



SOUTHEASTERN LOUISIANA UNIVERSITY

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2025

Table of Contents

	Page
Basic Financial Statements:	
Statement of Net Position.....	1
Statement of Revenues, Expenses, and Changes in Net Position.....	3
Statement of Cash Flows	5
Notes to the Financial Statements	7

Statement of Net Position
Fiscal Year Ended June 30, 2025

ASSETS

Current Assets

Cash and cash equivalents	\$41,095,924
Receivables, net	18,243,284
Due from state treasury	1,142,441
Due from federal government	5,370,562
Inventories	812,001
Prepaid expenses and advances	1,220,153
Notes receivable	<u>51,647</u>
 Total current assets	<u>67,936,012</u>

Noncurrent Assets

Restricted assets:

Cash and cash equivalents	3,951,045
Investments	26,045,069
Notes receivable, net	37,129
Capital assets, net (including leased assets)	<u>226,995,983</u>

Total noncurrent assets

257,029,226

Total assets

324,965,238

Deferred Outflows of Resources

Deferred outflows relating to pensions	31,658,518
Deferred outflows relating to OPEB	<u>22,773,255</u>
 Total deferred outflows of resources	<u>54,431,773</u>
 Total assets and deferred outflows	<u>\$379,397,011</u>

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities	\$12,365,368
Unearned revenues	9,534,086
Amounts held in custody for others	2,436,146
Current Portion of Noncurrent Liabilities	
Compensated absences payable	3,797,156
Lease obligations	97,397
Subscription liability	1,679,791
Bonds payable	5,390,000
OPEB Liability	4,600,000
 Total current liabilities	 <u>39,899,944</u>

Long-term Portion of Noncurrent Liabilities

Compensated absences payable	35,785,580
Lease obligations	68,338
Subscription liability	736,088
Bonds payable	68,936,183
Net pension liability	115,621,940
OPEB liability	135,818,507
 Total noncurrent liabilities	 <u>356,966,636</u>
 Total liabilities	 <u>396,866,580</u>

Deferred Inflows of Resources

Deferred inflows relating to pensions	10,809,783
Deferred inflows relating to OPEB	18,182,313
 Total deferred inflow of resources	 <u>28,992,096</u>
 Total liabilities and deferred inflows	 <u>425,858,676</u>

Net Position

Net investment in capital assets	152,951,705
Restricted for:	
Nonexpendable	14,914,248
Expendable	47,913,562
Unrestricted	(262,241,180)
 Total net position	 <u>(46,461,665)</u>
 Total liabilities, deferred inflows, and net position	 <u>\$379,397,011</u>

Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2025

Operating Revenues

Student tuition and fees	\$99,525,192
Less scholarship allowances	(51,861,847)
Net student tuition and fees	<u>47,663,345</u>
Federal grants and contracts	14,569,492
State and local grants and contracts	2,463,495
Nongovernmental grants and contracts	3,285,213
Sales and services of educational departments	1,029,262
Auxiliary enterprise revenues	30,424,144
Less scholarship allowances	(6,945,697)
Net auxiliary revenues	<u>23,478,447</u>
Other operating revenues	<u>6,204,887</u>
 Total operating revenues	 <u>98,694,141</u>

Operating Expenses

Educational and general:	
Instruction	62,828,052
Research	3,599,424
Public service	7,601,157
Academic support	17,943,425
Student services	14,101,211
Institutional support	17,545,767
Operations and maintenance of plant	20,133,305
Depreciation	14,320,673
Scholarships and fellowships	4,701,555
Auxiliary enterprises	20,148,885
Other operating expenses	<u>867,887</u>
 Total operating expenses	 <u>183,791,341</u>
 Operating loss	 <u>(85,097,200)</u>

Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2025

Nonoperating Revenues (Expenses)

State appropriations	\$39,339,807
Gifts	2,123,874
Federal nonoperating revenues	30,985,273
Net investment income	3,295,522
Interest expense	(2,784,901)
Insurance recoveries	1,613,656
Other nonoperating revenues	<u>9,996,851</u>
Net nonoperating revenues	<u>84,570,082</u>
Income before other revenues, expenses, gains and losses	<u>(527,118)</u>
Capital appropriations	17,080,263
Capital grants and gifts	1,425,166
Additions to permanent endowments	<u>500,000</u>
Increase in net position	<u>18,478,311</u>
Net position at the beginning of the year, restated	<u>(64,939,976)</u>
Net position at the end of the year	<u>(\$46,461,665)</u>

