considered a new accounting principle, but rather a change in accounting estimate. The advisory states that NACUBO no longer endorses its Alternate Method for calculating the estimated discount because there are better, more accurate ways to calculate the discount.

2. CASH AND CASH EQUIVALENTS

At June 30, 2025, the System has cash and cash equivalents (book balances) of \$319,863,628 as follows:

Demand Deposits	\$120,969,670
Certificates of Deposit	852,925
Money Market Funds	7,824,724
Petty Cash	496,733
Blended Component Unit Cash	46,242,172
<i>Also included as short-term investment in Note 3:</i>	
Louisiana Asset Management Pool (LAMP)	110,376,178
Blended Component Unit Money Market	33,101,226
Total	<u>\$319,863,628</u>

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

As of June 30, 2025, \$82,872 of the System's bank balance totaling \$294,041,345 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

The disclosure requirements in GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are not applicable to the Foundations' cash and cash equivalents, which totaled \$40,460,525 at June 30, 2025, as shown on the Statement of Financial Position (Statement D).

Louisiana Asset Management Pool, Inc. (LAMP):

At June 30, 2025, the System has short-term investments reported on the Statement of Net Position as cash equivalents totaling \$110,376,178.

The System participates in LAMP, which is administered by LAMP, Inc., a non-profit corporation organized under the laws of the state of Louisiana. LAMP issues financial reports which may be obtained at www.lamppool.com. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by the Board of Directors.

LAMP is an investment pool that, to the extent practical, invests in a manner consistent with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

LAMP is rated AAA by Standard & Poor's and is designed to be highly liquid to give its participants immediate access to their account balances. The Weighted Average Maturity (WAM) of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days or 762 days for U.S. Government floating/variable rate investments. The WAM for LAMP's total investments is 25 days as of June 30, 2025.

The investments in LAMP are stated at fair value. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the net asset value of the pool shares. LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Disclosures required for the investments reported as cash equivalents are included in note 3.

3. INVESTMENTS

At June 30, 2025, the System reported investments totaling \$504,271,082, which includes \$312,787,043 held by the universities' foundations. Total investments also includes \$143,477,404 of short-term investments that are reported on the Statement of Net Position as current cash equivalents.

Fair Value Measurements

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

(1) Level 1

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

(2) Level 2

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

(3) Level 3

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

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

Fair values of investments measured on a recurring basis at June 30, 2025, follow:

		Fair Value			
		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
	Totals				
U.S. government securities:					
U.S. Treasury Notes	\$2,332,104			\$2,332,104	
Common and preferred stock	12,175,976	\$12,175,976			
Mutual funds	19,515,069	19,515,069			
Money market funds	203,715			203,715	
Blended Component Unit Money market funds	33,101,226			33,101,226	
Louisiana Asset Management Pool (LAMP)	110,376,178			110,376,178	
Investments held by foundations:					
U.S. government securities:					
U.S. Treasury Notes	12,343,321	795,280		11,548,041	
Government National Mortgage Association	1,531,801			1,531,801	
Federal Home Loan Mortgage Corporation	4,580,497			4,580,497	
Federal National Mortgage Association	4,127,359			4,127,359	
Federal Home Loan Bank	571,498			571,498	
Federal Farm Credit Bank	133,158			133,158	
Small Business Administration	671,002			671,002	
Other fixed income securities	3,330,540	3,279,862		50,678	
Mutual funds	62,127,103	56,579,341		5,547,762	
Money market accounts	13,958,502	12,672,367		1,286,135	
Exchange traded funds	26,422,966	26,422,966			
Equity funds	2,677,568	2,677,568			
Common and preferred stock	48,151,352	48,151,352			
Corporate bonds/obligations	18,810,261	4,979,361		13,830,900	
Municipal bonds	972,754			972,754	
Certificates of deposit	60,000	60,000			
Other	240,373	227,619		12,754	
Hedge funds and other alternatives:					
Unit investment trusts and limited partnerships	13,377,621				\$13,377,621
Equity - long/short	27,878,293				27,878,293
Multi-strategy	17,548,123				17,548,123
Other credit	16,116,575				16,116,575
Private equities	5,913,980				5,913,980
Other hedge funds	1,892,390				1,892,390
Subtotal	461,141,305	\$187,536,761	\$190,877,562	NONE	\$82,726,982
Not categorized	43,129,777				
Total	\$504,271,082				

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

Investments not categorized totaling \$43,129,777 represent the System's investments held in external investment pools, which GASB Statement No. 72 excludes from the fair value disclosures, and investments held by the System's blended component units reported under FASB ASC §958.

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

Hedge Funds and Other Alternative Investments Measured at Net Asset Value

Following is a summary of the fair value and unfunded commitments for the hedge funds and alternative investments that are held by foundations for three of the System's universities and included in investments measured at net asset value above, as of June 30, 2025:

	Fair Value	Unfunded Commitments
Alternative investment:		
Unit investment trusts and limited partnerships	\$13,377,621	
Hedge funds:		
Equity long/short	27,878,293	
Multi-strategy	17,548,123	
Other credit	16,116,575	
Private equities	5,913,980	\$890,218
Other	<u>1,892,390</u>	
 Totals	 <u>\$82,726,982</u>	 <u>\$890,218</u>

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

University of Louisiana at Lafayette (ULL)

As of June 30, 2025, the ULL Foundation held investments in ULL's endowment funds totaling \$129,015,473, of which \$79,104,260 was invested in hedge funds and alternative investments. The table below summarizes the terms of the hedge fund investments with respect to lockup periods, redemption frequencies, and notice periods for the hedge fund and alternative investments:

	Lockup Period	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Equity - long/short	N/A	Monthly, Quarterly	10 - 45 days
Private equities	N/A	Annually	92 days
Other credit	N/A	Daily, Quarterly	2 - 60 days
Multi-strategy	N/A	Monthly, Quarterly, Annually	5 - 90 days
Unit investment trust	N/A	Semi-Monthly, Monthly	7 - 10 days

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

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

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

Multi-strategy investments consist of investments in various funds. The funds primarily invest in other funds that use a variety of different investment strategies across a wide

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

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

Nicholls State University (Nicholls)

As of June 30, 2025, the Nicholls State University Foundation held investments in Nicholls's endowment funds totaling \$15,912,442, of which \$1,108,109 and \$1,478 are invested in global equity long/short funds and multi-strategy hedge funds, respectively.

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

The multi-strategy funds are invested in the Hatteras Core Alternatives TEI Fund, L.P. This fund has no lockup period; carries a redemption frequency with anticipated quarterly tender offers at the discretion of the board of directors, subject to an early repurchase fee of 5% if requested within the first 12 months of the investment; and specifies a redemption notice period as the tender window. These are investments in various funds that use a variety of different investment strategies across a wide range of financial instruments, including but not limited to fixed income securities, equities,

mutual funds, futures, forward and option contracts, physical commodities, distressed securities, swaps and other derivative products. The net asset values of some funds use various inputs, including portfolio valuations that are received directly from independent sources. For those assets for which no independent sources are available, the investment managers determine the fair values by other means that may include obtaining appraisals. Some funds use a third party to provide the net asset calculation or rely on the latest unaudited or audited financial statements and performance reports of various investments in which the funds invest. Any listed investments are valued at the last sales price on the date of determination. Fair values for investments with no quotations are estimated at their net asset values calculated by the fund managers.

Investments in these two funds have no unfunded commitments.

University of Louisiana at Monroe (ULM)

As of June 30, 2025, the University of Louisiana at Monroe Foundation held investments in ULM's endowment funds totaling \$49,651,006, of which \$2,513,135 was invested in hedge fund and other alternative investments as follows:

	Fair Value
Equity long/short	\$620,745
Other	<u>1,892,390</u>
Total	<u>\$2,513,135</u>

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

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, individual System universities do not have policies to limit interest rate risk. The System's fixed-income investments and maturities at June 30, 2025, follow:

<u>Type of Investment</u>	<u>Investments</u>	<u>Totals</u>	Investment Maturities in Years				
			<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-20 Years</u>	<u>Over 20 Years</u>
U.S. government securities:							
U.S. Treasury Notes	0.46%	\$2,332,104	\$1,270,486		\$1,061,618		
Common and preferred stock	2.42%	12,175,976					
Mutual funds	3.87%	19,515,069					
Money market funds	0.04%	203,715					
Louisiana Asset Management Pool (LAMP)	21.89%	110,376,178					
Investments held by foundations:							
External investment pools	5.82%	29,350,006					
U.S. government securities:							
U.S. Treasury Notes	2.45%	12,343,321	1,126,838	6,481,834	\$3,381,198	\$1,299,320	\$54,131
Government National Mortgage Association	0.31%	1,531,801		126,219		119,674	1,285,908
Federal Home Loan Mortgage Corporation	0.91%	4,580,497	376,673	1,145,385	109,236	912,336	2,036,867
Federal National Mortgage Association	0.82%	4,127,359	18,309	347,169	306,951	1,112,368	2,342,562
Federal Home Loan Bank	0.11%	571,498	274,338	105,225			191,935
Federal Farm Credit Bank	0.03%	133,158				133,158	
Small Business Administratin	0.13%	671,002	11,770	80,937	139,228	334,292	104,775
Other fixed income securities	0.66%	3,330,540	145,520	431,601	500,805	490,566	1,762,048
Mutual funds	12.32%	62,127,103	33,071,263	1,417,553			
Money market funds	2.77%	13,958,502	295,701				
Exchange traded funds	5.24%	26,422,966		646,087			
Equity funds	0.53%	2,677,568					
Common and preferred stock	9.55%	48,151,352					
Corporate bonds/obligations	3.73%	18,810,261	1,814,265	8,368,160	6,184,237	533,017	1,910,582
Municipal obligations	0.19%	972,754	197,701	369,940	405,113		
Certificates of deposit	0.01%	60,000					
Unit investment trusts and limited partnerships	2.65%	13,377,621					
Hedge funds	13.75%	69,349,361	2,513,135				
Other	0.05%	240,373					
Held by blended component units	2.73%	13,779,771					
Blended Component Unit - Money Market	6.56%	33,101,226					
Totals	100.0%	\$504,271,082	\$41,115,999	\$20,581,728	\$11,026,768	\$4,934,731	\$9,688,808

Custodial Credit Risk

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

Concentration of Credit Risk

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

Of the \$312,787,043 reported as investments held by foundations, the amounts held by the discretely presented component units, the ULL Foundation and the UNO Foundation total \$129,015,473 and 29,350,006, respectively.

Credit Risk

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

Investments held by the UNO Foundation, a private foundation, in an external investment pool are managed in accordance with the terms outlined in a management agreement executed between the University of New Orleans (UNO) and the UNO Foundation. UNO is a voluntary participant. This investment totaling \$29,350,006 has no credit quality rating.

Rating Agency	Rating	Totals
Standard & Poor's	AAA	\$1,584,384
Standard & Poor's	AA+	21,816,294
Standard & Poor's	AA	419,898
Standard & Poor's	AA-	398,579
Standard & Poor's	A+	538,777
Standard & Poor's	A	1,956,215
Standard & Poor's	A-	2,707,532
Standard & Poor's	AAAm	120,704,048
Standard & Poor's	BBB+	1,762,127
Standard & Poor's	BBB	2,254,289
Standard & Poor's	BBB-	247,958
Standard & Poor's	BB+	154,749
Moody's	Aaa	696,007
Moody's	Aa1	2,416,525
Moody's	Aa2	91,419
Moody's	A1	272,926
Moody's	A2	66,831
Moody's	A3	562,419
Moody's	Baa1	284,006
Moody's	Baa2	414,159
Moody's	Baa3	199,150
Unrated		<u>344,722,790</u>
 Totals		<u>\$504,271,082</u>

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

The ULL Foundation's investments totaling \$237,590,402 as shown on Statement D at June 30, 2025, follow:

Type of Investment	Amount
Certificates of deposit	\$280,529
Equities	1,011,796
Mutual and exchange traded funds	78,019,897
Hedge funds and other alternative investments	132,864,398
Unit investment trusts and limited partnerships	24,874,377
Derivative assets	<u>539,405</u>
 Total	 <u>\$237,590,402</u>

Investments – University of New Orleans (UNO Foundation)

The UNO Foundation's investments totaling \$109,918,174 as shown on Statement D at June 30, 2025, follow:

Type of Investment	Amount
Domestic equity securities	\$9,600,524
International equity securities	493,070
Mutual funds	83,827,321
Private equity	10,484,463
Hedge fund of funds	5,414,928
Investments - Other	<u>97,868</u>
 Total	 <u>\$109,918,174</u>

4. RECEIVABLES

Receivables, net of an allowance for doubtful accounts, at June 30, 2025, reported on the Statement of Net Position are composed of the following:

Type	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Portion
Student tuition and fees	\$66,942,873	(\$12,047,575)	\$54,895,298	\$427,804
Auxiliary enterprises	21,571,078	(1,873,289)	19,697,789	161,961
Contributions and gifts	8,413,251		8,413,251	
Federal, state, and private grants and contracts	56,170,018		56,170,018	545,950
Insurance recoveries	3,692,798		3,692,798	
Other	<u>18,951,576</u>	<u>(10,250)</u>	<u>18,941,326</u>	<u>6,924</u>
Total	<u>\$175,741,594</u>	<u>(\$13,931,114)</u>	<u>\$161,810,480</u>	<u>\$1,142,639</u>

As noted in Note 1. Section N., for the fiscal year ended June 30, 2025, the System implemented a change in accounting estimate related to student accounts receivables and the related allowance for doubtful accounts. See Note 1. Section N. for additional information regarding this change.

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2025, follow:

University of Louisiana System

Description	Beginning Balance	Prior Period Adjustment	Restated Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated/amortized:							
Land	\$117,070,254		\$117,070,254	\$1,490,849			\$118,561,103
Land improvements	7,978,485		7,978,485				7,978,485
Capitalized collections	321,621		321,621				321,621
Livestock	40,400		40,400	14,700		(\$5,800)	49,300
Construction-in-progress	172,375,868	\$4,261,337	176,637,205	177,746,758	(\$52,206,052)	(147,208)	302,030,703
Other	233,110		233,110				233,110
Right-to-Use Land	427,322		427,322			(113,952)	313,370
Total assets not being depreciated/amortized	298,447,060	4,261,337	302,708,397	179,252,307	(52,206,052)	(266,960)	429,487,692
Capital assets being depreciated/amortized:							
Infrastructure	33,673,430		33,673,430				33,673,430
Land improvements	145,667,189		145,667,189	12,373,840	1,168,652		159,209,681
Buildings	2,890,733,103	(3,579,917)	2,887,153,186	7,087,000	50,935,748	(10,124,750)	2,935,051,184
Equipment (including library books)	529,756,765	4,208,274	533,965,039	19,094,583		(10,395,667)	542,663,955
Software (internally generated and purchased)	18,620,398		18,620,398				18,620,398
Right-to-Use Land improvements	499,128		499,128	193,618		(499,128)	193,618
Right-to-Use Buildings	1,454,560		1,454,560	3,211,521		(141,223)	4,524,858
Right-to-Use Equipment (including library books)	10,059,397		10,059,397	686,883		(1,515,898)	9,230,382
Right-to-Use Intangible Assets (SBITAs)	40,845,247	1,438,328	42,283,575	22,263,059		(10,957,762)	53,588,872
Total capital assets being depreciated/amortized	3,671,309,217	2,066,685	3,673,375,902	64,910,504	52,104,400	(33,634,428)	3,756,756,378
Less accumulated depreciation:							
Infrastructure	(18,653,598)		(18,653,598)	(723,447)			(19,377,045)
Land improvements	(75,725,354)		(75,725,354)	(6,808,079)			(82,533,433)
Buildings	(1,469,501,579)	1,527,078	(1,467,974,501)	(66,493,777)		5,248,476	(1,529,219,802)
Equipment	(450,596,506)	(4,158,755)	(454,755,261)	(18,815,270)		10,195,880	(463,374,651)
Software (internally generated and purchased)	(18,620,398)		(18,620,398)				(18,620,398)
Less accumulated amortization:							
Right-to-Use Land improvements	(38,055)		(38,055)	(5,327)		38,055	(5,327)
Right-to-Use Buildings	(513,777)		(513,777)	(1,754,380)		50,332	(2,217,825)
Right-to-Use Equipment (including library books)	(4,709,977)		(4,709,977)	(1,843,428)		1,514,898	(5,038,507)
Right-to-Use Intangible Assets (SBITAs)	(21,222,182)	(9,077)	(21,231,259)	(21,093,119)		9,632,640	(32,691,738)
Total accumulated depreciation/amortization	(2,059,581,426)	(2,640,754)	(2,062,222,180)	(117,536,827)	NONE	26,680,281	(2,153,078,726)
Total capital assets, net	\$1,910,174,851	\$3,687,268	\$1,913,862,119	\$126,625,984	(\$101,652)	(\$7,221,107)	\$2,033,165,344

Component Units

	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:					
Real estate	\$4,929,518			(\$217,193)	\$4,712,325
Art and collectibles	3,569,139				3,569,139
Construction-in-progress	281,008				390,822
Total assets not being depreciated	8,779,665	109,814	NONE	(217,193)	8,672,286
Capital assets being depreciated:					
Buildings	20,876,035				20,338,591
Vehicles, furniture, and equipment	1,313,239	13,537			1,326,776
Software (internally generated/purchased)	76,703	1			76,704
Total assets being depreciated	22,265,977	13,538	NONE	(537,444)	21,742,071
Less accumulated depreciation	(12,005,493)	(680,015)	NONE	92,953	(12,592,555)
Total capital assets, net	\$19,040,149	(\$556,663)	NONE	(\$661,684)	\$17,821,802

The capital asset disclosure for the discretely presented component units (the ULL and UNO Foundations) has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the discretely presented component units.

Capitalized Collections

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

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

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

6. PAYABLES

Payables and accrued expenses at June 30, 2025, are summarized in the following:

Account Name	
Vendor payables	\$76,893,735
Accrued salaries and payroll deductions	64,360,579
Accrued interest	4,470,251
Other	1,058,510
 Total payables	 <u>\$146,783,075</u>

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

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

Variable payments are based on future performance or usage and are not included in the measurement of the lease liability. For fiscal year 2025, the System had the following outflows of resources (expenses) related to SBITAs that were not previously included in the measurement of the SBITA liability reported in the Statement of Net Position:

Variable Payments	\$17,405
Other	0
 Total	 <u>\$17,405</u>

As disclosed in Note 5, the System has a total of \$53,588,872 (gross not considering accumulated amortization) right-to-use, or intangible SBITA assets, that are capitalized in accordance with policy.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$10,981,108	\$348,538	\$11,329,646
2027	6,657,257	172,367	6,829,624
2028	1,302,015	33,391	1,335,406
2029	273,210	12,241	285,451
2030	61,907	1,591	63,498
 Total SBITA Liability	 <u>\$19,275,497</u>	 <u>\$568,128</u>	 <u>\$19,843,625</u>

8. PENSION LIABILITY

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

TRSL also administers an optional retirement plan (ORP), which was created by R.S. 11:921-932 for academic and administrative employees of public institutions of higher education and is considered a defined contribution plan (see note 9 below). A portion of the employer contributions for ORP plan members is dedicated to the unfunded accrued liability of the TRSL defined benefit plan.

