



ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2019

ASSETS**Current Assets**

Cash and cash equivalents	\$40,673,981
Investments	6,051,934
Receivables, net	9,016,595
Due from state treasury	184,880
Due from federal government	4,120,892
Inventories	707,288
Prepaid expenses and advances	993,102
Notes receivable	258,169
Total current assets	62,006,841

Noncurrent Assets

Restricted assets:	
Cash and cash equivalents	15,882,317
Investments	22,292,118
Notes receivable (net)	1,446,438
Capital assets, net (including capital leases)	222,694,565
Total noncurrent assets	262,315,438
Total assets	324,322,279

Deferred Outflows of Re-26(o),l,l,l,o0222,292,118

Southeastern Louisiana University
Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2019

Operating Revenues

Student tuition and fees	\$101,108,000
Less scholarship allowances	<u>(28,702,127)</u>
Net student tuition and fees	72,405,873
Federal grants and contracts	8,915,448
State and local grants and contracts	3,840,423
Nongovernmental grants and contracts	315,807
Sales and services of educational departments	611,248
Auxiliary enterprise revenues	28,237,002
Less scholarship allowances	<u>(5,631,890)</u>
Net auxiliary revenues	22,605,112
Other operating revenues	<u>3,019,971</u>
 Total operating revenues	 <u>111,713,882</u>

Operating Expenses

Educational and general:	
Instruction	62,092,716
Research	1,098,428
Public service	3,059,827
Academic support	12,280,148
Student services	11,102,241
Institutional support	13,394,450
Operations and maintenance of plant	15,317,910
Depreciation	10,175,433
Scholarships and fellowships	13,978,982
Auxiliary enterprises	16,135,637
Other operating expenses	<u>827,246</u>
 Total operating expenses	 <u>159,463,018</u>

Operating loss	<u>(47,749,136)</u>
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Southeastern Louisiana University
Statement of Revenues, Expenses, and Changes in Net Position
Fiscal Year Ended June 30, 2019

Nonoperating Revenues (Expenses)	
State appropriations	\$29,157,423
Gifts	1,094,581
Federal nonoperating revenues	24,745,993
Net investment income	2,077,545
Interest expense	(4,282,955)
Other nonoperating expenses	<u>(2,298,957)</u>
Net nonoperating revenues	<u>50,493,630</u>
Income before other revenues, expenses, gains and losses	<u>2,744,494</u>
Capital appropriations	465,688
Capital grants and gifts	30,515
Additions to permanent endowments	<u>20,000</u>
Increase in net position	<u>3,260,697</u>
Net position at the beginning of the year, restated	<u>(84,723,756)</u>
Net position at the end of the year	<u><u>(\$81,463,059)</u></u>

Southeastern Louisiana University
Statement of Cash Flows
Fiscal Year Ended June 30, 2019

Cash Flows From Operating Activities	
Tuition and fees	\$72,681,823
Grants and contracts	12,222,621
Sales and services of educational departments	(49,339)
Auxiliary enterprise receipts	21,836,134
Payments for employee compensation	(75,456,262)
Payments for benefits	(33,332,494)
Payments for utilities	(4,233,773)
Payments for supplies and services	(33,382,246)
Payments for scholarships and fellowships	(8,347,092)
Collection of loans to students	234,637
Other receipts	<u>2,662,460</u>
Net cash used by operating activities	<u>(45,163,531)</u>
Cash Flows From Non-Capital Financing Activities	
State appropriations	29,157,401
Gifts and grants for other than capital purposes	1,094,581
Pell Grant receipts	24,348,159
Private gifts for endowment purposes	20,000
TOPS receipts	24,757,705
TOPS disbursements	(24,875,044)
Direct lending receipts	47,180,041
Direct lending disbursements	(47,143,445)
Other payments	<u>(1,993,726)</u>
Net cash provided by noncapital financing sources	<u>52,545,672</u>
Cash Flows From Capital Financing Activities	
Proceeds from capital debt	12,932,951
Purchases of capital assets	(5,920,861)
Principal paid on capital debt and leases	(24,916,971)
Interest paid on capital debt and leases	(3,925,333)
Other sources	<u>(434,981)</u>
Net cash used by capital financing activities	<u>(22,265,195)</u>
Cash Flows From Investing Activities	
Proceeds from sales and maturities of investments	14,126,645
Interest received on investments	1,984,304
Purchases of investments	<u>(2,015,807)</u>
Net cash provided by investing activities	<u>14,095,142</u>
Net decrease in cash and cash equivalents	(787,912)
Cash and cash equivalents at the beginning of the year	<u>57,344,210</u>
Cash and cash equivalents at the end of the year	<u><u>\$56,556,298</u></u>