Statement of Cash Flows
Fiscal Year Ended June 30, 2025

Cash Flows From Operating Activities

Tuition and fees	\$48,724,278
Grants and contracts	24,303,041
Sales and services of educational departments	(2,334,428)
Auxiliary enterprise receipts	25,243,459
Payments for employee compensation	(85,834,712)
Payments for benefits	(32,102,397)
Payments for utilities	(5,691,455)
Payments for supplies and services	(48,916,319)
Payments for scholarships and fellowships	1,643,474
Collection of loans to students	47,889
Other receipts	<u>5,059,193</u>
Net cash used by operating activities	<u>(69,857,977)</u>

Cash Flows From Non-Capital Financing Activities

State appropriations	39,090,266
Gifts and grants for other than capital purposes	2,123,874
Pell Grant receipts	30,509,590
Private gifts for endowment purposes	500,000
TOPS receipts	22,858,307
TOPS disbursements	(22,880,601)
Direct lending receipts	42,215,858
Direct lending disbursements	(42,224,659)
Other receipts	<u>11,596,956</u>
Net cash provided by noncapital financing sources	<u>83,789,591</u>

Cash Flows From Capital Financing Activities

Purchases of capital assets	(4,332,376)
Principal paid on capital debt	(5,708,641)
Interest paid on capital debt	(2,736,882)
Payments for right of use leased assets (include principal and interest)	(107,590)
Payments for SBITAs (include principal and interest)	<u>(2,043,326)</u>
Net cash used by capital financing activities	<u>(14,928,815)</u>

Cash Flows From Investing Activities

Proceeds from sales and maturities of investments	866,781
Interest received on investments	2,273,312
Purchases of investments	<u>(2,863,763)</u>
Net cash used by investing activities	<u>276,330</u>

Net decrease in cash and cash equivalents	(720,871)
Cash and cash equivalents at the beginning of the year	<u>45,767,840</u>
Cash and cash equivalents at the end of the year	<u>\$45,046,969</u>

Statement of Cash Flows
Fiscal Year Ended June 30, 2025

**Reconciliation of Net Operating Revenues (Expenses) to
Net Cash Provided (used) by Operating Activities**

Operating loss	(\$85,097,200)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	14,320,673
Retirement contributions paid by third parties	681,436
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
Decrease in accounts receivable, net	871,143
Increase in inventories	(369,042)
Increase in prepaid expenses and advances	(384,425)
Decrease in notes receivable	47,889
Decrease in deferred outflows related to pensions	4,111,967
Increase in deferred outflows related to OPEB	(3,697,945)
Increase in accounts payable and accrued liabilities	2,433,249
Increase in unearned revenue	1,217,784
Increase in amounts held in custody for others	176,231
Increase in compensated absences	915,060
Decrease in net pension liability	(13,824,475)
Increase in OPEB liability	15,114,989
Increase in deferred inflows related to pensions	3,951,079
Decrease in deferred inflows related to OPEB	(10,326,390)
Net cash used by operating activities:	(\$69,857,977)

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

Cash and cash equivalents classified as current assets	41,095,924
Cash and cash equivalents classified as noncurrent assets	3,951,045
Total cash and cash equivalents	\$45,046,969

Schedule of Noncash Investing, Capital, and Financing Activities

Capital appropriations	\$17,080,263
Change in fair market value of investments	\$1,022,210
Capital gifts and grants	\$1,425,166
Capital assets acquired through leases, notes, and accounts payable	\$1,677,151
Disposition of capital assets	\$192,198

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

The university had approximately 14,400 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 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.