General Information about the Pension Plans

Plan Descriptions/Benefits Provided

Louisiana State Employees' Retirement System

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

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

age 60 upon completing 10 years of service. Regular plan members hired from July 1, 2006, through June 30, 2015, may retire with full benefits at age 60 upon completing five years of service. Regular plan members hired on or after July 1, 2015, may retire with full benefits at age 62 upon completing five years of service. Additionally, all members may choose to retire with 20 years of service at any age, with an actuarially-reduced benefit.

The basic annual retirement benefit for regular plan members is equal to 2.5% of average compensation multiplied by the number of years of service, generally not to exceed 100% of average compensation. Average compensation for regular plan members is defined in R.S. 11:403 as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006, or the highest 60 consecutive months of employment for members employed on or after that date. A member leaving service before attaining minimum retirement eligibility but after completing certain minimum service requirements, generally 10 years, becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw the accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

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

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

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

Teachers' Retirement System of Louisiana

TRSL administers a plan to provide retirement, disability, and survivor benefits to employees who meet the legal definition of a "teacher" as provided for in R.S. 11:701. The age and years of creditable service (service) required for a member to receive retirement benefits are established by R.S. 11:761 and vary depending on the member's hire date. The calculation of retirement benefits is defined in R.S. 11:768. Statutory changes closed existing sub-plans, and created new sub-plans for members hired on or after January 1, 2011.

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

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

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

The minimum service credit requirement is 10 years for a surviving spouse with no minor children and the surviving spouse must have been married to the deceased for at least one year prior to death. Surviving spouse with minor child benefits are equal to the greater of (a) 50% of the benefit to which the member would have been entitled if retired on the date of death using a factor of 2.5% regardless of years of service or age, or (b) \$600 per month. Surviving spouse without minor child benefits are equal to

the greater of (a) the Option 2 equivalent of the benefit calculated at the 2.5% benefit factor for all creditable service, or (b) \$600 per month. Benefits are payable to an unmarried child until age 21, or age 23 if the child remains a full-time student. Benefits are paid for life to a qualified unmarried handicapped child. Benefits are paid for life to a surviving spouse unless the deceased active member was not eligible for retirement at the time of death and the surviving spouse remarries before the age of 55.

Deferred Retirement Option Plan

Both LASERS and TRSL have established a Deferred Retirement Option Plan (DROP). When members enter DROP, their statuses change from active member to retiree even though they continue to work and draw their salaries for a period up to three years. The election is irrevocable once participation begins. During participation, benefits otherwise payable are fixed and deposited in an individual's DROP account. Upon leaving DROP and terminating employment, members must choose among available alternatives for the distribution of benefits that have accumulated in their accounts.

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

Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, LASERS and TRSL allow the payment of cost-of living-adjustments, or COLAs, that are funded through investment earnings when recommended by the board of trustees and approved by the Legislature. Both LASERS and TRSL have established an Experience Account to fund permanent benefit increases for retirees. Effective July 1, 2023, Act 184 of the 2023 Regular Legislative Session provides for the phasing out and termination of the Experience Account and of the diversion of the investment earnings into that account, and creates a new account for accumulation of funds to pay COLAs. The Act establishes an additional component of the required employer contribution rate called the COLA account funding contribution or AFC rate. Accounts are capped at amounts needed to fund two increases. These ad hoc COLAs are not considered substantively automatic.

Contributions

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

contribution plan), a portion of the employer contributions is used to fund the TRSL defined benefit plan's unfunded accrued liability.

Employer contributions to LASERS for fiscal year 2025 were \$26,804,401 with active regular plan member contributions ranging from 7.5% to 8%, and employer contributions of 34.74% of covered payroll. Nonemployer contributing entity contributions to LASERS, pursuant to various legislative acts, totaled \$972,794 and were recognized as revenue in fiscal year 2025 by the System. Employer defined benefit plan contributions to TRSL for fiscal year 2025 were \$97,977,031, with active regular plan member contributions of 8%, and employer contributions of 20.88% and 15.90% for the defined benefit plan and ORP employees, respectively. Non-employer contributing entity contributions to TRSL, which are comprised of ad valorem tax revenues, totaled \$3,341,643 and were recognized as revenue in fiscal year 2025 by the System.

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

At June 30, 2025, the System reported liabilities of \$175,628,614 and \$667,128,040 under LASERS and TRSL, respectively, for its proportionate share of the net pension liability (NPL). The NPL for LASERS and TRSL was measured as of June 30, 2024, and the total pension liabilities used to calculate the NPL were determined by actuarial valuations as of that date. The System's proportions of the NPL were based on projections of the System's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The System's projected contribution effort was calculated by multiplying the eligible annual compensation of active members in the Plan as of June 30, 2024, by the fiscal year 2025 employer actuarially required contribution rates.

As of June 30, 2024, the most recent measurement date, the System's proportions and the changes in proportion from the prior measurement date were 3.2295%, an increase of 0.06122% for LASERS, and 7.7271%, a decrease of 0.4671% for TRSL.

For the year ended June 30, 2025, the System recognized a pension expense of \$15,435,593 for LASERS and a pension expense of \$62,060,093 for TRSL for a total pension expense of \$77,495,686.

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

	Deferred Outflows			Deferred Inflows		
	LASERS	TRSL	Totals	LASERS	TRSL	Totals
Differences between expected and actual experience		\$37,865,062	\$37,865,062		\$776,755	\$776,755
Changes in assumptions	\$1,227,698	17,857,120	19,084,818		\$17,081,832	17,081,832
Net difference between projected and actual earnings on pension plan investments		50,680,605	50,680,605	20,940,049		20,940,049
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,034,211	10,410,002	12,444,213		47,192,741	47,192,741
Employer contributions subsequent to the measurement date	26,804,401	97,977,031	124,781,432			
Total	\$30,066,310	\$214,789,820	\$244,856,130	\$21,716,804	\$64,274,573	\$85,991,377

Deferred outflows of resources related to pensions resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the LASERS and TRSL NPL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal year ending June 30,	LASERS	TRSL	Total
2026	(\$10,558,083)	(\$16,996,112)	(\$27,554,195)
2027	\$5,410,369	\$70,932,262	\$76,342,631
2028	(\$8,070,561)	\$505,322	(\$7,565,239)
2029	(\$5,236,620)	(\$1,903,256)	(\$7,139,876)

Actuarial Assumptions

The total pension liability for LASERS and TRSL in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurements:

	LASERS	TRSL
Valuation Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Approach	Closed	Closed
Expected Remaining Service Lives	2 years	5 years
Investment Rate of Return (discount rate)	7.25% per annum, net of investment expense	7.25% per annum, net of investment expense
Inflation Rate	2.4% per annum	2.4% per annum
Mortality Rates	<p>General active members: PubG-2010 Employee table, adjusted by 1.055 for males and 1.034 for females</p> <p>General retiree/inactive members: PubG2010 Healthy Retiree table, adjusted 1.215 for males and 1.277 for females</p> <p>Mortality assumptions for non-disabled members include improvement projected using the MP-2021 Mortality Improvement Scale.</p> <p>Disabled retiree members: RP-2000 Disabled Retiree Mortality Table, adjusted by 0.936 for males and 1.065 for females, with no projection for improvement.</p> <p>All tables are amount-weighted with a base year of 2020 with 2010 rates used for 2020.</p>	<p>Active members: Pub2010T-Below Median Employee (amount weighted) tables, adjusted by 0.965 for males and by 0.942 for females.</p> <p>Non-disabled retiree/inactive members: Pub2010T-Below Median Retiree (amount weighted) tables, adjusted by 1.173 for males and by 1.258 for females.</p> <p>Disabled retiree members: Pub2010T-Disability (amount weighted) tables, adjusted by 1.043 for males and by 1.092 for females.</p> <p>Contingent survivor mortality - Pub2010T-Below Median-Contingent Survivor (amount weighted) tables, adjusted by 1.079 for males and by 0.919 for females</p> <p>Mortality base tables were adjusted from 2010 to 2019 (base year, representing the mid-point of the experience study) with continued future mortality improvement using the MP-2021 improvement table on a fully generational basis.</p>
Termination, Disability, Retirement	Termination, disability, and retirement assumptions were projected based on a five year (2019-2023) experience study of the plan's members.	Termination, disability, and retirement assumptions were projected based on a five year (2018 - 2022) experience study of the plan's members
Projected Salary Increases	Salary increases were projected based on a 2019-2023 experience study of the plan's members. The salary increase ranges from 2.4% to 15.3% depending on the specific type of member.	Salary assumptions were projected based on a 2018 - 2022 experience study of the plan's members. The projected salary increase for regular plan members ranges from 2.41% to 4.85% depending on duration of service.
Cost of Living Adjustments	Not substantively automatic	Not substantively automatic

The projected benefit payments do not include provisions for potential future increases not yet authorized by the LASERS and TRSL Boards of Trustees as these ad hoc COLAs were deemed not to be substantively automatic. However, the LASERS and TRSL assumptions include an adjustment to recognize that investment earnings will be allocated to the experience account through fiscal year 2029 to fund potential future increases. Beginning July 1, 2024, COLAs will be directly funded through the employer contribution rate.

Changes in assumptions for the LASERS June 30, 2024 valuation follow:

- The LASERS Board of Trustees adopted revised actuarial assumptions as recommended in the experience study for the period July 1, 2018, to June 30, 2023.
- Act 94 of 2016 changes the amortization period for most actuarial changes, gains, or losses from 30 to 20 years once the funded ratio reaches 70%. Since the June 30, 2024 funded ratio exceeds 70%, the change in liability due to assumption changes and the experience gain/loss are amortized over 20 years.

There were no changes in assumptions for the TRSL June 30, 2024 valuation.

For LASERS and TRSL, the long-term expected rate of return for each plan was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.4% for LASERS and TRSL and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.15% and 8.68%, for LASERS and TRSL, respectively. The target allocation and best estimates of arithmetic/geometric real rates of return as of June 30, 2024, for each major asset class are summarized for each plan in the following table:

	LASERS (Geometric)		TRSL (Arithmetic)	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	0.00%	0.76%		
Domestic equity	34.00%	4.29%	22.50%	4.45%
International equity	17.00%	5.22%	11.50%	4.29%
Domestic fixed income	3.00%	2.04%	8.00%	2.79%
International fixed income	19.00%	5.24%	6.00%	1.66%
Alternative investments	27.00%	8.19%		
Other alternative investments:				
Private equity			37.00%	8.24%
Other private assets			15.00%	4.51%
Total	<u>100.00%</u>	<u>5.61%</u>	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for LASERS and TRSL. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions from participating employers will be made at the actuarially determined rates approved by the Public Retirement Systems' Actuarial Committee taking into consideration the recommendations of the respective pension systems' actuaries. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Current		
	1.0% Decrease	Discount Rate	1.0% Increase
	(6.25%)	(7.25%)	(8.25%)
LASERS	\$242,538,437	\$175,628,614	\$118,770,584
TRSL	\$966,817,125	\$667,128,040	\$415,166,707

Pension Plan Fiduciary Net Position

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

Payables to the Pension Plan

At June 30, 2025, the System had \$3,892,421 and \$12,633,783 payable to LASERS and TRSL, respectively, for the June 2025 employee and employer legally-required contributions.

9. OPTIONAL RETIREMENT SYSTEM

TRSL administers an optional retirement plan (ORP), which was created by R.S. 11:921-932 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an election to participate in the optional retirement plan rather than TRSL and purchase retirement and death benefits through fixed and/or variable annuity contracts provided by designated companies. Benefits payable to participants are not the obligation of the State of Louisiana or TRSL. The decision to join ORP is irrevocable once the election window provided by R.S. 11:932 expires. Additionally, the decision to leave ORP is irrevocable. Such benefits and other rights of the ORP are the liability and responsibility solely of the designated company or companies to whom contributions have been made.

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

Beginning July 1, 2026, in addition to the contribution requirements noted above, R.S. 11:927 will require employers to contribute to TRSL on behalf of each ORP participant the employer's share of any monthly fee established by the board to cover the cost of administration and maintenance of the optional retirement plan.

Employer ORP contributions to TRSL for fiscal year 2025 totaled \$40,248,123, which represents pension expense for the System. Employee contributions totaled

\$14,588,218. The active member and employer contribution rates were 8% and 6.2%, respectively, with an additional employer contribution of 15.9% made to the TRSL defined benefit plan described in note 8 above.

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

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

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

Information about these two plans is presented below.

Plan Descriptions

State OGB Plan

System employees voluntarily participate in the state of Louisiana's health insurance plan. OGB provides medical, prescription drug, and life insurance benefits to eligible retirees, disabled retirees, and their beneficiaries through premium subsidies. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in their applicable retirement systems (LASERS and TRSL); or they retire from a participating employer that meets the qualifications in Louisiana Administrative Code 32:3.301; and they must be covered by the active medical plan immediately prior to

retirement. The postemployment benefits plan is a multiple-employer defined benefit plan. R.S. 42:801-883 provide the authority to establish and amend benefit provisions of the plan.

LSU Health Plan

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

Funding Policy

State OGB Plan

The contribution requirements of plan members and the System are established and may be amended by R.S. 42:802, 42:821, and 42:851. Employees do not contribute to their postemployment benefit costs until they become retirees and begin receiving those benefits. They contribute to the cost of retiree health care based on a service schedule. Contribution amounts vary depending on what health care provider is selected from the plan and if the member has Medicare coverage. OGB offers retirees four self-insured healthcare plans. In addition, retired employees who have Medicare Part A and Part B coverage also have access to several OGB Medicare Advantage plans and an Individual Market Exchange plan that provides monthly health reimbursement arrangement credits.

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

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

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

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

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

LSU System Health Plan

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

OPEB Obligation

At June 30, 2025, the System reported an OPEB liability totaling \$941,294,673 for its proportionate share of the total collective OPEB liability. The System's proportionate share of the total collective LSU Health plan's OPEB liability at June 30, 2025, totaling \$4,827,227, was determined by an actuarial valuation as of January 1, 2024, which was rolled forward to the measurement date of June 30, 2025. The OGB and LSU Health plans' total collective OPEB liabilities were measured as of July 1, 2024 and June 30, 2025, respectively.

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

At June 30, 2025, the System's proportion of the OGB liability was 11.9881%, representing an increase of 0.2150% in the System's proportion. At June 30, 2025, the System's proportion of the LSU Health Plan liability was 0.6829%, which represents a decrease of 0.0781 % from the June 30, 2024 proportion of the liability, as adjusted.

Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

A summary of the actuarial assumptions follows:

State OGB Plan		LSU System Health Plan
Actuarial valuation date	July 1, 2024	January 1, 2024 rolled forward to June 30, 2025
Actuarial cost method	Entry Age Normal, based on a level percentage of pay. Service Costs are attributed through all assumed ages of exit from active service. For current DROP participants, assumed exit from active service is the date at which DROP ends.	Entry Age Normal, based on a level percentage of projected salary.
Estimated remaining service lives	4.5	6.3
Inflation rate (consumer price index)	2.4%	3.0%
Salary increase rate	Consistent with pension plans disclosed in note 8	Consistent with pension plans disclosed in note 8
Discount rate¹	3.93%	5.20%
Mortality rates - non-disabled	Consistent with pension plans disclosed in note 8	Pub-2010 headcount weighted with generational scale MP-2021, applied specifically for teachers, general and safety personnel. TRSL employees had a mortality adjustment using the standard PUB-2010 teachers' mortality with adjustments depending on an employee's status and gender.
Mortality rates - disabled	Consistent with pension plans disclosed in note 8	Pub-2010 headcount weighted disabled mortality rates with generational scale MP-2021, applied specifically for teachers, general and safety personnel.
Termination and Retirement Tables	Consistent with pension plans disclosed in note 8	Consistent with pension plans disclosed in note 8

¹The discount rate for the OGB Plan is based on the June 30, 2024, Bond Buyer 20 Index rate. The LSU Health Plan discount rate is based on the Bond Buyer 20-Bond GO Index.

Participation Rates

Active employees who do not have current medical coverage are assumed not to participate in the medical plan as retirees. The percentage of employees and their dependents who are currently covered for medical coverage that are assumed to participate in the retiree medical plan is outlined in the table below.

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

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

Changes in Assumptions

Changes of assumptions and other inputs for OGB follow:

- The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 to 3.93% based on the Bond Buyer 20 Index as of June 30, 2024, since the previous valuation, which increased the plan's liability.
- Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the plan's liability.
- One of the associated pension systems, LASERS, adopted new assumptions in the June 30, 2024, valuation based on updated experience study. As a result, the mortality, retirement, termination, disability, and salary increase rates for LASERS groups were updated to be consistent with the pension valuation assumption. The net impact of this change decreased the plan's liability.
- The pre-Medicare baseline trend was updated to more accurately reflect recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Pre-Medicare trend has been revised to 8.5% trending down 25 basis points per year to an ultimate rate of 4.5% by FY 2035. Medicare trend has been revised to 7.5% trending down to an ultimate rate of 4.5% by FY 2035. Changes to the Medicare trend were made to reflect revised expectations regarding the impact of the Inflation Reduction Act (IRA) on Medicare prescription drug costs. This change caused an increase in the plan's liability.

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

- A change in the discount rate from 3.93% as of June 30, 2024, to 5.2% as of June 30, 2025.

Health Care Cost Trend Rates

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

<u>Year</u>	<u>Pre-Medicare</u>	<u>Medicare</u>
2024-2025	8.50%	7.50%
2025-2026	8.25%	7.00%
2026-2027	8.00%	6.50%
2027-2028	7.75%	6.30%
2028-2029	7.50%	6.10%
2029-2030	7.00%	6.00%
2030-2031	6.50%	5.75%
2031-2032	6.00%	5.50%
2032-2033	5.50%	5.25%
2033-2034	5.00%	5.00%
2035+	4.50%	4.50%

The LSU Health Plan's healthcare cost trend rates are as follows (rates are applied on a select and ultimate basis with the select trend reduced 0.30% each year through 2033, and 0.10% thereafter until reaching the ultimate trend rate):

<u>Benefit</u>	<u>Select</u>	<u>Ultimate</u>
Pre-Medicare Medical and Rx Benefits	7.45%	4.00%
Medicare Benefits	6.45%	4.00%
Stop Loss Fees	7.45%	4.00%
Administrative Fees	3.70%	4.00%

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

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

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

	<u>1.0% Decrease</u>	<u>Current Rate</u>	<u>1.0% Increase</u>
OGB Plan:			
Discount Rate	2.93%	3.93%	4.93%
Proportionate Share of Total	\$1,089,680,577	\$936,467,446	\$813,905,252
LSU Health Plan:			
Discount Rate	4.20%	5.20%	6.20%
Proportionate Share of Total	\$5,813,798	\$4,827,227	\$4,065,925

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

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

	<u>1.0% Decrease</u>	<u>Current Rate</u>	<u>1.0% Increase</u>
OGB Plan:			
Pre-Medicare Rates	7.5% decreasing to 3.5%	8.5% decreasing to 4.5%	9.5% decreasing to 5.5%
Medicare Rates	6.5% decreasing to 3.5%	7.5% decreasing to 4.5%	8.5% decreasing to 5.5%
	\$809,168,177	\$936,467,446	\$1,098,145,465
LSU Health Plan:			
Pre-Medicare Rates	6.5% decreasing to 3.0%	7.5% decreasing to 4.0%	8.5% decreasing to 5.0%
Medicare Rates	5.5% decreasing to 3.0%	6.5% decreasing to 4.0%	7.5% decreasing to 5.0%
	\$4,010,836	\$4,827,227	\$5,886,232

Per Capita Health Care Claim Costs

The OGB expected per capita costs for the self-insured plans administered by Blue Cross/Blue Shield were based on medical and prescription drug claims and enrollment for retired participants for the period January 1, 2023, through December 31, 2024. The claims experience was trended to the valuation date. Per capita costs for the fully insured HMO and Medicare Advantage plans were based on calendar year 2025 premiums adjusted to the valuation date using the Medicare trend assumption above. In addition, per capita costs were adjusted for expected age-related differences in morbidity applicable to retirees, except for costs for the Via Benefits HRA plan, which provides a flat monthly subsidy.