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

Operating loss

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, if a792 reW*ⁿBT/F

J. COMPENSATED ABSENCES

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 non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated go 12 792 reified personnel-3(i)126711.0

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As of June 30, 2019, the University's bank balance totaled \$57,101,029.

3. INVESTMENTS

At June 30, 2019, the University has investments totaling \$28,344,052. The University follows state law (R.S. 49:327) as applicable to institutions of higher education in establishing investment policy. State law authorizes the University to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, dir

Fair values of assets measured on a recurring basis at June 30, 2019, are as follows:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments held by foundations:				
U.S. government securities:				
U.S. Treasury Notes	\$2,482,270	\$2,482,270		
Federal Home Loan Mortgage Corporation	953,491		\$953,491	
Federal National Mortgage Association	831,659		831,659	
Mutual funds	885,585	885,585		
Money market accounts	97,799	97,799		
Equity funds	414,509	414,509		
Common and preferred stock	9,512,454			

<u>Rating Agency</u>	<u>Ratings</u>	<u>Fair Value</u>
Standard & Poor's	AAA	\$2,314,613
Standard & Poor's	AA+	62,841
Standard & Poor's	AA	64,125
Standard & Poor's	AA-	183,189
Standard & Poor's	A+	105,260
Standard & Poor's	A	413,482
Standard & Poor's	A-	552,256
Standard & Poor's	BBB+	614,819
Standard & Poor's	BBB	302,341
Moody's	Aaa	2,499,682
Unrated		<u>21,231,444</u>
Totals		<u><u>\$28,344,052</u></u>

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7. COMPENSATED ABSENCES

At June 30, 2019, employees of the University have accumulated and vested annual, sick, and compensatory leave, the and vested annual, sick, F2 re4 667. d 0 0 1 95.304, 667.804e1(312 792 reW*n64(anfua)82 rew/FheW*53h792

11. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2019, the total rental expense for all operating leases is \$115,865. The following is a schedule, by years, of future minimum annual rental payments required under operating leases:

<u>Fiscal Year Ending June 30,</u>	<u>Office Space</u>	<u>Equipment</u>	<u>Total Minimum Payments Required</u>
2020	\$14,402	\$44,088	\$58,490
2021	2	4,460	4,462
2022	2		2
2023	2		2
2024	2		2
2025-2029	10		10
2030-2034	10		10
2035-2039	10		10
2040-2044	10		10
2045-2049	5		5
Thereafter	44		44
Total	\$14,499	\$48,548	\$63,047

Capital Leases

The University records items under capital leases as assets and obligations in the accompanying financial statements. The University's capital leases at June 30, 2019, consist of various leases as follows:

<u>Nature of Lease</u>	<u>Buildings</u>
Gross amount of leased assets (historical cost)	\$5,523,464
Remaining interest to end of lease	\$52,944
Remaining principal to end of lease	\$1,595,000

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, 2019:

Southeastern Louisiana University	Balance June 30, 2018	Additions	Reductions	Balance June 30, 2019	Amounts Due Within One Year
Notes and bonds payable:					
Bonds payable - publicly offered	\$115,146,927	\$13,014,206	(\$20,150,265)	\$108,010,868	\$4,685,000
Other liabilities:					
Accrued compensated absences payable	7,523,611	935,173	(548,138)	7,910,646	576,336
Capital lease obligations	2,105,000		(510,000)	1,595,000	520,000
Total other liabilities	9,628,611	935,173	(1,058,138)	9,505,646	1,096,336
Total	<u>\$124,775,538</u>	<u>\$13,949,379</u>	<u>(\$21,208,403)</u>	<u>\$117,516,514</u>	<u>\$5,781,336</u>