B. REPORTING ENTITY

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

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

Blended Component Unit

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

- The majority of its revenue comes from leasing facilities to the university, 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 corporation's latest audit report, write to:

- University Facilities, Inc., c/o Mr. Sam Domiano, Southeastern Louisiana University, SLU 10709, Hammond, Louisiana 70402

C. BASIS OF ACCOUNTING

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

D. BUDGET PRACTICES

The State of Louisiana's appropriation is an annual lapsing appropriation established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Board of Regents for Higher Education and certain legislative and executive branches of state government. Budget revisions are granted by

the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not prorated but are recognized in the succeeding year; and (4) inventories are recorded as expenditures at the time of purchase.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Funds derived from gifts and grants, endowments, and reserve funds established in accordance with bond issues may be invested as stipulated by the conditions of the gift instrument or bond indenture. The University's foundation holds and manages funds received by the University for the Endowed Chairs and Endowed Professorship programs; the Louisiana Board of Regents has established investment policies and procedures related to how endowment funds may be invested.

Investments are reported at fair value, or at net asset value, where applicable, for certain endowment investments, in accordance with GASB Statement No. 31, as amended by GASB Statement No. 72. Changes in the carrying value of investments, resulting from unrealized gains and losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position. For purposes of the Statement of Cash Flows, the University considers all highly-liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

F. NONCURRENT RESTRICTED ASSETS

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

G. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the System's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, 3 years for software with an acquisition cost of \$1,000,000 or more, and 3 to 10 years for internally generated software with development costs of \$1,000,000 or more. A threshold of \$50,000 is applied against the total contract value in the identification and reporting of leases and Subscription-Based Information Technology Arrangements (SBITAs) under GASB 87, *Leases* and GASB 96, *Subscription-Based Information Technology Arrangements*. The threshold is applicable to lessee and lessor leases of all types including, but not limited to, leases of land, buildings, office space, vehicles, printers, computers, other equipment and any subscription-based arrangements meeting the definition of a SBITA. Amortization is calculated using the straight-line method over the shorter of the lease or SBITA term or the useful life of the underlying lease or SBITA assets.

H. UNEARNED REVENUES

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

I. COMPENSATED ABSENCES

As noted below in Section O., the UL 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 capital lease obligations with contractual maturities greater than one year; amounts for accrued compensated absences; the University's proportionate shares of the LASERS and Teachers' Retirement System of Louisiana (TRSL) actuarially accrued net pension liability and the actuarially accrued liability for other postemployment benefits (OPEB); and other liabilities that will not be paid within the next fiscal year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to 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.

K. NET POSITION

The University's net position is classified as follows:

(1) Net Investment in Capital Assets

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

(2) Restricted Net Position – Expendable

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

(3) Restricted Net Position – Nonexpendable

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

(4) Unrestricted Net Position

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

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

L. CLASSIFICATION OF REVENUES AND EXPENSES

The University has classified its revenues as either operating or non-operating according to the following criteria:

(1) Operating Revenue

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

(2) Nonoperating revenue

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

(3) Operating expenses

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

(4) Nonoperating expenses

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

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

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

N. USE OF ESTIMATES

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

For the year ended June 30, 2025 the UL System implemented a change in accounting estimates related to students accounts receivables and the related allowance for doubtful accounts. Prior to this, each university within the System applies its own methodology but beginning in fiscal year 2025 we have 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.

The UL 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 UL System has chosen to utilize 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.

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2025, the UL 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.
- GASB Statement No. 102, *Certain Risk Disclosures*, which was issued in June 2022 and is effective for fiscal years beginning after June 15, 2024.

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

2. CASH AND CASH EQUIVALENTS

At June 30, 2025, the University has cash and cash equivalents of \$45,046,969, as follows:

Demand Deposits	\$20,091,784
Petty Cash	12,150
Blended Component Unit Cash	156,317
<i>Also included as short-term investment in Note 3:</i>	
Short-term Investments Reported as Cash and Cash Equivalents	2,013,362
Blended Component Unit Money Market	<u>22,773,356</u>
Total Cash	<u>\$45,046,969</u>

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

As of June 30, 2025, the University's bank balance totaled \$40,479,287.

3. INVESTMENTS

At June 30, 2025, the University reported investments totaling \$50,831,787, which includes \$26,045,069 held by the University's foundation. Total investments also includes \$24,786,718 of short-term investments that are reported on the Statement of Net Position as current cash equivalents.