For the LSU Health Plan, the expected retiree claim costs were developed using 24 months of historical claim experience through January 2024. For Option 3, per capita claim costs are developed by applying age adjustments to the current fully insured premiums. A blend of both active and retiree data was utilized and age adjusted.

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

For the year ended June 30, 2025, the System recognized an OPEB expense totaling \$36,437,068, comprised of \$37,343,558 of expense for OGB offset by (\$906,490) of a benefit for the LSU Health Plan. The System reported deferred outflows of resources and deferred inflows of resources related to OPEB as follows:

	Deferred Outflows			Deferred Inflows		
	OGB	LSU Health	Totals	OGB	LSU Health	Totals
Changes in employer's proportionate share of total OPEB liability	\$29,122,689		\$29,122,689	\$3,716,176		\$3,716,176
Difference between proportionate share of employer benefit payments and actual benefit payments	477,512		477,512	6,862,820		6,862,820
Differences between expected and actual experience	16,049,348		16,049,348		\$723,494	723,494
Changes in assumptions	69,657,675	\$526,305	70,183,980	107,532,572	3,139,270	110,671,842
Employer contributions subsequent to the measurement date	35,386,099		35,386,099			
Total	\$150,693,323	\$526,305	\$151,219,628	\$118,111,568	\$3,862,764	\$121,974,332

Deferred outflows of resources related to OPEB from the System's benefit payments subsequent to the measurement date will be recognized as a reduction of the total collective OPEB liability in the year ending June 30, 2026. Because the LSU Health Plan's measurement date was June 30, 2025, there are no deferred outflows for System benefit payments at June 30, 2025, for the LSU Health Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense (benefit) as follows:

Fiscal year ending June 30,	OGB	LSU Health	Total
2026	(\$28,562,963)	(\$1,034,758)	(\$29,597,721)
2027	(5,745,258)	(905,319)	(\$6,650,577)
2028	22,713,469	(878,678)	\$21,834,791
2029	8,790,408	(246,664)	\$8,543,744
2030		(217,635)	(\$217,635)
2031		(53,405)	(\$53,405)
Total	(\$2,804,344)	(\$3,336,459)	(\$6,140,803)

11. LEASE OBLIGATIONS

Lessee Leases

The System's lessee leasing arrangements consist primarily of leasing property and equipment for providing aviation education to students, leasing telephone, television, internet and radio equipment, and leasing office space and property for providing educational and other services to students. Leases, as a lessee, are included in intangible right-to-use assets and lease obligations on the Statement of Net Position. An intangible right-to-use asset represents the System's right to use an underlying

asset for the lease term. Lease obligations represent the System's liability to make lease payments arising from the lease agreement. Intangible right-to-use assets and lease obligations are recognized based on the present value of lease payments over the lease term, where the initial term exceeds 12 months.

Variable payments are based on future performance or usage and are not included in the measurement of the lease liability. For FY25, the System made variable payments on its leases totaling \$31,007. For FY25, the system had no residual value guarantee payments, termination penalties or other expenses related to its leases.

As disclosed in Note 5, the System has a total of \$14,262,228 (gross not considering accumulated amortization) right-to-use, or leased assets (not including leased intangible assets which are disclosed in Note 7). The right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$3,630,298	\$81,874	\$3,712,172
2027	1,739,758	29,255	1,769,013
2028	583,199	11,331	594,530
2029	121,371	7,881	129,252
2030	99,775	6,375	106,150
2031-2035	190,805	21,241	212,046
2036-2040	40,431	12,176	52,607
2041-2045	23,564	10,394	33,958
2046-2050	30,063	8,451	38,514
2051-2055	37,691	5,991	43,682
Thereafter	57,140	3,081	60,221
 Total Lease Liability	 <u>\$6,554,095</u>	 <u>\$198,050</u>	 <u>\$6,752,145</u>

Lessor Leases

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

The University of Louisiana Monroe Facilities, Inc. (a blended component unit of University of Louisiana Monroe) is reported under FASB accounting standards, the requirements of which differ from the requirements of GASB Statement No. 87, *Leases*. Lumen Technologies donated a facility to University of Louisiana Monroe Facilities, Inc,

then entered into an agreement whereby Lumen Technologies leases back approximately 52,000 square feet of office space within the donated property. The leaseback agreement is for an initial three-year term, with extension options for two additional one-year terms. The agreement notes a monthly base rent of \$92,246.

The following is a schedule of the System's lease related revenues for the year ended June 30, 2025:

Lease Revenue	\$1,108,564
Interest Revenue	247,433
Other lease related revenues	<u>NONE</u>
Total FY25 Lease Revenues:	<u>\$1,355,997</u>

Variable revenues are based on future performance or usage and are not included in the measurement of the lease receivable or deferred inflows. The following is a schedule of the System's other lease related revenues for the year ended June 30, 2025:

Variable Revenues	\$649,432
Residual Value Guarantees	NONE
Termination Penalties	NONE
Other	<u>NONE</u>
Total FY25 Variable and Other Revenues	<u>\$649,432</u>

12. LONG-TERM LIABILITIES

Following are summaries of bond and other long-term debt transactions of the System for the year ended June 30, 2025:

University of Louisiana System

	Beginning Balance	Adjustments	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable:							
Notes payable	\$2,475,803		\$2,475,803	\$5,922,500	(\$808,217)	\$7,590,086	\$608,602
Publicly offered	480,025,180		480,025,180	\$14,113,747	(26,437,432)	467,701,495	17,999,144
Direct borrowing/placements	153,725,042		153,725,042	32,860,000	(44,311,405)	142,273,637	12,483,747
Total bonds payable	633,750,222		633,750,222	46,973,747	(70,748,837)	609,975,132	30,482,891
Total bonds and notes payable	636,226,025	None	636,226,025	52,896,247	(71,557,054)	617,565,218	31,091,493
Other liabilities:*							
Accrued compensated absences payable	55,134,875	\$234,409,623	289,544,498	15,250,897	**	304,795,395	44,943,047
Lease obligations	7,092,023		7,092,023	7,129,642	(7,667,570)	6,554,095	3,630,298
Subscription obligations	11,952,262	768,338	12,720,600	21,448,696	(14,893,799)	19,275,497	10,981,108
Total other liabilities	74,179,160	235,177,961	309,357,121	43,829,235	(22,561,369)	330,624,987	59,554,453
Total	\$710,405,185	\$235,177,961	\$945,583,146	\$96,725,482	(\$94,118,423)	\$948,190,205	\$90,645,946

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

** Net Change

University of Louisiana at Lafayette Foundation

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes payable	\$232,751	NONE	(\$28,649)	\$204,102	\$30,061

Details of all debt outstanding at June 30, 2025, are as follows:

Bonds Payable - Publicly Offered

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Louisiana Tech University								
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing and Related								
Refunding Bonds Series 2013	June 6, 2013	\$19,065,000	\$10,700,000	(\$9,700,000)	\$1,000,000	2026	3.125%	\$15,411
Student Housing and Related Facilities								
Refunding Bonds Series 2015	December 29, 2015	43,020,000	32,385,000	(1,635,000)	30,750,000	2038	3.0-5.0%	10,458,425
Student Housing Series 2016 A	August 16, 2016	36,695,000	33,075,000	(635,000)	32,440,000	2047	2.25-4.0%	16,429,225
Student Housing Series 2020	May 28, 2020	49,145,000	47,425,000	(925,000)	46,500,000	2051	3.0-5.0%	27,855,967
Student Parking 2025A Series	June 17, 2025	7,640,000	7,640,000		7,640,000	2055	4.5-5.125%	7,106,452
Student Housing Refunding 2025B Series	June 17, 2025	7,835,000	7,835,000		7,835,000	2034	5.00%	1,768,985
McNeese State University								
Cowboy Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Parking - Series 2021 Refunding Bonds	December 16, 2021	11,020,000	9,880,000	(400,000)	9,480,000	2042	3.0-4.0%	2,878,500
Student Housing - Series 2022 Refunding Bonds	February 9, 2022	11,250,000	8,865,000	(835,000)	8,030,000	2033	3.0-4.0%	1,513,600
University Student Union Building Bonds Series 2024	May 8, 2024	12,840,000	12,840,000	(290,000)	12,550,000	2054	4.0-5.0%	10,204,763
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Self-Assessed Fees - Series 2021	March 11, 2021	8,415,000	7,620,000	(295,000)	7,325,000	2042	4.00%	2,767,900
Southeastern Louisiana University								
University Facilities, Inc. (blended component unit):								
Intermodal Parking - Series 2007 A and B	March 14, 2007	8,035,000	2,530,000	(275,000)	2,255,000	2037	4.0 - 4.375%	423,982
Student Housing - Series 2013 Refunding Bonds	November 13, 2013	40,910,000	8,570,000	(4,105,000)	4,465,000	2027	4.00 - 5.25%	96,100
Housing Project - Series 2017 Revenue Bonds	June 6, 2017	35,465,000	35,465,000		35,465,000	2048	5.00%	16,574,875
Student Housing - Series 2019 Refunding Bonds	February 7, 2019	11,960,000	11,960,000		11,960,000	2035	4.00 - 5.00%	3,176,125
LCDA Revenue Refunding Bonds Series 2020	November 24, 2020	20,535,000	18,360,000	(770,000)	17,590,000	2041	2.00-4.00%	6,220,400
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Lafayette Public Trust Financing Authority:								
Housing and Parking Project								
Refunding Bonds Series 2012	October 30, 2012	14,740,000	8,680,000	(805,000)	7,875,000	2033	3.63 - 5.0%	1,201,986
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Ragin' Cajun Facilities, Inc. - Cajundome Project Series 2015	August 18, 2015	18,500,000	18,500,000		18,500,000	2045	3.5 - 4.125%	9,660,330
Revenue Refunding Bonds - Student Housing and Parking - Series 2017	April 19, 2017	95,945,000	85,250,000	(3,140,000)	82,110,000	2042	3.5 - 5.0%	34,659,813
Housing and Parking Project Series 2018	May 23, 2018	47,410,000	47,410,000		47,410,000	2049	5.00%	48,476,375
Student Union and University Facilities Project Series 2021 Refunding 2010	September 23, 2021	14,550,000	13,480,000	(565,000)	12,915,000	2041	4.00%	4,440,150
Lewis Street Parking Garage Project Series 2021 Refunding 2013	September 23, 2021	18,550,000	17,445,000	(580,000)	16,865,000	2044	4.00%	7,044,650
Athletic Facilities Project Series 2021 Refunding 2013	September 23, 2021	17,380,000	16,345,000	(545,000)	15,800,000	2044	4.00%	6,596,400
University of Louisiana at Lafayette Facilities Project Series 2023A Tax Exempt	October 31, 2023	11,335,000	11,335,000		11,335,000	2049	4.75 - 5.13%	9,356,789
University of Louisiana at Lafayette Facilities Project Series 2023B Taxable	October 31, 2023	2,705,000	2,705,000	(270,000)	2,435,000	2032	5.63 - 6.25%	520,414
Total		564,945,000	460,825,000	(10,295,000)	450,530,000			
Discounts			(587,500)		27,921		(559,579)	
Premiums			31,099,654		(2,411,466)		28,688,188	
Deferred loss on refunding			(364,710)		98,504		(266,206)	
Bond issuance costs			(10,947,264)		256,356		(10,690,908)	
Total		\$564,945,000	\$480,025,180	(\$12,323,685)	\$467,701,495			\$229,447,617

Bonds Payable – Direct Borrowings/Placements

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Louisiana Tech University								
Innovative Student Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
University Athletic and Related Facilities Series 2014	April 10, 2014	\$9,000,000	\$6,515,000	(\$315,000)	\$6,200,000	2039	4.48%	\$2,279,200
Student Housing Bonds - Series 2016 B	June 7, 2016	4,000,000	4,000,000		4,000,000	2047	4.50%	2,904,300
McNeese State University								
Field House - Series 2009	August 6, 2009	6,000,000	2,305,000	(350,000)	1,955,000	2030	3.93%	198,170
Nicholls State University								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Revenue Housing - Series 2007 B	August 23, 2007	32,380,000	32,380,000	(32,380,000)				
Streets and Parking Revenue Bonds - Series 2016 A	February 16, 2016	1,975,000	225,000	(225,000)				
Cafeteria and Student Union Revenue Bonds - Series 2016 B	February 16, 2016	4,000,000	1,870,000	(285,000)	1,585,000	2030	3.71%	180,677
Series 2024 Refunding 2007B	October 3, 2024	32,860,000		31,160,000	31,160,000	2039	5.22%	12,903,421
University of Louisiana at Lafayette								
Ragin' Cajun Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority -								
Baseball Stadium Project - Series 2017	September 27, 2017	10,145,000	6,985,000	(595,000)	6,390,000	2034	3.50%	1,002,838
Cajundome Refunding Lease, Revenue Bonds Series 2016								
Cajundome Project, Series 2019	August 2, 2016	11,005,000	5,480,000	(880,000)	4,600,000	2030	2.47%	245,436
	July 10, 2019	2,600,000	1,960,000	(170,000)	1,790,000	2034	2.91%	227,659
University of Louisiana at Monroe								
ULM Facilities, Inc. (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Housing, Infirmary, and Student Center:								
Revenue Bonds Series 2004 A & A-T	June 30, 2004	35,210,000	21,385,000	(1,720,000)	19,665,000	2035	1.57%	1,590,098
Revenue Bonds Series 2004 C & C-T	December 8, 2004	33,680,000	20,820,000	(1,340,000)	19,480,000	2036	1.65%	2,020,556
Revenue Refunding Bonds, Student Center - Series 2014								
Revenue Bonds, Student Center - Series 2016	July 9, 2014	1,645,000	465,000	(150,000)	315,000	2027	3.14%	10,122
Revenue Bonds, Student Center - Series 2017	March 8, 2016	6,000,000	4,120,000	(280,000)	3,840,000	2036	2.62%	640,982
Revenue Bonds - Series 2018	June 14, 2017	4,000,000	1,315,000	(425,000)	890,000	2027	2.75%	36,850
Revenue Bonds - Series 2020	August 1, 2018	2,000,000	730,000	(235,000)	495,000	2027	3.56%	26,700
Revenue Bonds - Series 2020	December 1, 2020	5,500,000	4,260,000	(330,000)	3,930,000	2035	3.07%	693,974
Revenue and Refunding Bonds - Series 2023	August 30, 2023	1,550,000	1,550,000	(72,000)	1,478,000	2039	4.80%	551,424
University of New Orleans								
Revenue Bonds - Series 2012								
Revenue Bonds Series 2015	August 22, 2012	9,700,000	2,950,000	(705,000)	2,245,000	2028	2.99%	102,034
Revenue Bonds Series 2015 B	February 27, 2015	2,990,000	2,895,000	(15,000)	2,880,000	2031	3.47%	447,457
Revenue Bonds Series 2020	May 29, 2015	3,580,000	737,000	(363,000)	374,000	2026	2.90%	10,846
UNO Research and Technology Foundation* (blended component unit):								
Revenue Refunding Bonds Series 2022	December 18, 2020	7,830,000	5,530,000	(730,000)	4,800,000	2031	2.55%	376,125
Total		257,470,000	156,737,000	(12,050,000)	144,687,000			
Bond issuance costs and insurance costs								
Total		(\$3,011,958)	598,595		(2,413,363)			
		<u>\$257,470,000</u>	<u>\$153,725,042</u>	<u>(\$11,451,405)</u>	<u>\$142,273,637</u>			<u>\$31,069,059</u>

*Fiscal year ended December 31, 2024

On June 17, 2025, Innovative Student Facilities, Inc., (a blended component unit of Louisiana Tech University) issued \$7,640,000 of Louisiana Local Government Environmental Facilities and Community Development Authority – Series 2025A Revenue Bonds for financing the development, design, renovation, construction, and equipping of a new parking facility and related facilities.

On June 17, 2025, Innovative Student Facilities, Inc., (a blended component unit of Louisiana Tech University) issued \$7,835,000 of Louisiana Local Government Environmental Facilities and Community Development Authority – Series 2025B Revenue Refunding Bonds. The purpose of the issue was to refund the Louisiana Local Government Environmental Facilities and Community Development Authority – Series 2013 Revenue Refunding Bonds. See Note 13 for additional information regarding the refunding bonds.

On October 3, 2024, the Louisiana Local Government Environmental Facilities and Community Development Authority and Regions Bank issued \$32,860,000 of Revenue Refunding Bonds to NSU Facilities Corporation (a blended component unit of Nicholls State University) to refund the Series 2007B Bonds, to pay a termination payment associated with the termination of the swap associated with the Series 2007B Bonds and to pay costs of the issuance of the Series 2024 Bonds.