Details of all debt outstanding at June 30, 2019, are as follows:

Bonds Payable

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2018	Issued (Redeemed)	Principal Outstanding June 30, 2019	Maturities	Interest Rates	Interest Outstanding June 30, 2019
Bonds - Publicly Offered								
Student Recreation and Activity Center Revenue Bonds - Series 2011 University Facilities, Inc. (blended component unit):	December 7, 2011	\$3,650,000	\$905,000	(\$445,000)	\$460,000	2020	2.00 - 3.375%	\$15,525
Student Housing, Intermodal Parking and Stadium - Series 2004	August 13, 2004	15,000,000	15,000,000	(15,000,000)		2035	Variable	
Intermodal Parking - Series 2007 A and B	March 14, 2007	8,035,000	3,970,000	(215,000)	3,755,000	2037	4.0 - 4.375%	1,223,557
Student Union - Series 2010	November 17, 2010	31,255,000	27,005,000	(705,000)	26,300,000	2041	.80 - 5.00%	16,249,426
Student Housing - Series 2013 Refunding Bonds	November 13, 2013	199,731,503	150,300,000					

Service Reserve Fund, were used to refund the Series 2004B Bonds in the amount of \$15,000,000, fund the cost of the issuance of the Series 2019 Bonds, including the premium for the bond insurance policy insuring the Series 2019 Bonds and the surety bond premium for a debt service reserve fund surety policy for the Series 2019 Bonds. The proceeds from the Series 2004 Bonds financed the construction of a residential facility and renovation of an existing student housing facility owned by the Organization, provided working capital for marketing and operation of the new and renovated facilities, funded interest on the bonds during the construction and renovation period, funded a Debt Service Reserve Fund, funded a Replacement Reserve Fund, and paid the cost of issuing the bonds. In February 2019, the Series 2004B Bonds were defeased through the issuance of the Series 2019 Bonds.

14. INTEREST RATE SWAP AGREEMENTS

Not applicable for the fiscal year ending June 30, 2019.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Board of Supervisors for the University of Louisiana System Revenue Refunding Bonds (Southeastern Louisiana University Student Recreation and Activity Center Project) Series 2011

Revenue pledged for this bond includes all revenue related to the Student Recreation and Activity Center, including student fees, membership fees, and other miscellaneous revenue related to the Recreation Center. The original principal on the bonds totaled \$3,650,000, and the debt secured by the pledge is \$905,000. The approximate remaining amount of the pledge is \$475,525 at June 30, 2019, representing principal and interest totaling

19. FUNCTIONAL VERSUS NATURAL

23. FOUNDATIONS

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

Lion Athletic Association
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.

The University has contracted with Southeastern Louisiana University Foundation to invest the University's Endowed Chair/Professorship Program endowment funds in accordance with the Board of Regents for Higher Education's investment policies. The Endowed Chair endowment funds are established for \$1,000,000 each, with \$600,000 of private contributions and \$400,000 of state matching portion allocated by the Board of Regents for Higher Education (Regents). The Endowed Professorship Program endowment funds are established for \$100,000 each. Effective July 1, 2017, universities with fewer than 15 Endowed Professorship slots with \$60,000 of private contributions receive \$40,000 of State matching portion allocated by Regents (60% non-State/40% State ratio), and universities with more than 15 Endowed Professorship slots with \$80,000 of private contributions receive \$20,000 of State matching portion allocated by Regents (80% non-State/20% State ratio). Once a university has received State match for 15 Endowed Professorship slots, that university will be eligible only for the 80% non-State/20% State ratio. At June 30, 2019, the foundations held in custody \$17,841,791 of Endowed Chair and Endowed Professorship Program funds. Amounts invested by private foundations are included as investments held by private foundations in the disclosures in note 3.

24. 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.

25. 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 D1(dy)11s6C84/F1 11.04 Tf1 0 0 1 227.63i62ol22704 287.69 Tm011 0 0

Obligations