Fair Value Measurement

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

(1) Level 1

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

(2) Level 2

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

(3) Level 3

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

Fair values of assets measured on a recurring basis at June 30, 2025, are as follows:

Description	Totals	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2
Louisiana Asset Management Pool (LAMP)	\$2,013,362		\$2,013,362
Investments held by foundations:			
U.S. government securities:			
US Treasury Notes	2,531,903		2,531,903
Federal Home Loan Mortgage Corporation	939,521		939,521
Federal National Mortgage Association	1,129,333		1,129,333
Mutual funds	260,556	260,556	
Money market accounts	1,286,135		1,286,135
Blended Component Unit Money Market Funds	22,773,356		22,773,356
Exchange Traded Funds	646,087	646,087	
Equity funds	753,464	753,464	
Common and preferred stock	16,785,399	16,785,399	
Corporate bonds/obligations	1,699,917		1,699,917
Other	12,754		12,754
Subtotal	50,831,787	\$18,445,506	\$32,386,281
Total	<u><u>\$50,831,787</u></u>		

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

Interest Rate Risk

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

Description	Percentage of Investments	Fair Value	Investment Maturities in Years				
			Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years	Over 20 Years
Louisiana Asset Management Pool (LAMP)	3.96%	\$2,013,362					
Investments held by foundations:							
US Government Securities:							
US Treasury Notes	4.98%	2,531,903	216,943	1,748,323	566,637		
Federal Home Loan Mortgage Corporation	1.85%	939,521				114,680	824,841
Federal National Mortgage Association	2.22%	1,129,333				80,617	1,048,716
Mutual Funds	0.51%	260,556					
Money Market Accounts	2.53%	1,286,135					
Exchange Traded Funds	1.27%	646,087		646,087			
Equity Funds	1.48%	753,464					
Common and Preferred Stock	33.02%	16,785,399					
Corporate Bonds/Obligations	3.34%	1,699,917		984,432	715,485		
Other	0.03%	12,754					
Blended Component Unit - Money Market	44.80%	22,773,356					
Totals	100.00%	\$50,831,787	\$216,943	\$3,378,842	\$1,282,122	\$195,297	\$1,873,557

Custodial Credit Risk

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

Concentration of Credit Risk

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

Credit Risk

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

Standard & Poor's	AAAm	2,013,362
Moody's	Aa1	2,354,283
Moody's	A1	272,926
Moody's	A2	66,831
Moody's	A3	462,845
Moody's	Baa1	284,006
Moody's	Baa2	414,159
Moody's	Baa3	199,150
Unrated		<u>44,118,138</u>
	Totals	<u>\$50,831,787</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:

Account	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
Student tuition and fees	\$9,325,735	(\$1,617,024)	\$7,708,711
Auxiliary enterprises	1,604,561		1,604,561
Federal, state, and private grants and contracts	2,195,774		2,195,774
Insurance recoveries	2,701,632		2,701,632
Other	<u>4,032,606</u>		<u>4,032,606</u>
Total Receivables	<u>\$19,860,308</u>	<u>(\$1,617,024)</u>	<u>\$18,243,284</u>