The annual requirements to amortize all System bonds outstanding at June 30, 2025, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2026	\$17,725,000	\$19,259,131	\$12,650,000	\$4,524,783
2027	18,240,000	18,710,589	12,730,000	4,140,521
2028	19,130,000	17,823,709	12,318,000	3,760,293
2029	20,015,000	16,932,512	12,898,000	3,374,244
2030	20,400,000	16,017,077	13,242,000	2,977,121
2031-2035	105,580,000	65,705,073	55,711,000	9,568,982
2036-2040	97,840,000	43,606,345	22,693,000	2,318,226
2041-2045	85,080,000	23,736,653	1,665,000	369,339
2046-2050	58,680,000	6,986,671	780,000	35,550
2051-2055	7,840,000	669,857		
Sub-total	450,530,000	229,447,617	144,687,000	31,069,059
Unamortized Discount/ Premium/Issuance Costs	17,171,495		(2,413,363)	
Total	\$467,701,495	\$229,447,617	\$142,273,637	\$31,069,059

Following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2025:

<u>Bond Issue</u>	<u>Reserves Available</u>	<u>Reserve Requirement</u>	<u>Excess/(Deficiency)</u>
Publicly Offered:			
McNeese State University			
Cowboy Facilities, Inc.			
Student Parking - Series 2021 Refunding Bonds	\$737,531	\$730,150	\$7,381
Student Housing - Series 2022 Refunding Bonds	1,128,816	1,125,000	3,816
Nicholls State University			
NSU Facilities, Inc.			
Revenue Bonds 2021	675,845	598,500	77,345
Southeastern Louisiana University			
University Facilities, Inc.			
Revenue Bonds 2007	455,861	386,138	69,723
Revenue Bonds 2013	2,420,159	2,045,500	374,659
Total publicly offered	<u>5,418,212</u>	<u>4,885,288</u>	<u>532,924</u>
Direct Placements/Borrowings:			
McNeese State University			
McNeese State University Field House Project, Series 2009	450,330	434,563	15,767
University of New Orleans			
Series 2020 Revenue Bonds	<u>901,710</u>	<u>783,000</u>	<u>118,710</u>
Total direct placements/borrowings	<u>1,352,040</u>	<u>1,217,563</u>	<u>134,477</u>
Total reserves	<u><u>\$6,770,252</u></u>	<u><u>\$6,102,851</u></u>	<u><u>\$667,401</u></u>

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

<u>Bond Issue</u>	<u>Guaranteed Payment Not to Exceed</u>
Publicly Offered Bonds:	
Louisiana Tech University	
Innovative Student Facilities, Inc.:	
Revenue Refunding Bonds - Series 2015	\$3,308,150
Revenue Bonds - Series 2016 A	\$2,583,015
Revenue Bonds - Series 2020	\$2,862,513
Revenue Bonds Series 2025 A	\$500,938
Revenue Refunding Bonds Series 2025 B	\$783,500
McNeese State University	
Student Union Series 2024 Revenue Bonds	\$3,475,000
Southeastern Louisiana University	
University Facilities, Inc.	
Housing Project - Series 2017 Revenue Bonds	\$4,532,875
Student Housing - Series 2019 Refunding Bonds	\$2,254,200
Revenue Refunding Bonds- Series 2020	\$1,484,100
University of Louisiana at Lafayette	
Ragin' Cajun Facilites, Inc.:	
Refunding Bonds - Series 2012	\$1,171,344
Cajundome Project - Series 2015	\$1,527,385
Housing and Parking Project Refunding Bonds - Series 2017	\$7,121,575
Housing Project Bonds - Series 2018	\$4,642,070
Student Union/University Series - 2021 Refunding 2010	\$1,096,500
Lewis Street Parking Garage Project Series - 2021 Ref 2013	\$1,272,300
Athletic Facilities Project - Series 2021 Refunding 2013	\$1,190,600
Facilities Project - Series 2023A Tax-Exempt	\$994,856
Facilities Project - Series 2023B Taxable	\$269,468
Direct Placement Bonds:	
University of Louisiana at Lafayette	
Ragin' Cajun Facilites, Inc.:	
Cajundome Refunding Lease Revenue Bonds - Series 2016	\$1,020,325
University of New Orleans (UNO)	
Revenue Bonds Series 2012	\$784,236
Revenue Bonds Series 2015	\$997,003
Revenue Bonds Series 2015 B	\$384,846
UNO Research and Technology Foundation*	
Revenue Refunding Bonds Series 2022	\$2,899,310

* Fiscal year ended December 31, 2024

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

Notes Payable - University of Louisiana System

	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
Louisiana Tech University								
LA Dept of Revenue Flex Fund 2020A	April 23, 2020	\$1,200,775	\$738,075	(\$19,200)	\$618,875	2030	2.00%	\$37,447
LA Dept of Revenue Flex Fund 2020B	April 23, 2020	529,840	325,800	(52,700)	273,100	2030	2.00%	16,520
University of Louisiana at Lafayette								
MidSouth Bank 1	September 18, 2015	1,300,000	196,375	(16,156)	40,219	2026	4.45%	331
University of Louisiana at Monroe								
ULM Facilities, Inc.								
2025 Non-Revolving Line of Credit	April 1, 2025	6,000,000		6,000,000	6,000,000	2027	6.54%	719,400
University of New Orleans								
UNO Research and Technology Foundation:*								
LPFA	October 19, 1999	1,500,000	102,284	(102,284)		2025	0%	
Whitney Bank	April 19, 2001	7,350,000	113,433	(378,041)	735,392	2027	4.10%	29,629
Total		17,880,615	2,475,967	5,191,619	7,667,586			
Note issuance costs			(164)	(77,336)	(77,500)			
Total		<u>\$17,880,615</u>	<u>\$2,475,803</u>	<u>\$5,114,283</u>	<u>\$7,590,086</u>			<u>\$803,327</u>

*Fiscal year ended December 31, 2024

On April 1, 2025, the ULM Facilities, Inc. (a blended component unit of the University of Louisiana at Monroe) entered a non-revolving line of credit and term loan agreement to use for the operating expenses of the Clarke M. Williams Innovation Campus. The loan requires that the ULM Facilities, Inc. maintain a Facilities Account with a minimum \$1,200,000 balance. At June 30, 2025, the balance in the Facilities Account was \$4,851,158.

In relation to the loan agreement, the ULM Foundation is assisting the ULM Facilities, Inc. with servicing the interest on the loan. The assistance will provide monthly payments of \$12,700 from the ULM Foundation to the ULM Facilities, Inc. The intent of the payments is to reduce the effective interest cost to the ULM Facilities, Inc. from 6.54% to 4.0%. The payments will continue until the termination of the loan on April 1, 2027, or the repayment of the loan, whichever occurs earlier. For the year ended June 30, 2025, ULM Foundation provided total assistance of \$38,100 to service the interest.

The University of Louisiana at Lafayette Foundation, Inc. had the following outstanding note payable at June 30, 2025:

Note	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding at Fiscal Year End
University of Louisiana at Lafayette Foundation, Inc.								
U.S. Department of Education	June 9, 2011	\$500,000	\$232,751	(\$28,649)	\$204,102	2031	4.75%	\$31,333
Total		<u>\$500,000</u>	<u>\$232,751</u>	<u>(\$28,649)</u>	<u>\$204,102</u>			<u>\$31,333</u>

The annual requirements to amortize all System notes outstanding at June 30, 2025, follow:

	Principal	Interest
2026	\$608,602	\$433,677
2027	6,517,209	347,879
2028	177,975	10,835
2029	180,800	7,276
2030	<u>183,000</u>	<u>3,660</u>
Sub-total	7,667,586	803,327
Unamortized Discount/ Premium/Issuance Costs	<u>(77,500)</u>	
Total	<u><u>\$7,590,086</u></u>	<u><u>\$803,327</u></u>

The annual requirements to amortize notes outstanding for the University of Louisiana at Lafayette Foundation, Inc. at June 30, 2025 follow:

	Principal	Interest
2026	\$30,061	\$9,172
2027	31,541	7,691
2028	33,078	6,154
2029	34,722	4,510
2030	36,432	2,800
2031-2035	<u>38,268</u>	<u>1,006</u>
Total	<u><u>\$204,102</u></u>	<u><u>\$31,333</u></u>

13. REFUNDING OF BONDS

Louisiana Tech University

In June 2025, the Louisiana Local Government Environmental Facilities and Community Development Authority issued Louisiana Tech University Housing, Innovative Student Facilities, Inc., Series 2025B Revenue Refunding Bonds in the amount of \$7,835,000 for the purpose of providing monies to advance refund the LCDA Louisiana Tech University Housing, Innovative Facilities, Inc. Series 2013 Revenue Refunding Bonds. The outstanding par amount of the Series 2013 Bonds was \$9,725,000. \$8,725,000 was refunded and the remaining \$1,000,000 par amount balance was paid on July 1, 2025. The Series 2025B Revenue Refunding Bonds, with a par amount of \$7,835,000, original issue premium of \$419,980, outstanding debt service reserves of \$684,484, debt service funds of \$173,372, less the costs of issuance totaling \$229,726 for the Series 2025B issue, provided for \$8,883,110 in net proceeds. The net proceeds were

deposited in an escrow with the Trustee to pay the Series 2013 Refunding Bonds principal and interest.

As a result of the refunding, the refunded portion of Series 2013 Refunding Bonds are considered defeased as of June 30, 2025.

Nicholls State University

On October 3, 2024, the Louisiana Local Government Environmental Facilities and Community Development Authority and Regions Bank issued \$32,860,000 of Revenue Refunding Bonds (Nicholls State University Student Housing/NSU Facilities Corporation Project Series 2024). The proceeds of the bond issue were loaned to NSU Facilities Corporation (a blended component unit of Nicholls State University) to refund the Series 2007B Bonds, to pay a termination payment associated with the termination of the swap associated with the Series 2007B Bonds and to pay costs of the issuance of the Series 2024 Bonds. The bonds carry a rate of 5.22% per annum and mature on June 1, 2039.

14. INTEREST RATE SWAP AGREEMENT

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

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

Corporation Liable For Swap Payments: The Corporation is liable to the Authority to make Swap payments and Bond debt service payments pursuant to the terms of the transaction documents. Any amounts owed by the Authority to the Replacement Provider of the Swap are obligations of the Corporation. Payments to the Replacement Provider expensed as Interest totaled \$12,048 prior to the termination of the swap on October 3, 2024.

Refunding of Prior Bonds: On October 3, 2024, the Louisiana Local Government Environmental Facilities and Community Development Authority and Regions Bank issued \$32,860,000 of Revenue Refunding Bonds (Nicholls State University Student Housing/NSU Facilities Corporation Project Series 2024) to NSU Facilities Corporation (a blended component unit of Nicholls State University) to refund the Series 2007B Bonds, to pay a termination payment associated with the termination of the swap associated with the Series 2007B Bonds and to pay costs of the issuance of the Series 2024 Bonds. Upon the refunding date, the 2007B Bonds were redeemed in full and were no longer outstanding.

Termination of Prior Swap: The 2007B Bonds were variable rate bonds which were hedged by the Swap. Upon the redemption of the 2007B Bonds on the refunding date, the Authority was no longer exposed to variable interest rate risk and simultaneously terminated the Swap.

Sources/Uses of Funds: A termination fee was paid to the Replacement Provider of \$3,839,500 based on the fair value of the Swap. A realized loss of \$1,081,500 was recognized upon the termination of the interest rate swap. In order to fund the payment of the swap termination fee and other costs associated with the refinancing, NSU Facilities Corporation utilized funds previously associated with and dedicated to debt service funds for the 2007B bonds. NSU Facilities Corporation has recognized a loss on refinance of \$707,790.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

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

McNeese State University

McNeese State University Field House Revenue Bonds Series 2009

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

fund, funding a maintenance reserve fund, and paying the costs of issuance of the bonds.

The original principal on the bonds totaled \$6,000,000, and the debt secured by the pledge is \$1,955,000. The approximate remaining amount of the pledge is \$2,153,170 at June 30, 2025, representing principal and interest totaling \$1,955,000 and \$198,170, respectively. The revenues are pledged for the period August 2009 through June 2030. For the year ended June 30, 2025, the requirements for principal and interest were \$350,000 and \$83,709, respectively. Pledged revenues recognized for the period totaled \$1,595,532.

University of New Orleans

Revenue Bond Series 2012, Recreation and Wellness Center

Revenue pledged for these bonds includes per semester student charges and other fees imposed on users of the fitness center. The original principal on the bonds totaled \$9,700,000, and the bonds was issued for refunding of Series 1998 bonds and the construction of the student fitness center. The debt secured by the pledge is \$3,129,699. The approximate remaining amount of the pledge is \$2,347,034 at June 30, 2025, representing principal and interest totaling \$2,245,000 and \$102,034, respectively. The term of commitment is August 2012 through October 2027. For the year ended June 30, 2025, the requirements for principal and interest were \$705,000 and \$77,665, respectively. The amount of pledged revenues recognized during the period totaled \$1,120,260. These revenues are also pledged for the Series 2015 Recreation and Wellness Center bonds.

Revenue Bond Series 2015, Recreation and Wellness Center

Revenue pledged for these bonds includes per semester student charges and other fees imposed on users of the fitness center. The original principal on the bonds totaled \$2,990,000, and the bonds were issued to refund the Series 1998 bonds, originally issued for the construction of the student fitness center. The debt secured by the pledge is \$3,442,653. The approximate remaining amount of the pledge is \$3,327,457 at June 30, 2025, representing principal and interest totaling \$2,880,000 and \$447,457, respectively. The term of commitment is February 2015 through October 2030. For the year ended June 30, 2025, the requirements for principal and interest were \$15,000 and \$100,196, respectively. The amount of pledged revenues recognized for the fiscal year 2025 totaled \$1,120,260. These revenues are also pledged for the Series 2012 Recreation and Wellness Center bonds.

Revenue Bonds Series 2015, Auxiliaries

Revenue pledged for these bonds includes student housing, food and vending services, the student union, and other miscellaneous auxiliaries. The original principal on the bonds was \$3,580,000, and the bonds were issued for refunding of the auxiliary portion of the Series 2004B bonds. The debt secured by the pledge is \$769,219. The approximate remaining amount of the pledge is \$384,846 at June 30, 2025, representing principal and interest totaling \$374,000 and \$10,846, respectively. The term of commitment is May 2015 through May 2026. For the year ended June 30, 2025, the requirements for principal and interest payments were \$363,000 and \$21,373, respectively. The amount of pledged revenues recognized for the fiscal year 2025 totaled \$14,586,243.

Revenue Bonds Series 2020, ERP Software

Revenue pledged for these bonds includes Facilities Use Maintenance Fund, Building Use Fees, and Student Health Services Fees. The total principal drawn on the bonds was \$7,830,000, and the bonds were issued for the acquisition of a cloud-based enterprise resource planning software; and providing for other matters in connection therewith. The debt secured by the pledge is \$6,037,832. The approximate remaining amount of the pledge is \$5,176,125 at June 30, 2025, representing principal and interest totaling \$4,800,000 and \$376,125, respectively. The term of commitment is December 2020 through December 2030. For the year ended June 30, 2025, the requirements for principal and interest payments were \$730,000 and \$131,707, respectively. The amount of pledged revenues recognized for the fiscal year 2025 totaled \$2,100,414.

16. RESTATEMENT OF BEGINNING NET POSITION

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

	Beginning Balances as Previously Reported	*	Beginning Balances as Restated
	Restatements		
By Statement of Net Position Line:			
Capital Assets	\$1,910,174,851	\$3,687,268	\$1,913,862,119
Accounts Receivables - current	\$154,120,379	(\$3,252,288)	\$150,868,091
Accounts payable and accrued liabilities	(\$109,194,214)	(\$8,707)	(\$109,202,921)
Compensated Absences Payable - current	(\$6,275,107)	(\$36,028,808)	(\$42,303,915)
Compensated Absences Payable - noncurrent	(\$48,859,768)	(\$198,380,815)	(\$247,240,583)
Subscription Obligation - noncurrent	(\$6,213,934)	(\$768,338)	(\$6,982,272)
Other Liabilities - current	(\$4,389,560)	\$26,477	(\$4,363,083)
Unearned revenues - current	(\$66,832,165)	\$1,805,836	(\$65,026,329)
Lease receivables - noncurrent	\$18,341,547	\$112,597	\$18,454,144
Deferred inflows relating to leases	(\$19,262,069)	(\$112,597)	(\$19,374,666)
 By Net Position Line:			
Unrestricted net position	(\$1,604,211,875)	(\$234,409,623)	(\$1,838,621,498)
Restricted - expendable	\$342,093,022	(\$1,455,159)	\$340,637,863
Net investment in capital assets	\$1,280,018,322	\$2,945,407	\$1,282,963,729

*These entries also corrected prior-year understatements in all class of transactions within educational and general expenses.

The restatements to both current and noncurrent compensated absences payable above are related to a change in accounting principle due to the implementation of GASB 101, *Compensated Absences*. The restatements to the line items other than compensated absences are due to error corrections. Overall, the restatements decreased the System's beginning net position to \$17,222,559.

Had the error corrections totaling \$1,490,248 affecting fiscal year 2024 been included in the June 30, 2024 Statement of Revenues, Expenses, and Changes in Net Position, the previously reported change in net position of \$147,518,059 would have totaled \$149,008,307.

17. RESTRICTED NET POSITION

University of Louisiana System

The System's restricted expendable net position at June 30, 2025, follows:

<u>Account Title</u>	<u>Amount</u>
Endowments	\$126,927,438
Student Fees	93,013,933
Student Loan Fund	8,840,297
Auxiliary Enterprises	11,821,462
Grants and Contracts	29,485,017
Maintenance Reserves	14,815,156
Capital Construction/Plant Projects	20,769,464
Debt Service/Retirement of Indebtedness	(475,208)
Scholarships	7,826,141
Other	5,730,237
Mineral Lease	18,793,865
Gifts - Restricted by Donors	<u>7,097,024</u>
 Total expendable	 <u>\$344,644,826</u>

Of the total restricted net position reported on Statement A for the year ended June 30, 2025, \$70,925,050 was restricted by enabling legislation.

The System's restricted nonexpendable net position totaling \$244,682,180 as of June 30, 2025, was comprised entirely of endowment funds.

Donor Restricted Endowments

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

At June 30, 2025, the System reported restricted-expendable net appreciation of endowments totaling \$126,927,438, of which \$114,873,075 may be spent for restricted purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net position - nonexpendable in the Statement of Net Position; the endowment income is reported in restricted net position - expendable.

University of Louisiana at Lafayette Foundation, Inc.

The ULL Foundation reported its net assets as follows:

Without donor restrictions	\$19,607,392
With donor restrictions	<u>212,879,748</u>
Total net assets	<u>\$232,487,140</u>

University New Orleans Foundation

The UNO Foundation reported its net assets as follows:

Without donor restrictions	\$9,210,226
With donor restrictions	<u>90,952,348</u>
Total net assets	<u>\$100,162,574</u>

18. CONDENSED FINANCIAL INFORMATION

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

Statement of Net Position				
	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Assets:				
Current assets	\$4,424,037		\$1,480,000	\$684,022
Capital assets	12,058,696	\$142,850,533	41,255,647	28,239,101
Other assets	<u>14,256,110</u>	<u>8,847,870</u>		6,961,967
Total assets	<u>\$16,482,733</u>	<u>\$157,106,643</u>	<u>\$51,583,517</u>	<u>\$35,885,090</u>
Liabilities:				
Current liabilities	\$4,296,810	\$6,478,261	\$2,654,948	\$2,479,469
Long-term liabilities	<u>136,294,065</u>		<u>28,544,077</u>	42,034,097
Total liabilities	<u>\$4,296,810</u>	<u>\$142,772,326</u>	<u>\$31,199,025</u>	<u>\$44,513,566</u>
Net Position:				
Net investment in capital assets		\$8,744,071	\$12,711,570	(\$8,012,305)
Restricted net position - expendable			7,672,922	3,087,522
Unrestricted net position	<u>\$12,185,923</u>	<u>5,590,246</u>		(3,703,693)
Total net position	<u>\$12,185,923</u>	<u>\$14,334,317</u>	<u>\$20,384,492</u>	<u>(\$8,628,476)</u>
				University of New Orleans Research and Technology Foundation, Inc.*
Assets:				
Current assets	\$21,329,478	\$15,134	\$8,199,415	\$19,710,754
Capital assets	99,346,462	284,551,425	76,359,087	36,770,047
Other assets	<u>2,876,025</u>	<u>12,397,582</u>	<u>3,583,347</u>	<u>25,044,179</u>
Total assets	<u>\$123,551,965</u>	<u>\$296,964,141</u>	<u>\$88,141,849</u>	<u>\$81,524,980</u>
Liabilities:				
Current liabilities	\$7,373,125	\$18,320,154	\$5,846,945	\$4,057,913
Long-term liabilities	<u>68,936,183</u>	<u>229,901,921</u>	<u>50,082,224</u>	<u>24,724,404</u>
Total liabilities	<u>\$76,309,308</u>	<u>\$248,222,075</u>	<u>\$55,929,169</u>	<u>\$28,782,317</u>
Net Position:				
Net investment in capital assets	\$27,910,852	\$46,724,284	\$27,748,631	\$36,034,656
Restricted net position - expendable	8,834,401	7,711,534		
Unrestricted net position	<u>10,497,404</u>	<u>(5,693,752)</u>	<u>4,464,049</u>	<u>16,708,007</u>
Total net position	<u>\$47,242,657</u>	<u>\$48,742,066</u>	<u>\$32,212,680</u>	<u>\$52,742,663</u>

*Fiscal year ended December 31, 2024

Statement of Revenues, Expenses, and Changes in Net Position

	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Operating revenues	\$ 9,549,064	\$ 11,767,301	\$ 6,003,551	\$ 5,472,955
Operating expenses	(39,884)		(3,143,017)	(399,514)
Depreciation expense		(5,336,507)	(1,308,982)	(2,133,902)
Net operating income	9,509,180	6,430,794	1,551,552	2,939,539
Nonoperating revenues (expenses):				
Investment income		255,020	952,324	374,336
Interest expense		(4,915,074)	(1,130,342)	(2,097,119)
Other (net)		(1,772,865)	(54,143)	(1,789,290)
Changes in net position	9,509,180	(2,125)	1,319,391	(572,534)
Net position beginning of the year	2,676,743	14,336,442	19,065,101	(8,055,942)
Net position end of the year	<u>\$12,185,923</u>	<u>\$14,334,317</u>	<u>\$20,384,492</u>	<u>(\$8,628,476)</u>
				University of
				New Orleans
			University of	Research and
			Louisiana at	Technology
			Monroe	Foundation, Inc.*
	University Facilities, Inc.	Ragin' Cajun Facilities, Inc.	Monroe Facilities, Inc.	Technology Foundation, Inc.*
Operating revenues	\$ 20,133,565	\$ 17,024,528	\$ 12,570,150	\$ 11,784,394
Operating expenses	(12,642,129)	(2,859,113)	(5,913,472)	(7,957,393)
Depreciation expense	(4,176,395)	(13,401,350)	(4,197,496)	(2,442,565)
Net operating income	3,315,041	764,065	2,459,182	1,384,436
Nonoperating revenues (expenses):				
Investment income	1,132,665	288,852	241,970	1,401,300
Interest expense	(2,736,882)	(8,739,475)	(1,042,110)	(984,219)
Other (net)		2,612,042	(4,674,956)	(645,341)
Capital contributions/additions to permanent and term endowments		33,398,002		
Changes in net position	1,710,824	28,323,486	(3,015,914)	1,156,176
Net position beginning of the year	45,531,833	20,418,580	35,228,594	51,586,487
Net position end of the year	<u>\$47,242,657</u>	<u>\$48,742,066</u>	<u>\$32,212,680</u>	<u>\$52,742,663</u>

*Fiscal year ended December 31, 2024

Statement of Cash Flows

	Black and Gold Facilities, Inc.	Innovative Student Facilities, Inc.	Cowboy Facilities, Inc.	NSU Facilities Corporation
Net cash flows provided (used) by:				
Operating activities	(\$131,199)	\$11,756,612	\$2,860,534	\$4,722,138
Noncapital financing	9,483,327	38,587		
Capital and related financing		(5,356,796)	(19,204,121)	(8,900,939)
Investing activities	(9,446,790)	249,771	952,324	394,626
Net increase (decrease) in cash	(94,662)	6,688,174	(15,391,263)	(3,784,175)
Cash, beginning of the year	159,741	7,567,936	25,719,133	10,746,142
Cash, end of the year	\$65,079	\$14,256,110	\$10,327,870	\$6,961,967

	University Facilities, Inc.	Ragin' Cajun Facilities, Inc.	University of Louisiana at Monroe Facilities, Inc.	University of New Orleans Research and Technology Foundation, Inc.*
Net cash flows provided (used) by:				
Operating activities	\$8,501,479	\$40,802,691	\$7,457,207	\$3,531,897
Noncapital financing			935,530	(1,167,322)
Capital and related financing	(8,657,096)	(49,909,616)	(5,934,642)	(6,818,384)
Investing activities	108,042		241,970	3,696,411
Net increase (decrease) in cash	(47,575)	(9,106,925)	2,700,065	(757,398)
Cash, beginning of the year	203,892	21,504,507	8,602,259	1,860,191
Cash, end of the year	\$156,317	\$12,397,582	\$11,302,324	\$1,102,793

*Fiscal year ended December 31, 2024

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Totals
Instruction	\$300,681,291	\$93,497,366	\$131,597	\$40,170,089	\$242,055		\$434,722,398
Research	71,789,678	16,478,487	2,307,424	39,308,902	156,916		130,041,407
Public Service	39,507,629	13,180,068	54,288	9,975,286			62,717,271
Academic Support	57,978,081	19,449,542	295,068	25,210,568	22,847		102,956,106
Student Services	42,960,072	13,709,292	172,231	22,270,369	89,907		79,201,871
Institutional Support	82,317,851	27,412,924	1,105,875	48,156,897	904,643		159,898,190
Operations and Maintenance of Plant	27,610,912	12,345,852	33,354,034	69,507,771	11,839		142,830,408
Depreciation						\$117,536,827	117,536,827
Scholarships and Fellowships	310,983	451,418		38,001	45,902,365		46,702,767
Auxiliary Enterprises	74,821,428	19,241,507	14,814,613	140,988,187	1,896,425		251,762,160
Other	762,540	2,347,798		6,115,037			9,225,375
Total operating expenses	\$698,740,465	\$218,114,254	\$52,235,130	\$401,741,107	\$49,226,997	\$117,536,827	\$1,537,594,780

20. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies such as guaranty of mortgage loans on sorority and fraternity houses are considered state liabilities and are paid upon appropriation by the Legislature and not the System. The System only

incurred claims and/or litigation cost totaling \$48,753 in the current year. Therefore, the System, through its respective universities' legal advisors, estimates that other potential claims not covered by insurance would not materially affect the financial statements. Other losses of the System arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

21. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

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

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2025, was \$7,122,295, which includes \$4,314,437 for contributions to the TRSL and LASERS pension plans from non-employer contributing entities.

22. FOUNDATIONS AND OTHER RELATED ENTITIES

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

Grambling University Foundation, Inc.
Grambling University National Alumni Association
Louisiana Tech University Foundation
Louisiana Tech University Alumni Association
McNeese State University Foundation
McNeese State University Alumni Association
Nicholls State University Foundation
Nicholls Alumni Federation
PRO NSU Inc.
Northwestern State University Foundation
Demons Unlimited Foundation
Lion Athletic Association
Institute for Global and Domestic Development, Inc.
Southeastern Louisiana University Foundation
Southeastern Louisiana University Alumni Association, Inc.
The University of Louisiana at Lafayette Alumni Association
The University of Louisiana at Monroe Foundation

The University of Louisiana at Monroe Athletic Scholarship Foundation
The University of Louisiana at Monroe Alumni Association
University of New Orleans Alumni Association
University of Louisiana System Foundation

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

23. DEFERRED COMPENSATION PLAN

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

24. COOPERATIVE ENDEAVOR AGREEMENTS

Nicholls State University/Ascension Parish Government

In August 2022, Nicholls entered into an agreement with the Ascension Parish Government to provide consulting services for an Early Learning Center in Donaldsonville, LA and to develop an early childhood education program to serve infants through age 2-year-old children. The original agreement was amended to continue through June 30, 2025. This agreement was renewed for an additional one-year term, ending June 30, 2026.

Nicholls State University/Greater Lafourche Port Commission

In December of 2023, an agreement was signed with the Greater Lafourche Port Commission (the Port), whereby they will provide \$50,000 (\$20,000 in December 2023 and \$30,000 in December 2024) towards the repair and replacement of the camp that Nicholls leases in Port Fourchon that is used by Nicholls employees and students for coastal research. Nicholls will collaborate with the Port on implementing research and development initiatives at the Coastal Campus which will assist future industrial and environmental development of Port Fourchon.

Nicholls State University/Lafourche Parish Government

In August of 2024, an agreement was signed with the Lafourche Parish Government, Office of Community Action whereby they will provide tuition assistance for qualified residents of the parish, up to \$2,500, under a federal grant expiring September 30, 2025.

In August of 2024, an agreement was signed with the Lafourche Parish Government, whereby they would provide \$500,000 towards the construction of the exhibit space in the Coastal Center.

In September of 2024, an agreement was signed with the Lafourche Parish Government to provide funding not to exceed \$37,500 annually to be used partially for salary, fringe benefits, and travel for full-time business consultants in the Louisiana Small Business Development Center of the University whose consultations will provide technical assistance to small businesses and citizens wishing to start or expand a small business in Lafourche parish and further promote economic development in the parish. This agreement will terminate December 31, 2027.

Nicholls State University/Nicholls State University Foundation, Inc.

In November 2024, Nicholls State University entered into a Cooperative Endeavor Agreement with the Nicholls State University Foundation, Inc. (the Foundation), in collaboration with its partnership with Balanced Media Technology (BMT), LLC. Under the agreement, the University will provide access to its idle computing capacity to support the deployment of the Coastal Data Refinery, a research and innovation platform developed by BMT.

Northwestern State University/Natchitoches Parish Regional Center

The University has entered into a cooperative endeavor agreement with Natchitoches Parish Regional Center to provide medical services to students participating in any program, game, practice or other scheduled event for the sum of \$630,000 for the period of July 1, 2024, through June 30, 2027. After the initial term, this agreement shall automatically renew for two (2) years effective July 1, 2027. The University's payments totaled \$210,000 through June 30, 2025.

Northwestern State University/City of Natchitoches

The University has entered into a cooperative endeavor agreement with the City of Natchitoches providing for the sharing of one (1) percent sales tax in the Natchitoches Economic Development District C effective January 1, 2020. The City agrees that it will transfer on a quarterly basis 40% of the funds generated by the sales tax. The University agrees that it will utilize the funds to attract and promote recreation and sporting events for its campus and the City of Natchitoches. The University's receipts total \$921,336 through June 30, 2025.

Southeastern Louisiana University/Livingston Parish School Board

General

In October 2017, Southeastern Louisiana University (University) accepted from the Southeastern Educational Foundation, which is a subsidiary of the Southeastern Louisiana University Foundation (Foundation), its leasehold estate, authority, sublease and all other rights to the Livingston Parish Literacy and Technology Center (Livingston Center) pursuant to the terms of the Livingston Educational Public Benefit Agreement dated June 18, 2002. The construction and operation of the 39,000-square-foot Livingston Center stems from a collaboration between the University and the Livingston Parish School Board (School Board) and was funded through a \$4.5 million 1999

settlement grant to the Foundation from the United States District Court for the Western District of Louisiana. Since its completion, the facility has been utilized by the parties for education programming, including collegiate credit courses and non-credit courses and other programming provided by the University.

Obligations

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

University of Louisiana at Lafayette/CGI Federal, Inc.

General

In August 2014, the Ragin' Cajun Facilities Corporation (RCFI) entered into a cooperative endeavor agreement (CEA) with: the State of Louisiana (State), the Louisiana Department of Economic Development (LED), the University of Louisiana at Lafayette (University), the Lafayette Economic Development Authority (Authority), and CGI Federal, Inc. (CGI), to induce CGI to relocate to Lafayette, Louisiana, to establish and operate an information technology center of excellence. The other parties to the CEA agreed to provide an operational cost grant, a facility cost grant, a land lease grant, a University grant, and other considerations.

Obligations

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

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

*University of Louisiana at Lafayette/Louisiana Department of Economic Development***General**

In July 2014, the University entered into a CEA with the state and 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, 2025, project payments totaling \$3,624,413 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, 2025.

*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, 2025, project payments totaling \$1,054,557 were paid.

*University of Louisiana at Lafayette/Iberia Economic Development Authority***General**

In November 2022, the University entered into a Cooperative Endeavor Agreement between the State of Louisiana, The Board of Supervisors for the University of Louisiana System on behalf of the University of Louisiana at Lafayette (University) and the Louisiana Department of Economic Development (LED). The purpose of the Agreement is to provide funding for two projects that involve facilities for the New Iberia Research Center (NIRC), the BSL-3 Lab and Animal Housing and the Iberia BioInnovation Accelerator GMP CDMO. In 2025, additional funding was appropriated and the proposed level of funding for the two facilities is currently at \$45,200,000 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, 2025, both projects are in the early planning stages, and the RCFI incurred \$2,384,381 on the BSL-3 facility and \$711,837 on the CDMO facility. The RCFI has received \$2,342,918 and \$495,667 in grant revenues in the 2025 and 2024 fiscal years, respectively.

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, 2025.

*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, 2025, RCFI has recorded contributions from ULLF in the amount of \$42,074,662. These contributions were funded by donations received and draws against the line of credit.

Obligations

The hard and soft costs for the Stadium Project are estimated at \$65 million, with an anticipated completion date prior to the 2025 football season. Costs paid and accrued through June 30, 2025, is \$57,946,400, including demolition costs of the existing section of the stadium to be renovated. At June 30, 2024, costs incurred for the project were \$19,594,551.

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

Avondale, a subsidiary of Huntington-Ingalls, donated certain property to the University of New Orleans (University), which is leased to the University of New Orleans Research and Technology Foundation (Foundation) pursuant to the terms of a ground lease. A

ship design facility (facility), including a laboratory and support area for the UNO School of Naval Architecture and Marine Engineering, has been built on such property by the Foundation and is subleased to Avondale.

Obligations

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

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

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

At the expiration of the lease, the facilities and all furniture, fixtures, equipment, and furnishings permanently affixed to the facilities shall become the property of the University, which is recorded in property and equipment in the Statement of Financial Position, with a remaining net book value of \$4,111,048 as of December 31, 2024.

25. RELATED-PARTY TRANSACTIONS

Louisiana Tech University

Procurement transactions

In June 2023, the University awarded the bid for airplane maintenance for the aircraft utilized in Professional Aviation flight program. The effective date was July 1, 2023. Requests for bids were advertised and also sent directly to six qualified vendors. Ruston Aviation, Inc was the successful bidder. The total expenses for fiscal year 2024-2025 for the airplane maintenance totaled \$1,885,015 and are included in the University's financial statements as instructional expenses. Ruston Aviation, Inc. is owned by an immediate family member of one member of the University of Louisiana System Board of Supervisors.

Grant-related transactions

Since fiscal year 2021-2022, the University and Betaflix, Inc have been engaged in sponsored research activity. Specifically, the research activity includes developing educational tools for both governmental and civilian workforce training using artificial intelligence and machine learning; developing and implementing medical training software to be accessed through a virtual reality headset at rural health care facilities; and developing and implementing 3D and VR science education materials to be used by middle schools in Louisiana and Mississippi. There are three agreements between the University and Betaflix. The sponsored research agreement totals \$223,990 for the contract periods and the two subcontract research agreements total \$2,983,037 for the contract periods. These contracts and subcontracts were entered into in accordance with University policy and University of Office of Sponsored Projects procedures. The revenues for the sponsored research agreements totaled \$91,761 for fiscal year 2024-2025 and are included in the University's financial statements as nongovernmental grant and contract revenues. The expenditures for the two subcontract research agreements totaled \$940,128 for 2024-2025 and are included in the University's financial statements as research expenditures. Betaflix, Inc is owned by an immediate family member of one member of the University of Louisiana System Board of Supervisors.

Lease transaction

In 2017, Louisiana Tech University entered a lease/purchase arrangement with Somid Resources, LLC for the option to purchase of 12 aircraft for the University's Professional Aviation flight program. The lease purchase was bid in accordance with procurement regulations and approved by the required state agencies as part of the procurement process. The lease is a 10-year municipal lease purchase. The original amount of the lease was \$4,543,322 with a 3.25-3.75% interest rate. The annual payments total \$491,933. In accordance with GASB Statement No. 87, the assets and the lease obligation are reported in the University's financial statements. As of June 30, 2025, the Right-Of-Use Asset totals \$2,658,223 and the lease liability totals \$936,066. Somid Resources LLC is owned by an immediate family member of one member of the University of Louisiana System Board of Supervisors.

Northwestern University

In 2020, Northwestern State University entered an agriculture lease arrangement with Marlan Anderson for the lease of 3 tracts of land with a total of 366.98 acres of the University's Crow Property. The lease was bid in accordance with procurement regulations and approved by the required state agencies as part of the procurement process. The lease is a five-year lease that commenced on May 16, 2020, and may be extended for one five-year term. The amount of the lease is \$15,100 per year. The assets and the rental payments are reported in the University's financial statement. Marlan Anderson is an immediate family member of one of the University's employees.

Natchitoches Exterior, LLC performs power washing/exterior cleaning services for Northwestern State University. The owner is an immediate family member of one of the University's employees. The expense for fiscal year 2024-2025 totaled \$7,250. The employee has provided the university with the appropriate disclosures as well as a supporting Louisiana Board of Ethics Advisory Opinion.

26. PUBLIC-PRIVATE AND PUBLIC-PUBLIC PARTNERSHIPS (PPPs)

Louisiana Tech University/Tech Point II, LLC

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

Northwestern University/Provident Group

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

Northwestern University/Varnado

In 2017 the University entered into a public-private partnership arrangement with- NSU Varnado, LLC (Operator) in which the Operator will develop, construct, renovate, maintain, and for 38 years will operate a student housing facility (Varnado Hall). In exchange for improvements to the facility, the University conveys to the Operator the right to operate the housing facility and to set, collect, and retain student rental revenues. At June 30, 2025, the improvements had a book value of \$6,765,259. The deferred inflows will be amortized over the 38-year term of the agreement.

University of Louisiana at Monroe/Provident Group

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

University of New Orleans/Orleans Sustainable Energy Partners, LLC

To upgrade its energy management infrastructure and make it more efficient, the University of New Orleans (UNO) leased a portion of its energy management facilities to the University of New Orleans Research & Technology Foundation, which will then sub-lease the facilities to Orleans Sustainable Energy Partners, LLC (OSEP), an affiliated special purpose entity of Louisiana Energy Partners, LLC (LAEP), a joint venture created by Bernhard, LLC and Johnson Controls, Inc.

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

UNO continues to recognize its existing infrastructure as a capital asset with a book value of \$84,651,696. A receivable and a deferred inflow of resources was reported in the fiscal year 2023 statement of net position to account for the \$10,296,615 prepayment made from LAEP to UNO Research & Technology Energy Holdings. UNO continues to amortize the deferred inflows over the 25-year life of the agreement. The balance of the prepayment from UNO R&T Energy Holdings is \$2,302,020 at June 30, 2025.

27. SUBSEQUENT EVENTS*McNeese State University*

At a Special Board meeting on November 13, 2025, the System Board of Supervisors appointed Dr. Kedrick Nicholas as the interim president of McNeese State University. The Board of Supervisors anticipates initiating a formal search process in February

2026. This leadership transition is not expected to have a material impact on the System's financial position or operations. Accordingly, no adjustments have been made to the financial statements as of June 30, 2025.

University of Louisiana at Lafayette (ULL)

At a Special Board meeting on November 13, 2025, the System Board of Supervisors appointed Dr. Ramesh Kolluru as the interim president of University of Louisiana at Lafayette. At its December 2025 Board meeting, the Board of Supervisors' Chair announced the start of the ULL Presidential search, with the presidential leadership opportunity being circulated immediately following the Board meeting. The inaugural Presidential Search Committee meeting will take place on January 14, 2026. This leadership transition is not expected to have a material impact on the System's financial position or operations. Accordingly, no adjustments have been made to the financial statements as of June 30, 2025.