5. CHANGES IN CAPITAL ASSETS

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

Description	Beginning Balance	Additions	Transfers	Retirements	Ending Balance
Capital assets not being depreciated:					
Land	\$1,464,209				\$1,464,209
Land improvements	6,761,781				6,761,781
Capitalized collections	314,621				314,621
Construction-in-progress	20,631,823	17,997,993	(3,575,493)		35,054,323
Total assets not being depreciated	29,172,434	17,997,993	(3,575,493)	-	43,594,934
Capital assets being depreciated/amortized:					
Land improvements	3,371,368				3,371,368
Buildings	356,108,118	2,190,680	3,575,493		361,874,291
Equipment (including library books)	22,725,584	1,845,123		(862,196)	23,708,511
Software	1,066,242				1,066,242
Right-to-Use Buildings	250,441	45,280		(141,223)	154,498
Right-to-Use Equipment (including library books)	284,533			(1,000)	283,533
Right-to-Use Intangible Assets	10,777,010	2,435,880			13,212,890
Total capital assets being depreciated	394,583,296	6,516,963	3,575,493	(1,004,419)	403,671,333
Less accumulated depreciation/amortized:					
Land improvements	(1,774,027)	(202,374)			(1,976,401)
Buildings	(179,906,232)	(8,179,478)			(188,085,710)
Equipment	(17,635,687)	(1,779,254)		761,889	(18,653,052)
Software	(1,066,242)				(1,066,242)
Right-to-Use Buildings	(113,259)	(45,280)		50,332	(108,207)
Right-to-Use Equipment (including library books)	(73,041)	(64,313)			(137,354)
Right-to-Use Intangible Assets	(6,193,344)	(4,049,974)			(10,243,318)
Total accumulated depreciation/amortization	(206,761,832)	(14,320,673)	-	812,221	(220,270,284)
Total capital assets, net	<u>\$216,993,898</u>	<u>\$10,194,283</u>	<u>-</u>	<u>(\$192,198)</u>	<u>\$226,995,983</u>

Southeastern Louisiana University capitalizes collections that include various works of art and historical items, including sculptures, statues, portraits, murals, book collections, war artifacts, and maps.

6. PAYABLES

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

Description	Amount
Vendor payables	\$3,803,904
Accrued salaries and payroll deductions	7,318,319
Accrued interest	<u>1,243,145</u>
 Total payables	 <u>\$12,365,368</u>

7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAS)

The University'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 University's right to use and underlying asset for the SBITA term. SBITA obligations represent the University'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.

As disclosed in Note 5, the University has a total of \$13,212,890 (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 University's SBITA liability:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$1,679,791	\$38,472	\$1,718,263
2027	312,640	20,334	332,974
2028	208,480	15,096	223,576
2029	153,061	12,196	165,257
2030	<u>61,907</u>	<u>1,591</u>	<u>63,498</u>
 Total SBITA Liability	 <u>\$2,415,879</u>	 <u>\$87,689</u>	 <u>\$2,503,568</u>

8. PENSION LIABILITY

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

9. OPTIONAL RETIREMENT SYSTEM

The University participates in the optional retirement plan (ORP), a defined contribution plan, which is administered by TRS and which was created by R.S. 11:921-931 for academic and administrative employees of public institutions of higher education. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants. The System includes the required disclosures for ORP in its audited financial statements.

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

11. LEASE OBLIGATIONS

Lessee Leases

The University's leasing operations consist of leasing office space for the Discovery/Renew Family Resource Project, equipment lease for a telescopic straight boom lift, and a radio tower lease. 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 University's right to use an underlying asset for the lease term. Lease obligations represent the University'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.

As disclosed in Note 5, the University has a total of \$438,031 (gross not considering accumulated amortization) right-to-use, or leased assets (not including leased intangible assets which are disclosed in Note 25). The right-to-use assets are amortized using a straight-line basis over the shorter of the lease term or useful life of the underlying asset.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$97,397	\$3,158	\$100,555
2027	33,293	1,456	34,749
2028	35,045	746	35,791
Total Lease Liability	\$165,735	\$5,360	\$171,095

12. LONG-TERM LIABILITIES

The following is a summary of bond and other long-term debt transactions of the University for the year ended June 30, 2025:

Southeastern Louisiana University	Beginning Balance	Adjustments	Restated Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Notes and bonds payable:							
Bonds payable - publicly offered	\$80,034,824		\$80,034,824		(\$5,708,641)	\$74,326,183	\$5,390,000
Other liabilities:							
Accrued compensated absences payable	8,421,148	30,246,528	38,667,676	915,060		39,582,736	3,797,156
Lease obligations	310,917		310,917		(145,182)	165,735	97,397
Subscription obligations	2,696,440		2,696,440		(280,561)	2,415,879	1,679,791
Total other liabilities	11,428,505	30,246,528	41,675,033	915,060	(425,743)	42,164,350	5,574,344
Total	\$91,463,329	\$30,246,528	\$121,709,857	\$915,060	(\$6,134,384)	\$116,490,533	\$10,964,344

Details of all debt outstanding at June 30, 2025, follow:

Bonds Payable

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Outstanding	Maturities	Interest Rates	Interest Outstanding June 30, 2024
Publicly Offered:								
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 Refunding Bonds Series 2013	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 Revenue Bonds Series 2017	June 6, 2017	35,465,000	35,465,000		35,465,000	2048	5.00%	16,574,875
Student Housing Series Revenue Bonds Series 2019	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
Subtotal		116,905,000	76,885,000	(5,150,000)	71,735,000			
Discounts			(34,039)		6,378		(27,661)	
Premiums			5,281,629		(735,634)		4,545,995	
Bond issuance and insurance costs			(2,097,766)		170,615		(1,927,151)	
Total Publicly Offered		\$116,905,000	\$80,034,824	(\$5,708,641)	\$74,326,183			\$26,491,482

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

Presentation for University AFRs

Fiscal Year	Principal	Interest	Total
FY 2026	\$5,390,000	\$3,162,988	\$8,552,988
FY 2027	5,385,000	2,926,707	8,311,707
FY 2028	5,650,000	2,655,503	8,305,503
FY 2029	5,920,000	2,385,327	8,305,327
FY 2030	5,570,000	2,110,253	7,680,253
2031-2035	21,490,000	7,119,454	28,609,454
2036-2040	11,030,000	4,004,275	15,034,275
2041-2045	7,140,000	1,808,225	8,948,225
2046-2050	4,160,000	318,750	4,478,750
Sub-total	71,735,000	26,491,482	98,226,482
Unamortized Discount/ Premium/Issuance Costs	2,591,183		2,591,183
	\$74,326,183	\$26,491,482	\$100,817,665

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

Issue	Reserves Available	Reserve Requirement	Excess/ (Deficiency)
Publicly Offered:			
University Facilities, Inc. (blended component unit):			
Revenue Bonds Series 2007	\$455,861	\$386,138	\$69,723
Revenue Refunding Bonds Series 2013	2,420,159	2,045,500	374,659
Total	\$2,876,020	\$2,431,638	\$444,382

In addition to the debt reserves above, as permitted by the University Facilities, Inc.'s bond indentures, University Facilities, Inc. obtained surety bonds issued by insurance companies that meet the definition as reserve fund investments and guarantee payments to fund reserve requirements as follows:

Bond Issue - Publicly Offered	Guaranteed Payment Not to Exceed
University Facilities, Inc.	
Revenue Bonds 2017	\$4,532,875
Revenue Bonds 2019	\$2,254,200
Revenue Bonds 2020	\$1,484,100

13. REFUNDING OF BONDS

Not applicable for the fiscal year ending June 30, 2025.

14. INTEREST RATE SWAP AGREEMENTS

Not applicable for the fiscal year ending June 30, 2025.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Not applicable for the fiscal year ending June 30, 2025.

16. RESTATEMENT OF BEGINNING NET POSITION

	Beginning Balances as Previously Reported	Restatements	Beginning Balances as Restated
By Statement of Net Position Line:			
Compensated Absences Payable - current	(\$863,763)	(\$2,192,018)	(\$3,055,781)
Compensated Absences Payable - noncurrent	(7,557,385)	(28,054,510)	(35,611,895)
Unearned revenues - current	(8,997,629)	681,327	(8,316,302)
By Net Position Line:			
Net Investment in capital assets	136,823,359	-	136,823,359
Restricted - nonexpendable	14,392,433	-	14,392,433
Restricted - expendable	49,532,102	681,327	50,213,429
Unrestricted Net Position	(236,122,669)	(30,246,528)	(266,369,197)
Net Position at June 30, 2024, Restated		(64,939,976)	

17. RESTRICTED NET POSITION

The University has the following restricted expendable net position at June 30, 2025:

Account Title	Amount
Endowments	\$11,425,594
Student Fees	16,289,948
Student Loan Fund	1,416,014
Auxiliary Enterprises	2,315,293
Grants and Contracts	5,163,491
Maintenance Reserves	2,315,169
Capital Construction/Plant Projects	4,600,942
Debt Service/Retirement of Indebtedness	1,850,862
Scholarships	183,629
Other	<u>2,352,620</u>
Total expendable	<u>\$47,913,562</u>

Of the total net position reported on the Statement of Net Position for the year ended June 30, 2025, \$6,663,926 was restricted by enabling legislation. The University's restricted nonexpendable net position totaling \$14,914,248 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 University of Louisiana System Board of Supervisors 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 University reported restricted-expendable endowments totaling \$11,425,594, all of which is available to be spent for restricted purposes. The University limits endowment spending to the income earned 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.