28. IMPACT OF DECLINING ENROLLMENT AT THE UNIVERSITY OF NEW ORLEANS AND MANAGEMENT'S PLAN

For several years, the University of New Orleans has been experiencing considerable enrollment declines and related declines in self-generated revenue and the State Funding Formula. During this period of enrollment decline, UNO experienced Hurricane Katrina, the transfer from the LSU System to the UL System, and the Covid-19 pandemic. The University did not reduce its expenditures sufficiently during this period to match the revenue declines, causing budget deficits and depletion of institutional cash reserves. The lack of cash reserves caused cash flow concerns, and UNO took measures to address this in FY 2025. UNO delayed and prioritized the paying of its outstanding bills to preserve its cash balances. To address outstanding bills, UNO negotiated payment plans with vendors to pay them over time and cancelled contracts. UNO reduced its expenditures to address the deficits, reduced departmental budgets, eliminated staff positions, enacted staff furloughs, and restricted the filling of employee vacancies. Effective January 1, 2025, UNO created and implemented a structural reorganization and reduced administrative positions.

During the 2025 Regular Legislative Session, the Louisiana Legislature passed Senate Bill 202, which started a lengthy process to transfer UNO to the LSU System from the UL System. This is expected to happen effective July 1, 2026. The Louisiana Legislature also appropriated \$20 million to pay off UNO's remaining debts and \$3 million for deferred maintenance.

29. UNIVERSITY OF LOUISIANA AT LAFAYETTE – LIQUIDITY CONSTRAINTS AND FINANCIAL RECOVERY INITIATIVES

For several years, the University of Louisiana at Lafayette has experienced operating losses in its auxiliary and other self-supporting operations, which have contributed to the depletion of institutional cash reserves. During this period, expenditures were not

reduced sufficiently to offset these operating deficits. As a result of reduced cash reserves, the University of Louisiana at Lafayette has experienced liquidity constraints and has begun prioritizing the payment of outstanding obligations in order to preserve available cash resources.

Management has initiated corrective actions to improve operations and address liquidity concerns. These actions include targeted expenditure reductions, decreases in departmental operating budgets, the elimination of selected staff positions, reorganization of administrative units, and restrictions on filling vacant employee positions.

Despite recent financial pressures, the University of Louisiana at Lafayette has experienced two consecutive years of increases in Fall enrollment, including record levels of first-time freshmen. Additionally, tuition increased by 10% beginning in Fall 2025, representing the first adjustment since Spring 2019. These measures are expected to contribute to improved financial performance.

Management is putting in place a plan to simultaneously decrease expenditures and increase revenues in the short term to address the fiscal outlook for FY26.

UNIVERSITY OF LOUISIANA SYSTEM

REQUIRED SUPPLEMENTARY
INFORMATION SCHEDULES



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

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

Schedule of the System's Employer Contributions to Pension Plans

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

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

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

Schedule 1**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2025**

Fiscal Year*	System's Proportion of the Net Pension Liability (Asset)	System's Proportionate Share of the Net Pension Liability (Asset)	System's Covered Payroll	System's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Louisiana State Employees' Retirement System					
2016	4.12766%	\$280,742,848	\$80,240,614	350%	62.7%
2017	4.05290%	\$318,256,150	\$77,646,503	410%	57.7%
2018	4.04925%	\$285,019,953	\$76,144,048	374%	62.5%
2019	3.93262%	\$268,222,275	\$75,131,857	357%	64.3%
2020	3.80576%	\$275,723,868	\$76,758,505	359%	62.9%
2021	3.58731%	\$296,694,662	\$75,571,023	393%	58.0%
2022	3.40584%	\$187,456,828	\$73,803,804	254%	72.8%
2023	3.30976%	\$250,209,159	\$70,323,868	356%	63.7%
2024	3.16830%	\$212,071,125	\$72,121,310	294%	68.4%
2025	3.22950%	\$175,628,614	\$75,255,693	233%	74.6%
Teachers Retirement System of Louisiana					
2016	7.46121%	\$802,250,525	\$360,842,983	222%	62.5%
2017	7.54949%	\$886,080,065	\$369,791,054	240%	59.9%
2018	7.82500%	\$802,209,384	\$379,818,842	211%	65.6%
2019	8.19433%	\$805,340,481	\$408,252,960	197%	68.2%
2020	8.73459%	\$866,875,690	\$430,608,131	201%	68.6%
2021	8.64403%	\$961,524,308	\$444,876,168	216%	65.6%
2022	8.41493%	\$449,252,757	\$446,511,353	101%	83.9%
2023	8.23654%	\$786,365,140	\$459,614,029	171%	72.4%
2024	8.19415%	\$740,701,030	\$483,206,030	153%	74.3%
2025	7.72710%	\$667,128,040	\$497,844,649	134%	76.0%

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

(Continued)

Schedule 1**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for LASERS include:

2017

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

2018

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

2019

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

2020

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

2021

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

2022

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

2023

- N. The discount rate used for the June 30, 2022 valuation was 7.25% and was also used to determine the projected contribution requirements for FY2023/2024.
- O. Act 656 of 2022 provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility is based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

(Continued)

STATE OF LOUISIANA**Schedule of the System's Proportionate Share
of the Net Pension Liability
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for LASERS include (continued from previous page):

2024

- P. Act 184 of 2023 provides a new mechanism for funding future COLAs via an Account Funding Rate (AFC) rate paid directly by employers and changes the granting and eligibility criteria for COLAS funded by the new mechanism.

2025

- Q. The LASERS Board of Trustees adopted revised actuarial assumptions as recommended in the experience study for the period July 1, 2018 to June 30, 2023.
- R. Act 94 of 2016 changes the amortization period for most actuarial changes, gains, or losses from 30 to 20 years once the funded ratio reaches 70%. Since the June 30, 2024 funded ratio exceeds 70%, the change in liability due to assumption changes and the experience gain/loss are amortized over 20 years

Changes of Benefit Terms and Assumptions for TRSL include:

2016

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

2017

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

2018

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

2019

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

2020

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

2021

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

2022

- K. The discount rate for the June 30, 2021 valuation was reduced from 7.45% to 7.40%. This change was anticipated in the determination of the projected contribution requirements for FY 2021/2022. The Board adopted a further reduction in the discount rate to 7.25% for purposes of determining the projected contribution requirements for FY 2022/2023.
- L. Two triggers set by Act 95 of 2016 were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. Also, the OAB was re-amortized with level-dollar payments to 2029 since this re-amortization resulted in annual payments which are less than the FY 2021/2022 payments that would have been required without the re-amortization.

2023

- M. TRSL reduced the discount rate from 7.4% to 7.25%
- N. Act 657 of 2022 grants a 2% permanent benefit increase, payable July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit.
- O. Act 95 of 2016 provides that the net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth fiscal year thereafter until the system is 80% funded.

Schedule 1**UNIVERSITY OF LOUISIANA SYSTEM****STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Net Pension Liability****Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for TRSL include (continued from previous page):

2024

- P. As noted above under LASERS, Act 184 of 2023 provides a new mechanism for funding future COLAs.
- Q. The demographic and salary assumptions used in the valuation were adopted by the TRSL Board of Trustees following the most recent experience study, effective July 1, 2023. The study was based on an observation period of July 1, 2017 to June 30, 2022.
- R. The mortality assumptions for active, non-disabled retirees and disabled retirees were revised effective June 30, 2023 based on the most recent experience study. The disability, retirement, and termination assumptions were also revised based on the most recent experience study.
- S. The TRSL Board of Trustees increased the inflation assumption from 2.3% to 2.4%.

(Concluded)

Schedule 2**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2025**

Fiscal Year*	(a) Statutorily Required Contribution	(b) Contributions in Relation to the Statutorily Required Contribution	(a-b) Contribution Deficiency (Excess)	System's Covered Payroll	Contributions as a Percentage of Covered Payroll
Louisiana State Employees' Retirement System					
2016	\$28,723,881	\$28,723,881	NONE	\$77,646,503	37.0%
2017	\$27,183,531	\$27,183,531	NONE	\$76,144,048	35.7%
2018	\$28,494,661	\$28,494,661	NONE	\$75,131,857	37.9%
2019	\$29,163,225	\$29,163,225	NONE	\$76,758,505	38.0%
2020	\$30,798,791	\$30,798,791	NONE	\$75,571,023	40.8%
2021	\$29,499,060	\$29,499,060	NONE	\$73,803,804	40.0%
2022	\$27,876,807	\$27,876,807	NONE	\$70,323,868	39.6%
2023	\$29,270,180	\$29,270,180	NONE	\$72,121,310	40.6%
2024	\$31,288,670	\$31,288,670	NONE	\$75,255,693	41.6%
2025	\$26,804,401	\$26,804,401	NONE	\$76,445,439	35.1%
Teachers Retirement System of Louisiana					
2016	\$87,173,106	\$87,173,106	NONE	\$369,791,054	23.6%
2017	\$87,011,542	\$87,011,542	NONE	\$379,818,842	22.9%
2018	\$97,474,077	\$97,474,077	NONE	\$408,252,960	23.9%
2019	\$102,632,466	\$102,632,466	NONE	\$430,608,131	23.8%
2020	\$106,252,899	\$106,252,899	NONE	\$444,876,168	23.9%
2021	\$105,504,704	\$105,504,704	NONE	\$446,511,353	23.6%
2022	\$106,286,109	\$106,286,109	NONE	\$459,614,029	23.1%
2023	\$109,994,478	\$109,994,478	NONE	\$483,206,030	22.8%
2024	\$109,689,800	\$109,689,800	NONE	\$497,844,649	22.0%
2025	\$97,977,031	\$97,977,031	NONE	\$512,207,556	19.1%

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

Schedule 2**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for LASERS include:

2017

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

2018

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

2019

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

2020

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

2021

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

2022

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

2023

- N. The discount rate used for the June 30, 2022 valuation was 7.25% and was also used to determine the projected contribution requirements for FY2023/2024.
- O. Act 656 of 2022 provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or \$2,000. Eligibility is based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

(Continued)

Schedule 2**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for LASERS include(continued from previous page):

2024

- P. Act 184 of 2023 provides a new mechanism for funding future COLAs via an Account Funding Rate (AFC) rate paid directly by employers and changes the granting and eligibility criteria for COLAS funded by the new mechanism.

2025

- Q. The LASERS Board of Trustees adopted revised actuarial assumptions as recommended in the experience study for the period July 1, 2018 to June 30, 2023.
- R. Act 94 of 2016 changes the amortization period for most actuarial changes, gains, or losses from 30 to 20 years once the funded ratio reaches 70%. Since the June 30, 2024 funded ratio exceeds 70%, the change in liability due to assumption changes and the experience gain/loss are amortized over 20 years

Changes of Benefit Terms and Assumptions for TRSL include:

2016

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

2017

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

2018

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

2019

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

2020

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

2021

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

2022

- K. The discount rate for the June 30, 2021 valuation was reduced from 7.45% to 7.40%. This change was anticipated in the determination of the projected contribution requirements for FY 2021/2022. The Board adopted a further reduction in the discount rate to 7.25% for purposes of determining the projected contribution requirements for FY 2022/2023.
- L. Two triggers set by Act 95 of 2016 were met on June 30, 2021. Since the funded ratio reached 70%, the amortization period for changes in assumptions, experience losses, and most experience gains reduced from 30 years to 20 years. Also, the OAB was re-amortized with level-dollar payments to 2029 since this re-amortization resulted in annual payments which are less than the FY 2021/2022 payments that would have been required without the re-amortization.

2023

- M. TRSL reduced the discount rate from 7.4% to 7.25%.
- N. Act 657 of 2022 grants a 2% permanent benefit increase, payable July 1, 2022, to eligible TRSL retirees, beneficiaries and survivors calculated on the first \$68,396 of their annual benefit.
- O. Act 95 of 2016 provides that the net remaining liability of the OAB and EAAB shall be re-amortized after application of the hurdle payments in fiscal year 2025 and in every fifth fiscal year thereafter until the system is 80% funded.

(Continued)

Schedule 2**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Employer Contributions
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

Changes of Benefit Terms and Assumptions for TRSL include (continued from previous page):

2024

- P. As noted above under LASERS, Act 184 of 2023 provides a new mechanism for funding future COLAs
- Q. The demographic and salary assumptions used in the valuation were adopted by the TRSL Board of Trustees following the most recent experience study, effective July 1, 2023. The study was based on an observation period of July 1, 2017 to June 30, 2022.
- R. The mortality assumptions for active, non-disabled retirees and disabled retirees were revised effective June 30, 2023 based on the most recent experience study. The disability, retirement, and termination assumptions were also revised based on the most recent experience study.
- S. The TRSL Board of Trustees increased the inflation assumption from 2.3% to 2.4%.

(Concluded)

Schedule 3**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2025**

Fiscal Year	System's Proportion of the Total Collective OPEB Liability	System's Proportionate Share of the Total Collective OPEB Liability	System's Covered-Employee Payroll	System's Proportionate Share of the Total Collective Liability as a Percentage of the Covered Payroll
Office of Group Benefits:				
2017	11.4227%	\$1,036,402,180	\$409,932,985	253%
2018	11.4227%	\$992,744,345	\$411,139,494	241%
2019	11.4799%	\$979,957,444	\$436,519,294	224%
2020	11.5829%	\$894,468,858	\$458,001,767	195%
2021	11.3684%	\$941,840,399	\$468,252,775	201%
2022	11.5110%	\$1,054,029,175	\$471,057,727	224%
2023	11.5994%	\$782,797,638	\$477,785,266	164%
2024	11.7731%	\$841,576,041	\$493,181,217	171%
2025	11.9881%	\$936,467,446	\$512,222,102	183%
LSU Health Plan				
2017	1.6953%	\$17,110,633	NONE	NONE
2018	1.6066%	\$15,674,996	NONE	NONE
2019	1.5146%	\$16,558,072	NONE	NONE
2020	1.0853%	\$15,217,784	NONE	NONE
2021	1.0373%	\$15,259,919	NONE	NONE
2022	0.8818%	\$7,204,488	NONE	NONE
2023	0.8167%	\$6,828,113	NONE	NONE
2024	0.7610%	\$6,468,548	NONE	NONE
2025	0.6829%	\$4,827,227	NONE	NONE

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

Schedule 3**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

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

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

2018

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

2019

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

2020

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

2021

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

2022

- P. A change in the discount rate from 2.66% as of July 1, 2020, to 2.18% as of July 1, 2021.
- Q. The OGB valuation relies upon the pension plans covering the same participants for the retirement, termination, disability, and salary scale assumptions. Baseline per capita costs were adjusted to reflect 2021 claims and enrollment.
- R. Plan claims and premiums increased less than had been expected, and the estimate of future savings from Employer Group Waiver Plans that manage Medicare benefits was increased based on recent experience.
- S. Medical plan election percentages were updated based on the coverage elections of recent retirees.
- T. The healthcare cost trend rate assumption was revised based on updated National Health Care Trend Survey information.
- U. An adjustment was made to employers' actual benefit payments for the year ending June 30, 2021 for excluded agencies.

(Continued)

Schedule 3**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

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

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

2023

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

2024

- Z. A change in the discount rate from 4.09% as of July 1, 2022, to 4.13% as of July 1, 2023, which decreased the plan's liability.
- AA. Life insurance premium rates were updated, resulting in a decrease in the plan's liability.
- BB. The Vantage Medical Home HMO and Vantage MA HMO plans were no longer offered after December 31, 2023, which decreased the plan's liability.
- CC. The OGB valuation relies upon the pension plans covering the same participants for the mortality, retirement, termination, disability, and salary scale assumptions. Baseline per capita costs and medical plan election percentages were updated to reflect 2023 claims and enrollment. Plan claims and premiums increased less than expected, which decreased the plan's liability.
- DD. Three of the associated pension systems, Teachers' Retirement System of Louisiana (TRSL), Louisiana School Employees' Retirement System (LSERS), and Louisiana State Police Retirement System (LSPRS) adopted new assumptions in the June 30, 2023 valuation based on updated experience studies. As a result, the mortality, retirement, termination, disability, and salary increase rates for the TRSL, LSERS, and LSPRS groups were updated to be consistent with the pension valuation assumptions. Additionally, all TRSL assumptions that were based on the Regular plan assumptions only have been updated to vary by sub-plan as applicable (Regular, Higher Ed, and Lunch).
- EE. The baseline trend was updated to more accurately reflect the current medical cost environment. Pre Medicare trend has been revised to 7.0% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%. Medicare trend has been revised to 6.5% for the first two years trending down 25 basis points per year to an ultimate rate of 4.5%.
- FF. The Medicare trend was further adjusted to reflect the impact of certain provisions of the Inflation Reduction Act ("IRA").

2025

- GG. The discount rate decreased from 4.13% based on the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2023 to 3.93% based on the Bond Buyer 20 Index as of June 30, 2024 since the previous valuation, which increased the plan's liability.
- HH. Baseline per capita costs (PCCs) and medical plan election percentages were updated to reflect 2024 claims and enrollment. Plan claims and premiums increased more than had been expected, which increased the plan's liability.
- II. One of the associated pension systems, LASERS, adopted new assumptions in the June 30, 2024 valuation based on updated experience study. As a result, the mortality, retirement, termination, disability, and salary increase rates for LASERS groups were updated to be consistent with the pension valuation assumption. The net impact of this change decreased the plan's liability.
- JJ. The pre-Medicare baseline trend was updated to more accurately reflect recent healthcare trend survey results, industry-wide expectations, and the current high-inflationary environment. Pre-Medicare trend has been revised to 8.5% trending down 25 basis points per year to an ultimate rate of 4.5% by FY 2035. Medicare trend has been revised to 7.5% trending down to an ultimate rate of 4.5% by FY 2035. Changes to the Medicare trend were made to reflect revised expectations regarding the impact of the Inflation Reduction Act (IRA) on Medicare prescription drug costs. This change caused an increase in the plan's liability.

(Continued)

Schedule 3**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA****Schedule of the System's Proportionate Share
of the Total Collective OPEB Liability
Fiscal Year Ended June 30, 2025****Notes to Required Supplementary Information**

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

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

2018

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

2019

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

2020

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

2021

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

2022

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

2023

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

2024

- Q. A change in the discount rate from 3.65% as of June 30, 2023, to 3.93% as of June 30, 2024.
- R. The trend rates were updated to an initial rate of 7.75% (6.75% for Post-65) grading down to an ultimate rate of 4.0%. The initial rate and the grade down period is extended to account for recent inflationary pressures and price increases over the next couple of years.
- S. The retirement, termination, and salary rates were updated to the 2023 Teachers' Retirement System of Louisiana Actuarial Valuation and the 2023 Louisiana State Employees' Retirement System Actuarial Valuation.

2025

- T. A change in the discount rate from 3.93% as of June 30, 2024, to 5.2% as of June 30, 2025.

(Concluded)

**Combining Schedule of Net Position, by University,
for the year ended June 30, 2025**

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

**Combining Schedule of Revenues, Expenses, and
Changes in Net Position, by University,
for the year ended June 30, 2025**

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

**Combining Schedule of Cash Flows, by University,
for the year ended June 30, 2025**

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

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
ASSETS						
Current assets:						
Cash and cash equivalents	\$42,489,222	\$1,732,340	\$49,135,816	\$12,493,812	\$55,579,854	\$41,095,924
Investments						
P3 Receivable						
Receivables (net)	7,575,178	9,222,728	6,044,344	4,235,805	6,958,127	18,243,284
Due from state treasury	7,072,850	2,577,154	1,138,498	3,185,240	48,637	1,142,441
Due from federal government	8,056,465	5,971,277	3,002,521	311,637	156,793	5,370,562
Inventories	194,963	480,753	394,793		333,911	812,001
Prepaid expenses and advances	234,646	3,155,931	340,716	1,075,231	5,684,753	1,220,153
Notes receivable (net)						51,647
Lease receivable			77,856	211,647		
Other current assets	270		2,230		7,885	
Total current assets	<u>65,623,594</u>	<u>23,140,183</u>	<u>60,136,774</u>	<u>21,513,372</u>	<u>68,769,960</u>	<u>67,936,012</u>
Noncurrent assets:						
Restricted:						
Cash and cash equivalents	5,624,658	21,026,084	21,970,509	10,742,855	2,159,100	3,951,045
Investments	12,085,854	41,011,814	21,870,476	18,448,261	19,504,462	26,045,069
Receivables (net)				552,874	95,360	
Notes receivables (net)		342			198,982	37,129
Investments						
Lease receivable			1,455,812	492,165		
Capital assets (net)	150,762,123	333,135,486	268,330,027	109,787,040	93,014,627	226,995,983
Other noncurrent assets						
Total noncurrent assets	<u>168,472,977</u>	<u>395,173,384</u>	<u>313,626,824</u>	<u>140,023,195</u>	<u>114,972,531</u>	<u>257,029,226</u>
Total assets	<u>234,096,571</u>	<u>418,313,567</u>	<u>373,763,598</u>	<u>161,536,567</u>	<u>183,742,491</u>	<u>324,965,238</u>
Deferred outflows of Resources:						
Deferred outflows related to pensions	14,433,578	30,830,993	14,242,318	16,319,731	20,030,112	31,658,518
Deferred outflows related to other postemployment benefits (OPEB)	7,434,614	16,804,729	12,509,761	11,536,951	14,794,282	22,773,255
Total deferred outflows of resources	<u>21,868,192</u>	<u>47,635,722</u>	<u>26,752,079</u>	<u>27,856,682</u>	<u>34,824,394</u>	<u>54,431,773</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accruals	7,144,268	16,949,408	5,986,450	3,886,106	6,345,410	12,365,368
Due to state treasury	8,931					
Due to federal government						
Unearned revenues	1,877,120	7,953,057	3,998,420	1,097,822	4,354,372	9,534,086
Amounts held in custody for others	2,758,334	2,136,407	853,298	98,064	2,192	2,436,146
Compensated absences payable	2,624,366	4,051,107	2,520,476	3,709,548	7,087,403	3,797,156
Lease obligations	810,051	605,100				97,397
Subscription obligations	1,186,008	773,280	1,165,656	474,409		1,679,791
Notes payable		174,200				
Bonds payable		4,953,489	1,840,000	2,165,000		5,390,000
OPEB liability	2,000,000	4,700,000	3,100,000	3,400,000	3,300,000	4,600,000
Other current liabilities	1,488,857					
Total current liabilities	<u>19,897,935</u>	<u>42,296,048</u>	<u>19,464,300</u>	<u>14,830,949</u>	<u>21,089,377</u>	<u>39,899,944</u>

(Continued)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
ASSETS					
Current assets:					
Cash and cash equivalents	(\$2,316,987)	\$6,777,327	\$9,402,670	\$2,921,138	\$219,311,116
Investments			13,779,771		13,779,771
P3 Receivable			2,302,020		2,302,020
Receivables (net)	53,326,330	7,454,322	47,607,723		160,667,841
Due from state treasury	1,341,114	2,362,198	5,105,094		23,973,226
Due from federal government	141,950	607,976	303,331		23,922,512
Inventories	48,225	195,196	99,370		2,559,212
Prepaid expenses and advances	4,204,371	1,209,133	1,209,215		18,334,149
Notes receivable (net)	866,501	97,977	112,707		1,128,832
Lease receivable	370,680	129,540	501,492		1,291,215
Other current assets	18,868		129,325		158,578
Total current assets	<u>58,001,052</u>	<u>18,833,669</u>	<u>80,552,718</u>	<u>2,921,138</u>	<u>467,428,472</u>
Noncurrent assets:					
Restricted:					
Cash and cash equivalents	26,004,826	5,575,955	3,497,480		100,552,512
Investments	129,015,473	49,651,006	29,350,006		346,982,421
Receivables (net)		494,405			1,142,639
Notes receivables (net)	1,720,465	804,963	2,006,763		4,768,644
Investments			31,486		31,486
Lease receivable	5,043,507	8,651,975	1,518,551		17,162,010
Capital assets (net)	520,742,916	161,919,304	168,474,013	3,825	2,033,165,344
Other noncurrent assets			364,179		364,179
Total noncurrent assets	<u>682,527,187</u>	<u>227,097,608</u>	<u>205,242,478</u>	<u>3,825</u>	<u>2,504,169,235</u>
Total assets	<u>740,528,239</u>	<u>245,931,277</u>	<u>285,795,196</u>	<u>2,924,963</u>	<u>2,971,597,707</u>
Deferred outflows of Resources:					
Deferred outflows related to pensions	61,393,258	24,739,297	30,237,072	971,253	244,856,130
Deferred outflows related to other postemployment benefits (OPEB)	32,054,500	15,064,429	17,966,182	280,925	151,219,628
Total deferred outflows of resources	<u>93,447,758</u>	<u>39,803,726</u>	<u>48,203,254</u>	<u>1,252,178</u>	<u>396,075,758</u>
LIABILITIES					
Current liabilities:					
Accounts payable and accruals	55,336,516	8,015,862	30,624,374	129,313	146,783,075
Due to state treasury					8,931
Due to federal government	354				354
Unearned revenues	26,592,375	8,073,638	7,580,844		71,061,734
Amounts held in custody for others	1,281,431	265,708	1,543,334		11,374,914
Compensated absences payable	11,986,063	6,344,926	2,560,836	261,166	44,943,047
Lease obligations	1,977,346	140,404			3,630,298
Subscription obligations	3,872,314	1,282,385	547,265		10,981,108
Notes payable	40,219		394,183		608,602
Bonds payable	7,885,000	4,481,106	3,768,296		30,482,891
OPEB liability	6,100,000	3,700,000	4,700,000	43,000	35,643,000
Other current liabilities	2,690,281	289,126			4,468,264
Total current liabilities	<u>117,761,899</u>	<u>32,593,155</u>	<u>51,719,132</u>	<u>433,479</u>	<u>359,986,218</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Net Position, by University
June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
LIABILITIES (CONT.)						
Noncurrent liabilities:						
Unearned revenues				\$266,167		
Compensated absences payable	\$13,899,406	\$27,533,331	\$15,705,181	14,203,811	\$24,128,770	\$35,785,580
Lease obligations	1,029,607	655,210				68,338
Subscription obligations	211,910	115,462	622,800	958,340		736,088
Notes payable		717,775				
Bonds payable		135,576,290	30,139,077	37,960,851		68,936,183
Net pension liability	48,565,912	99,083,751	49,221,344	56,804,113	68,004,586	115,621,940
OPEB liability	43,129,111	107,882,641	70,703,220	77,754,383	81,044,483	135,818,507
Other noncurrent liabilities					6,663	
Total noncurrent liabilities	106,835,946	371,564,460	166,391,622	187,947,665	173,184,502	356,966,636
Total liabilities	126,733,881	413,860,508	185,855,922	202,778,614	194,273,879	396,866,580
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to leases			1,475,451	638,156		
Deferred inflows related to P3					6,765,259	
Deferred inflows related to pensions	3,747,053	13,588,965	6,467,154	8,279,774	9,753,212	10,809,783
Deferred inflows related to OPEB	6,015,908	13,541,333	8,483,060	9,852,823	10,326,169	18,182,313
Total deferred inflows of resources	9,762,961	27,130,298	16,425,665	18,770,753	26,844,640	28,992,096
NET POSITION						
Net investment in capital assets	148,659,569	196,737,714	234,275,408	72,102,885	86,249,368	152,951,705
Restricted for:						
Nonexpendable	14,458,229	36,554,155	14,200,000	17,329,179	13,709,175	14,914,248
Expendable	31,363,279	22,115,979	54,265,407	12,796,763	40,659,992	47,913,562
Unrestricted	(75,013,156)	(230,449,365)	(104,506,725)	(134,384,945)	(143,170,169)	(262,241,180)
TOTAL NET POSITION	\$119,467,921	\$24,958,483	\$198,234,090	(\$32,156,118)	(\$2,551,634)	(\$46,461,665)

(Concluded)

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
LIABILITIES (CONT.)					
Noncurrent liabilities:					
Unearned revenues					\$266,167
Compensated absences payable	\$77,762,291	\$25,340,175	\$23,724,638	\$1,769,165	259,852,348
Lease obligations	593,950	576,692			2,923,797
Subscription obligations	4,180,351	1,396,061	73,377		8,294,389
Notes payable		5,922,500	341,209		6,981,484
Bonds payable	229,901,921	44,159,724	32,818,195		579,492,241
Net pension liability	218,085,904	84,543,508	99,579,377	3,246,219	842,756,654
OPEB liability	192,391,059	90,610,870	104,040,496	2,276,903	905,651,673
Other noncurrent liabilities			892,437		899,100
Total noncurrent liabilities	<u>722,915,476</u>	<u>252,549,530</u>	<u>261,469,729</u>	<u>7,292,287</u>	<u>2,607,117,853</u>
Total liabilities	<u>840,677,375</u>	<u>285,142,685</u>	<u>313,188,861</u>	<u>7,725,766</u>	<u>2,967,104,071</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to leases	5,270,837	8,442,906	1,960,338		17,787,688
Deferred inflows related to P3			6,366,031		13,131,290
Deferred inflows related to pensions	13,976,623	9,373,687	9,542,140	452,986	85,991,377
Deferred inflows related to OPEB	26,750,911	11,115,573	17,058,513	647,729	121,974,332
Total deferred inflows of resources	<u>45,998,371</u>	<u>28,932,166</u>	<u>34,927,022</u>	<u>1,100,715</u>	<u>238,884,687</u>
NET POSITION					
Net investment in capital assets	272,291,816	112,591,752	131,314,488	3,825	1,407,178,530
Restricted for:					
Nonexpendable	59,815,000	43,446,808	30,255,386		244,682,180
Expendable	108,306,440	11,240,426	15,982,978		344,644,826
Unrestricted	(493,113,005)	(195,618,834)	(191,670,285)	(4,653,165)	(1,834,820,829)
TOTAL NET POSITION	<u>(\$52,699,749)</u>	<u>(\$28,339,848)</u>	<u>(\$14,117,433)</u>	<u>(\$4,649,340)</u>	<u>\$161,684,707</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
OPERATING REVENUES						
Student tuition and fees (net of scholarship allowances of \$329,663,249)	\$16,247,395	\$58,734,788	\$28,378,347	\$23,810,857	\$22,138,178	\$47,663,345
Federal grants and contracts	13,469,875	17,604,788	3,305,978	343,824	2,007,298	14,569,492
State and local grants and contracts	6,080,769	2,680,123	938,719	3,080,611	9,572,893	2,463,495
Nongovernmental grants and contracts	515,488	1,103,374	196,981	379,313	2,106,295	3,285,213
Sales and services of educational departments	2,526,004	1,726,189	446,036	166,135	5,447,887	1,029,262
Auxiliary enterprise revenues (net of scholarship allowances of \$43,116,038 including revenues used as security for revenue bonds)	20,532,594	40,841,611	12,449,623	21,807,235	6,903,889	23,478,447
Other operating revenues	7,338,510	2,929,909	2,467,691	1,925,494	2,240,026	6,204,887
Total operating revenues	66,710,635	125,620,782	48,183,375	51,513,469	50,416,466	98,694,141
OPERATING EXPENSES						
Educational and general:						
Instruction	20,703,598	52,830,955	30,738,572	31,593,741	44,884,063	62,828,052
Research	4,617,545	21,192,534	956,166	1,055,155	388,980	3,599,424
Public service	20,567	147,700	382,201	2,464,793	688,439	7,601,157
Academic support	3,769,407	15,755,618	7,384,738	6,724,060	11,934,078	17,943,425
Student services	4,503,454	6,835,493	6,155,883	5,429,977	8,328,111	14,101,211
Institutional support	20,765,265	14,241,607	8,509,456	9,296,993	11,015,538	17,545,767
Operations and maintenance of plant	12,903,292	15,885,841	10,148,691	9,686,595	7,708,725	20,133,305
Depreciation/amortization	9,146,831	18,313,552	9,188,845	6,202,571	3,890,729	14,320,673
Scholarships and fellowships	6,938,113	5,590,388	5,581,804	4,699,539	8,360,535	4,701,555
Auxiliary enterprises	29,189,836	53,721,376	17,246,281	15,147,380	11,943,721	20,148,885
Other operating expenses			689,276	3,224,127	2,343,335	867,887
Total operating expenses	112,557,908	204,515,064	96,981,913	95,524,931	111,486,254	183,791,341
OPERATING LOSS	(45,847,273)	(78,894,282)	(48,798,538)	(44,011,462)	(61,069,788)	(85,097,200)
NONOPERATING REVENUES (Expenses)						
State appropriations	25,650,285	44,102,193	24,379,345	30,412,008	29,077,219	39,339,807
Gifts	525,936	12,184,836	1,369,246	1,435,584		2,123,874
Federal nonoperating revenues	23,503,741	17,701,212	14,932,919	14,069,269	18,140,293	30,985,273
Net investment income	4,045,678	(913,081)	5,484,321	2,001,999	4,871,899	3,295,522
Interest expense	(498)	(4,945,798)	(1,246,962)	(2,100,207)		(2,784,901)
Payments to or on behalf of the university				776,859		
Gain (loss) on sale/exchange of capital assets	(7,391)		17,157			
Insurance recoveries		144,048				1,613,656
Other nonoperating revenues (expenses)	2,232,397	5,579,059	3,566,619	2,106,734	5,672,254	9,996,851
Net nonoperating revenues	55,950,148	73,852,469	48,502,645	48,702,246	57,761,665	84,570,082

(Continued)

Schedule 5

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
OPERATING REVENUES					
Student tuition and fees (net of scholarship allowances of \$329,663,249)	\$104,087,241	\$42,795,283	\$30,660,246		\$374,515,680
Federal grants and contracts	40,631,441	3,593,590	9,987,436		105,513,722
State and local grants and contracts	15,333,106	6,575,149	49,250,646		95,975,511
Nongovernmental grants and contracts	28,589,516	469,343	4,165,745		40,811,268
Sales and services of educational departments	256,702	385,734	378,576		12,362,525
Auxiliary enterprise revenues (net of scholarship allowances of \$43,116,038 including revenues used as security for revenue bonds)	51,045,523	18,502,836	18,684,333		214,246,091
Other operating revenues	8,176,444	907,011	12,972,699	\$2,980,385	48,143,056
Total operating revenues	248,119,973	73,228,946	126,099,681	2,980,385	891,567,853
OPERATING EXPENSES					
Educational and general:					
Instruction	113,310,602	44,106,638	33,726,177		434,722,398
Research	77,144,208	5,922,080	15,165,315		130,041,407
Public service	6,776,804	5,482,251	39,153,359		62,717,271
Academic support	23,954,113	6,392,228	9,098,439		102,956,106
Student services	17,534,996	9,198,894	7,113,852		79,201,871
Institutional support	41,802,232	16,218,142	13,738,318	6,764,872	159,898,190
Operations and maintenance of plant	29,378,878	11,792,644	25,192,437		142,830,408
Depreciation/amortization	33,067,681	9,889,606	13,514,229	2,110	117,536,827
Scholarships and fellowships	4,160,308	3,799,234	2,871,291		46,702,767
Auxiliary enterprises	65,133,153	25,680,329	13,551,199		251,762,160
Other operating expenses			2,100,750		9,225,375
Total operating expenses	412,262,975	138,482,046	175,225,366	6,766,982	1,537,594,780
OPERATING LOSS	(164,143,002)	(65,253,100)	(49,125,685)	(3,786,597)	(646,026,927)
NONOPERATING REVENUES (Expenses)					
State appropriations	79,232,793	40,236,113	34,536,212	1,986,476	348,952,451
Gifts	6,016,249	665,542	1,897,674		26,218,941
Federal nonoperating revenues	39,660,108	16,574,104	17,266,159		192,833,078
Net investment income	12,085,271	6,279,177	6,023,893	543,709	43,718,388
Interest expense	(8,739,475)	(1,147,302)	(1,296,057)		(22,261,200)
Payments to or on behalf of the university					776,859
Gain (loss) on sale/exchange of capital assets		(62,680)			(52,914)
Insurance recoveries	366,820	15,497			2,140,021
Other nonoperating revenues (expenses)	7,517,631	5,687,906	4,439,339	19,060	46,817,850
Net nonoperating revenues	136,139,397	68,248,357	62,867,220	2,549,245	639,143,474

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Revenues, Expenses,
and Changes in Net Position, by University
For the Fiscal Year Ended June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	\$10,102,875	(\$5,041,813)	(\$295,893)	\$4,690,784	(\$3,308,123)	(\$527,118)
Capital appropriations	10,859,378	3,003,360	17,911,147	8,837,845	26,281,188	17,080,263
Capital grants and gifts	20,217	7,847,246	190,730	1,277,259	2,420,622	1,425,166
Additions to permanent endowments	500,000	240,000		115,000	200,000	500,000
Other revenues (expenses), net		(1,776,725)			(32,176)	
CHANGE IN NET POSITION	21,482,470	4,272,068	17,805,984	14,920,888	25,561,511	18,478,311
NET POSITION - BEGINNING OF YEAR (Restated)	97,985,451	20,686,415	180,428,106	(47,077,006)	(28,113,145)	(64,939,976)
NET POSITION - END OF YEAR	<u>\$119,467,921</u>	<u>\$24,958,483</u>	<u>\$198,234,090</u>	<u>(\$32,156,118)</u>	<u>(\$2,551,634)</u>	<u>(\$46,461,665)</u>

(Concluded)