18. CONDENSED FINANCIAL INFORMATION

Following is condensed financial information for the University's blended component unit:

	Statement of Net Position	University Facilities, Inc.
Assets:		
Current Assets	\$21,329,478	
Capital Assets	99,346,462	
Other Assets	<u>2,876,025</u>	
 Total assets	 <u>\$123,551,965</u>	
 Liabilities:		
Current Liabilities	\$7,373,125	
Long-term Liabilities	<u>68,936,183</u>	
 Total liabilities	 <u>\$76,309,308</u>	
 Net Position:		
Net Investment in Capital Assets	\$32,910,852	
Restricted Net Position - Expendable	8,834,401	
Unrestricted Net Position	<u>5,497,404</u>	
 Total net position	 <u>\$47,242,657</u>	

Statement of Revenues, Expenses, and Changes in Net Position	University Facilities, Inc.
Operating revenues	\$20,133,565
Operating expenses	(12,642,129)
Depreciation expense	<u>(4,176,395)</u>
Net operating income	3,315,041
Nonoperating revenues (expenses):	
Investment income	1,132,665
Interest expense	<u>(2,736,882)</u>
Changes in net position	1,710,824
Net position beginning of the year	<u>45,531,833</u>
Net position end of the year	<u><u>\$47,242,657</u></u>
Statement of Cash Flows	University Facilities, Inc.
Net cash flows provided (used) by:	
Operating Activities	\$8,501,479
Capital and Related Financing Activities	(8,657,096)
Investing Activities	<u>108,042</u>
Net Increase (Decrease) in Cash	(47,575)
Cash, Beginning of the Year	<u>203,892</u>
Cash, End of the Year	<u><u>\$156,317</u></u>

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Totals
Instruction	\$43,969,311	\$13,289,676		\$5,569,065			\$62,828,052
Research	1,881,955	482,447		1,235,022			3,599,424
Public Service	2,040,141	724,622		4,836,394			7,601,157
Academic Support	9,186,517	3,326,758		5,430,150			17,943,425
Student Services	7,746,367	2,888,967		3,465,877			14,101,211
Institutional Support	8,753,732	4,040,770	729,870	4,021,395			17,545,767
Operations and Maintenance of Plant	5,919,732	3,871,963	4,498,919	5,842,691			20,133,305
Depreciation						14,320,673	14,320,673
Scholarships and Fellowships					4,701,555		4,701,555
Auxiliary Enterprises	6,862,398	3,287,959	1,976,316	10,293,624	(2,271,412)		20,148,885
Other		(54,697)		922,584			867,887
Total operating expenses	<u>\$86,360,153</u>	<u>\$31,858,465</u>	<u>\$7,205,105</u>	<u>\$41,616,802</u>	<u>\$2,430,143</u>	<u>\$14,320,673</u>	<u>\$183,791,341</u>

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 University. Therefore, the University, through its legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. Other losses of the University arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

21. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

On-behalf payments for salaries and fringe benefits are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a nongovernmental 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 University.

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2025, was \$681,436, which consists of contributions to the TRSL pension plan from non-employer contributing entities.

22. FOUNDATIONS

The accompanying financial statements do not include the accounts of the following foundations:

Lion Athletic Association
Institute for Global and Domestic Development, Inc.
Southeastern Louisiana University Foundation
Southeastern Louisiana University Alumni Association, Inc.

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

23. DEFERRED COMPENSATION PLAN

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

24. COOPERATIVE ENDEAVOR AGREEMENTS

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.

25. RELATED PARTY TRANSACTIONS

Not applicable for the fiscal year ending June 30, 2025.

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

Not applicable for the fiscal year ending June 30, 2025.

27. SUBSEQUENT EVENTS

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