Schedule 5

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
INCOME (LOSS) BEFORE OTHER REVENUES AND EXPENSES	(\$28,003,605)	\$2,995,257	\$13,741,535	(\$1,237,352)	(\$6,883,453)
Capital appropriations	12,061,020	6,335,594	149,772		102,519,567
Capital grants and gifts	35,772,514	690,216	33,333		49,677,303
Additions to permanent endowments	300,000		480,000		2,335,000
Other revenues (expenses), net			(1,377,368)		(3,186,269)
CHANGE IN NET POSITION	20,129,929	10,021,067	13,027,272	(1,237,352)	144,462,148
NET POSITION - BEGINNING OF YEAR (Restated)	(72,829,678)	(38,360,915)	(27,144,705)	(3,411,988)	17,222,559
NET POSITION - END OF YEAR	<u>(\$52,699,749)</u>	<u>(\$28,339,848)</u>	<u>(\$14,117,433)</u>	<u>(\$4,649,340)</u>	<u>\$161,684,707</u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM OPERATING ACTIVITIES:						
Tuition and fees	\$17,994,548	\$57,620,298	\$29,037,491	\$25,376,733	\$21,927,166	\$48,724,278
Grants and contracts	19,251,062	17,083,122	4,115,465	3,790,564	14,913,036	24,303,041
Sales and services of educational departments	2,526,004	1,724,526	446,036	241,181	5,447,887	(2,334,428)
Auxiliary enterprise receipts	20,959,225	40,720,881	11,529,338	22,844,678	7,054,815	25,243,459
Payments for employee compensation	(23,995,675)	(90,599,044)	(43,171,394)	(41,471,085)	(52,912,670)	(85,834,712)
Payments for benefits	(13,115,648)	(32,979,307)	(13,470,712)	(18,283,027)	(20,768,953)	(32,102,397)
Payments for utilities	(3,783,654)	(7,958,307)	(3,119,748)	(3,911,452)	(1,892,531)	(5,691,455)
Payments for supplies and services	(58,931,834)	(52,805,360)	(23,164,509)	(20,156,110)	(26,531,759)	(48,916,319)
Payments for scholarships and fellowships	(6,938,113)	(5,635,081)	(5,405,380)	(5,232,645)	(8,360,535)	1,643,474
Loans to students						
Collection of loans to students					34,602	47,889
Other receipts	7,277,636	3,516,222	2,426,723	(1,212,517)	1,482,497	5,059,193
Net cash used by operating activities	(38,756,449)	(69,312,050)	(40,776,690)	(38,013,680)	(59,606,445)	(69,857,977)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
State appropriations	20,047,917	42,456,459	24,724,405	29,040,891	29,831,746	39,090,266
Gifts and grants for other than capital purposes	968,765	11,791,252	5,722,649	1,435,584		2,123,874
Pell grant receipts	21,200,527	17,348,754	14,932,919	13,882,409	18,140,293	30,509,590
Private gifts for endowment purposes	500,000			115,000	200,000	500,000
Taylor Opportunity Program for Students receipts	865,475	27,613,331	9,173,577	10,458,234	8,480,067	22,858,307
Taylor Opportunity Program for Students disbursements	(865,475)	(27,727,516)	(9,173,577)	(10,449,694)	(8,480,067)	(22,880,601)
CARES Act Receipts	469,291					
Direct lending receipts	51,032,380	31,384,840	16,974,541	18,710,472	29,438,492	42,215,858
Direct lending disbursements	(51,032,380)	(31,549,211)	(16,974,541)	(18,710,472)	(29,438,492)	(42,224,659)
Other receipts (payments)	1,945,093	5,322,456	(1,110,219)	4,186,115	5,546,692	11,596,956
Net cash provided by noncapital financing sources	45,131,593	76,640,365	44,269,754	48,668,539	53,718,731	83,789,591
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:						
Proceeds from capital debt		15,880,542			32,860,000	
Capital gifts and grants received						
Purchases of capital assets	(4,530,892)	(4,557,124)	(19,279,214)	(2,052,927)	(1,421,136)	(4,332,376)
Principal paid on capital debt		(13,406,900)	(1,961,361)	(35,236,313)		(5,708,641)
Interest paid on capital debt		(5,484,280)	(375,983)	(2,233,655)		(2,736,882)
Payments for right of use leased assets (include principal and interest)	(2,112,294)	(632,747)		(27,030)		(107,590)
Proceeds from leases (include principal and interest)			97,692	215,353		
Payments for SBITAs (include principal and interest)	(1,777,339)	(945,477)	(1,392,559)	(489,130)		(2,043,326)
Payments for P3 (include principal and interest)						
Deposits with trustees				849,342		
Other receipts (payments)		(2,409,587)		(3,839,500)		
Net cash used by capital financing activities	(8,420,525)	(11,555,573)	(22,911,425)	(9,953,860)	(1,421,136)	(14,928,815)

(Continued)

Schedule 6

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM OPERATING ACTIVITIES:					
Tuition and fees	\$102,909,913	\$44,678,108	\$28,071,883		\$376,340,418
Grants and contracts	88,530,436	12,053,426	59,622,171		243,662,323
Sales and services of educational departments	303,892	385,734	166,241		8,907,073
Auxiliary enterprise receipts	50,610,962	18,005,190	19,416,356		216,384,904
Payments for employee compensation	(194,774,699)	(64,974,132)	(82,799,180)	(\$2,653,078)	(683,185,669)
Payments for benefits	(49,334,995)	(27,292,441)	(26,521,890)	(922,782)	(234,792,152)
Payments for utilities	(10,126,974)	(5,490,822)	(7,172,905)		(49,147,848)
Payments for supplies and services	(100,029,108)	(30,961,191)	(44,917,538)	(3,702,027)	(410,115,755)
Payments for scholarships and fellowships	(5,029,893)	(4,000,099)	(2,920,485)		(41,878,757)
Loans to students	(718,428)	(118,655)			(837,083)
Collection of loans to students	967,296	248,250	135,926		1,433,963
Other receipts	7,915,411	190,699	13,845,100	3,569,572	44,070,536
Net cash used by operating activities	(108,776,187)	(57,275,933)	(43,074,321)	(3,708,315)	(529,158,047)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
State appropriations	78,858,686	38,794,101	33,249,058	1,986,476	338,080,005
Gifts and grants for other than capital purposes	11,542,278	4,937,718	2,309,088		40,831,208
Pell grant receipts	38,923,516	16,758,323	17,266,159		188,962,490
Private gifts for endowment purposes	300,000		480,000		2,095,000
Taylor Opportunity Program for Students receipts	32,510,084	12,182,387	7,154,210		131,295,672
Taylor Opportunity Program for Students disbursements	(32,560,999)	(12,210,755)	(7,119,658)		(131,468,342)
CARES Act Receipts					469,291
Direct lending receipts	60,272,603	39,938,928	20,604,723		310,572,837
Direct lending disbursements	(60,291,791)	(39,874,577)	(20,932,830)		(311,028,953)
Other receipts (payments)	6,002,075	6,701,454	2,753,888		42,944,510
Net cash provided by noncapital financing sources	135,556,452	67,227,579	55,764,638	1,986,476	612,753,718
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from capital debt					48,740,542
Capital gifts and grants received	33,786,669	673,226			34,459,895
Purchases of capital assets	(59,301,978)	(1,550,980)	(7,262,689)		(104,289,316)
Principal paid on capital debt	(7,706,156)	(4,552,000)	(3,938,326)		(72,509,697)
Interest paid on capital debt	(10,383,834)	(1,127,006)	(1,395,635)		(23,737,275)
Payments for right of use leased assets (include principal and interest)	(195,245)	(176,542)			(3,251,448)
Proceeds from leases (include principal and interest)	4,358,172	164,646	514,963		5,350,826
Payments for SBITAs (include principal and interest)	(4,059,703)	(1,248,959)	(740,528)		(12,697,021)
Payments for P3 (include principal and interest)			275,148		275,148
Deposits with trustees					849,342
Other receipts (payments)	1,500,981	(164,554)	(462,806)		(5,375,466)
Net cash used by capital financing activities	(42,001,094)	(7,982,169)	(13,009,873)		(132,184,470)

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
CASH FLOWS FROM INVESTING ACTIVITIES:						
Proceeds from sales and maturities of investments	\$2,512,410		\$1,252,619	\$8,848,196	\$604,373	\$866,781
Interest received on investments	3,274,226	\$892,974	4,231,702	1,670,488	2,944,319	2,273,312
Purchases of investments	(1,211,681)		(949,863)	(9,125,792)	(300,000)	(2,863,763)
Net cash provided by investing activities	<u>4,574,955</u>	<u>892,974</u>	<u>4,534,458</u>	<u>1,392,892</u>	<u>3,248,692</u>	<u>276,330</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	2,529,574	(3,334,284)	(14,883,903)	2,093,891	(4,060,158)	(720,871)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR						
	<u>45,584,306</u>	<u>26,092,708</u>	<u>85,990,228</u>	<u>21,142,776</u>	<u>61,799,112</u>	<u>45,767,840</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR						
	<u><u>\$48,113,880</u></u>	<u><u>\$22,758,424</u></u>	<u><u>\$71,106,325</u></u>	<u><u>\$23,236,667</u></u>	<u><u>\$57,738,954</u></u>	<u><u>\$45,046,969</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:						
Operating loss	(\$45,847,273)	(\$78,894,282)	(\$48,798,538)	(\$44,011,462)	(\$61,069,788)	(\$85,097,200)
Adjustments to reconcile operating loss to net cash used by operating activities:						
Depreciation/amortization expense	9,146,831	18,313,552	9,188,845	6,202,571	3,890,729	14,320,673
Retirement contributions paid by third parties	287,304	584,854	291,694	(334,824)	402,251	681,436
Amortization of bond issuance costs				17,248		
Changes in assets, deferred outflows, liabilities and deferred inflows:						
(Increase) decrease in accounts receivable, net	5,549,872	(2,984,953)	(1,631,368)	3,297,722	1,638,660	871,143
(Increase) decrease in inventories	46,181	(38,822)	(31,075)		(17,829)	(369,042)
(Increase) decrease in prepaid expenses and advances	248,156	(107,295)	(35,286)	84,825	(1,239,685)	(384,425)
(Increase) decrease in notes receivable, net					34,602	47,889
(Increase) decrease in other assets			(243,005)			12,216
(Increase) decrease in deferred outflows related to pensions	1,918,909	3,832,987	1,446,459	2,740,032	3,310,959	4,111,967
(Increase) decrease in deferred outflows related to OPEB	(1,744,254)	(983,433)	(1,055,325)	(728,294)	(4,074,522)	(3,697,945)
Increase (decrease) in accounts payable and accrued liabilities	(904,710)	7,035,384	11,888	66,455	311,733	2,433,249
Increase (decrease) in unearned revenue	(4,191,158)	(2,494,324)	1,080,922	(675,555)	(293,761)	1,217,784
Increase (decrease) in amounts held in custody for others	(60,874)	519,106	213,473	(129,441)	395	176,231
Increase (decrease) in compensated absences	914,075	(3,525,640)	2,617,824	1,369,429	2,208,657	915,060
Increase (decrease) in net pension liability	(5,161,703)	(17,137,723)	(5,293,170)	(9,033,961)	(14,183,909)	(13,824,475)
Increase (decrease) in OPEB liability	5,010,941	8,980,510	7,032,905	6,337,174	10,474,423	15,114,989
Increase (decrease) in other liabilities	76,443			(215,697)	199,013	
Increase (decrease) in deferred inflows related to pensions	335,617	6,252,913	114,570	2,947,379	4,989,905	3,951,079
Increase (decrease) in deferred inflows related to OPEB	(4,380,806)	(8,664,884)	(5,687,503)	(5,947,281)	(6,200,494)	(10,326,390)
Net cash used by operating activities	<u><u>(\$38,756,449)</u></u>	<u><u>(\$69,312,050)</u></u>	<u><u>(\$40,776,690)</u></u>	<u><u>(\$38,013,680)</u></u>	<u><u>(\$59,606,445)</u></u>	<u><u>(\$69,857,977)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:						
Cash and cash equivalents classified as current assets	\$42,489,222	\$1,732,340	\$49,135,816	\$12,493,812	\$55,579,854	\$41,095,924
Cash and cash equivalents classified as noncurrent assets	5,624,658	21,026,084	21,970,509	10,742,855	2,159,100	3,951,045
Cash and cash equivalents at the end of the year	<u><u>\$48,113,880</u></u>	<u><u>\$22,758,424</u></u>	<u><u>\$71,106,325</u></u>	<u><u>\$23,236,667</u></u>	<u><u>\$57,738,954</u></u>	<u><u>\$45,046,969</u></u>

(Continued)

Schedule 6

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
CASH FLOWS FROM INVESTING ACTIVITIES:					
Proceeds from sales and maturities of investments	\$2,137,860	\$3,844,905	\$17,162,811		\$37,229,955
Interest received on investments	2,030,724	1,865,451	3,135,323	\$543,709	22,862,228
Purchases of investments		(3,858,600)	(13,942,996)		(32,252,695)
Net cash provided by investing activities	<u>4,168,584</u>	<u>1,851,756</u>	<u>6,355,138</u>	<u>543,709</u>	<u>27,839,488</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(11,052,245)	3,821,233	6,035,582	(1,178,130)	(20,749,311)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR					
	<u>34,740,084</u>	<u>8,532,049</u>	<u>6,864,568</u>	<u>4,099,268</u>	<u>340,612,939</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR					
	<u><u>\$23,687,839</u></u>	<u><u>\$12,353,282</u></u>	<u><u>\$12,900,150</u></u>	<u><u>\$2,921,138</u></u>	<u><u>\$319,863,628</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:					
Operating loss	(\$164,143,002)	(\$65,253,100)	(\$49,125,685)	(\$3,786,597)	(\$646,026,927)
Adjustments to reconcile operating loss to net cash used by operating activities:					
Depreciation/amortization expense	33,067,681	9,889,606	13,514,229	2,110	117,536,827
Retirement contributions paid by third parties	1,289,262	500,057	593,343	19,060	4,314,437
Amortization of bond issuance costs			30,704		47,952
Changes in assets, deferred outflows, liabilities and deferred inflows:					
(Increase) decrease in accounts receivable, net	(3,288,286)	290,075	(6,657,716)		(2,914,851)
(Increase) decrease in inventories	14,343	1,364	199		(394,681)
(Increase) decrease in prepaid expenses and advances	236,969	222,438	179,706		(794,597)
(Increase) decrease in notes receivable, net	251,152	196,761	135,926		666,330
(Increase) decrease in other assets			(83,903)		(314,692)
(Increase) decrease in deferred outflows related to pensions	6,318,537	3,823,756	3,478,473	156,609	31,138,688
(Increase) decrease in deferred outflows related to OPEB	(7,128,743)	(3,778,703)	1,032,277	(17,945)	(22,176,887)
Increase (decrease) in accounts payable and accrued liabilities	19,562,065	(1,333,173)	4,980,185	(126)	32,162,950
Increase (decrease) in unearned revenue	5,584,826	1,944,109	(457,895)		1,714,948
Increase (decrease) in amounts held in custody for others	8,119	(31,108)	624,836		1,320,737
Increase (decrease) in compensated absences	5,706,797	1,567,716	2,640,122	844,254	15,258,294
Increase (decrease) in net pension liability	(18,969,242)	(12,151,122)	(13,319,136)	(941,060)	(110,015,501)
Increase (decrease) in OPEB liability	23,159,876	10,634,864	6,340,262	(35,860)	93,050,084
Increase (decrease) in other liabilities		24,566	(7,397)		76,928
Increase (decrease) in deferred inflows related to pensions	3,450,589	3,078,580	1,352,925	133,427	26,606,984
Increase (decrease) in deferred inflows related to OPEB	(13,897,130)	(6,902,619)	(8,325,776)	(82,187)	(70,415,070)
Net cash used by operating activities	<u><u>(\$108,776,187)</u></u>	<u><u>(\$57,275,933)</u></u>	<u><u>(\$43,074,321)</u></u>	<u><u>(\$3,708,315)</u></u>	<u><u>(\$529,158,047)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION:					
Cash and cash equivalents classified as current assets	(\$2,316,987)	\$6,777,327	\$9,402,670	\$2,921,138	\$219,311,116
Cash and cash equivalents classified as noncurrent assets	26,004,826	5,575,955	3,497,480		100,552,512
Cash and cash equivalents at the end of the year	<u><u>\$23,687,839</u></u>	<u><u>\$12,353,282</u></u>	<u><u>\$12,900,150</u></u>	<u><u>\$2,921,138</u></u>	<u><u>\$319,863,628</u></u>

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Combining Schedule of Cash Flows, by University
For the Fiscal Year Ended June 30, 2025**

	GRAMBLING STATE UNIVERSITY	LOUISIANA TECH UNIVERSITY	MCNEESE STATE UNIVERSITY	NICHOLLS STATE UNIVERSITY	NORTHWESTERN STATE UNIVERSITY	SOUTHEASTERN LOUISIANA UNIVERSITY
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:						
Capital appropriations	\$10,859,378	\$3,003,360	\$17,911,147	\$8,837,845	\$26,281,188	\$17,080,263
Change in fair market value of investments	\$771,452	(\$1,806,005)	\$1,127,889	\$683,747	(\$2,115,341)	\$1,022,210
Private gifts for endowment purposes		\$240,000				
Capital gifts and grants	\$20,217	\$7,847,246	\$190,730	\$1,277,259	\$2,420,622	\$1,425,166
Capital assets acquired through leases, notes, and accounts payable	\$2,332,918	\$519,033	\$1,191,287	\$1,066,636	\$402,250	\$1,677,151
Disposition of capital assets	(\$7,391)	(\$462,736)		(\$37,308)	(\$5,800)	\$192,198
Other	\$1,976,504	\$610		(\$1,789,290)		

(Concluded)

Schedule 6

	UNIVERSITY OF LOUISIANA AT LAFAYETTE	UNIVERSITY OF LOUISIANA AT MONROE	UNIVERSITY OF NEW ORLEANS	BOARD	TOTAL SYSTEM
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:					
Capital appropriations	\$12,061,020	\$6,335,594	\$149,772		\$102,519,567
Change in fair market value of investments	\$9,250,725	\$3,060,815	\$982,385		\$12,977,877
Private gifts for endowment purposes			\$480,000		\$720,000
Capital gifts and grants	\$1,985,845	\$16,990	\$33,333		\$15,217,408
Capital assets acquired through leases, notes, and accounts payable	\$10,713,220	\$3,927,405			\$21,829,900
Disposition of capital assets	(\$1,500,981)	(\$62,680)	(\$1,377,368)		(\$3,262,066)
Other	\$772,441		\$593,343		\$1,553,608

OTHER REPORT REQUIRED BY GOVERNMENT AUDITING STANDARDS

Exhibit A

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

December 30, 2024

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

Independent Auditor's Report

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Baton Rouge, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and aggregate discretely-presented component units of the University of Louisiana System (System), a component unit of the state of Louisiana, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 30, 2025. Our report includes a reference to other auditors who audited the financial statements of the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are nonprofit corporations included as blended component units in the basic financial statements of the System. Other auditors also audited the financial statements of the University of Louisiana at Lafayette Foundation, Inc. and the University of New Orleans Foundation, which are discretely-presented component units in the basic financial statements of the System as described in our report on the System's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Black and Gold Facilities, Inc.; NSU Facilities Corporation; and University Facilities, Inc., were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Black and Gold Facilities, Inc.; NSU Facilities Corporation; and University Facilities, Inc., or that are reported on separately by those auditors who audited the financial statements of the Black and Gold Facilities, Inc.; NSU Facilities Corporation; and University Facilities, Inc.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Other Reports

Other external auditors audited the Black and Gold Facilities, Inc.; Innovative Student Facilities, Inc.; Cowboy Facilities, Inc.; NSU Facilities Corporation; University Facilities, Inc.; Ragin' Cajun Facilities, Inc.; University of Louisiana at Monroe Facilities, Inc.; and University of New Orleans Research and Technology Foundation, Inc., which are blended component units included in the System's basic financial statements for the year ended June 30, 2025. In addition, other external auditors audited the University of Louisiana at Lafayette Foundation, Inc. and the University

of New Orleans Foundation, which are discretely-presented component units included in the basic financial statements of the System. To obtain copies of those reports, refer to note 1-B to the basic financial statements for mailing addresses.

As a part of our audit of the System's basic financial statements for the year ended June 30, 2025, we performed certain procedures on the following campuses within the System: Grambling State University, Louisiana Tech University, Nicholls State University, Northwestern State University, Southeastern Louisiana University, University of Louisiana at Lafayette, and University of New Orleans. When issued, our reports relating to those universities will contain compliance and internal control findings, where applicable. Management's responses will also be included in those reports. Management's responses are not audited. Copies of issued reports are available for public inspection at the Baton Rouge office of the Legislative Auditor, and can also be found on the Internet at www.lia.la.gov.

Purpose of This Report

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

JS:LA:RR:BQD:ch

ULS 2025