Financial Report

For the Year Ended June 30, 2015

University of Louisiana at Lafayette

UNIVERSITY OF LOUISIANA AT LAFAYETTE

A MEMBER OF THE UNIVERSITY OF LOUISIANA SYSTEM

FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2015

E. JOSEPH SAVOIE
PRESIDENT

JERRY LUKE LEBLANC
VICE PRESIDENT, ADMINISTRATION AND FINANCE

DEBRA L. CALAIS
ASSISTANT VICE PRESIDENT, FINANCIAL SERVICES

LYNN B. LEBLANC
ASSOCIATE COMPTROLLER

ARLENE V. HOAG
ASSISTANT COMPTROLLER

SUE BROUSSARD
GENERAL RESTRICTED ACCOUNTANT

ANGELA M. SMITH
FUNDS HANDLING COMPLIANCE ACCOUNTANT

STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
COMPONENT UNIT FINANCIAL STATEMENTS
AS OF AND FOR YEAR ENDED JUNE 30, 2015

CONTENTS

CONTENTS

STATE OF LOUISIANA
Annual Financial Statement
Fiscal Year Ending June 30, 2015

University of Louisiana at Lafayette

University of Louisiana System
1201 North Third Street
Suite 7-300
Baton Rouge, Louisiana 70802

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

AFFIDAVIT

Personally came and appeared before the undersigned authority, Dr. E. Joseph Savoie, President of the University of Louisiana at Lafayette, who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the University of Louisiana at Lafayette at June 30, 2015 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 23rd day of September, 2015.

Signature of Agency Official

H Usher
NOTARY PUBLIC # 131394

HELEN USHER
Notary Public ID #131394
State of Louisiana
Statewide Jurisdiction
My Commission is For Life

Prepared by: Debra L. Calais

Title: Assistant Vice President for Financial Services

Telephone No.: 337-482-6199

Email address: dcalais@louisiana.edu

Date: September 23, 2015

STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	University	Component Units	Eliminations	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 30,868,605	$ 5,949,270	$ -	$ 36,817,875
Receivables, net	17,739,130	104,088	(80,000)	17,763,218
Pledges receivable		3,132,761	-	3,132,761
Due from State Treasury	257,300		-	257,300
Due from Federal Government	156,538		-	156,538
Inventories	2,555,410		-	2,555,410
Prepaid expenses and advances	2,353,337		-	2,353,337
Notes receivable	1,068,904		-	1,068,904
Other current assets	41,679		-	41,679
Total current assets	55,040,903	9,186,119	(80,000)	64,147,022
Noncurrent Assets				
Restricted assets:				-
Cash and cash equivalents	58,070,982	3,213,686	-	61,284,668
Investments	91,400,828	156,079,258	(86,501,578)	160,978,508
Accounts receivable, net	80,000		-	80,000
Notes receivable, net	8,487,307		-	8,487,307
Other	96,226		-	96,226
Pledges receivable		4,992,117	-	4,992,117
Capital assets, net	384,331,613	11,620,668	-	395,952,281
Other noncurrent assets	5,247,715	728,216	(96,226)	5,879,705
Total noncurrent assets	547,714,671	176,633,945	(86,597,804)	637,750,812
Total assets	602,755,574	185,820,064	(86,677,804)	701,897,834
Deferred Outflows of Resources				
Deferred outflows related to pensions	37,205,814			37,205,814
Total deferred outflows of resources	37,205,814	NONE	NONE	37,205,814
Total assets and deferred outflow of resources	$ 639,961,388	$ 185,820,064	$ (86,677,804)	$ 739,103,648

	University	Component Units	Eliminations	Total
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$ 15,725,998	$ 1,510,286	$	$ 17,236,284
Deferred revenues	11,694,382			11,694,382
Amounts held in custody for others	1,876,634			1,876,634
Other liabilities	2,494,852	135,941		2,630,793
Current Portion of Noncurrent Liabilities:				-
Compensated absences payable (Note I)	845,722			845,722
Notes payable (Note I)		432,888		432,888
Pollution Remediation Obligation	14,216			14,216
Bonds payable (Note I)	4,430,000			4,430,000
Other current liabilities				-
Total current liabilities	37,081,804	2,079,115	NONE	39,160,919
Long-term Portion of Noncurrent Liabilities				
Compensated absences payable	9,802,693		-	9,802,693
Amounts held in custody for others		35,241,653	(35,241,653)	-
Net pension liability	234,820,316		-	234,820,316
OPEB payable	100,158,197		-	100,158,197
Bonds payable	197,531,345	800,000	-	198,331,345
Other noncurrent liabilities			-	-
Total noncurrent liabilities	542,312,551	36,041,653	(35,241,653)	543,112,551
Total liabilities	579,394,355	38,120,768	(35,241,653)	582,273,470
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	33,467,183			33,467,183
Total deferred inflows of resources	33,467,183	-	-	33,467,183
Total liabilities and deferred inflows or resources	612,861,538	38,120,768	(35,241,653)	615,740,653
Net Position				
Invested in capital assets, net of related debt	200,516,515	10,820,668	-	211,337,183
Restricted for: Nonexpendable	49,715,000	83,054,040	(39,421,401)	93,347,639
Expendable	61,305,815	60,071,970	(12,014,750)	109,363,035
Unrestricted	(284,437,480)	(6,247,382)	-	(290,684,862)
Total net position	27,099,850	147,699,296	(51,436,151)	123,362,995
Total liabilities and net positon	$ 639,961,388	$ 185,820,064	$ (86,677,804)	$ 739,103,648

STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	System	Component Units	Eliminations	Total
Operating Revenues:				
Student tuition and fees	$ 134,823,423	$	$ (1,279,981)	$ 133,543,442
Less scholarship allowances	(33,369,982)			(33,369,982)
Net student tuition and fees	101,453,441	NONE	(1,279,981)	100,173,460
Gifts received by foundation *(comp. units only)*		18,983,210	(120,000)	18,863,210
Endowment income *(comp. units only)*		1,573,783	(238,651)	1,335,132
Federal grants and contracts	15,010,074		-	15,010,074
State and local grants and contracts	5,574,407	9,195	-	5,583,602
Nongovernmental grants and contracts	16,244,984		-	16,244,984
Sales and services of education departments	44,033		-	44,033
Auxiliary enterprise revenues (see Note HH for			-	
revenue amounts pledged as security for bonds)	41,491,049		-	41,491,049
Less scholarship allowances	(4,734,586)		-	(4,734,586)
Net auxiliary revenues	36,756,463	NONE	NONE	36,756,463
Other operating revenues	6,561,194	877,002		7,438,196
Total operating revenues	181,644,596	21,443,190	(1,638,632)	201,449,154
Operating Expenses				
Education and general:				
Instruction	75,055,188			75,055,188
Research	42,161,029			42,161,029
Public service	3,545,817			3,545,817
Academic support	17,829,141			17,829,141
Student services	20,083,318			20,083,318
Institutional support	30,646,549			30,646,549
Operations and maintenance of plant	18,156,376			18,156,376
Depreciation	15,999,531	327,651		16,327,182
Scholarships and fellowships	1,307,931			1,307,931
Auxiliary enterprises	42,502,685			42,502,685
Other operating expenses	821,875	16,879,285	(9,272,868)	8,428,292
Total operating expenses	268,109,440	17,206,936	(9,272,868)	276,043,508
Operating income(loss)	(86,464,844)	4,236,254	7,634,236	(74,594,354)
Nonoperating Revenues (Expenses)				
State appropriations	46,622,450			46,622,450
Gifts	5,519,293		(1,738,424)	3,780,869
Federal nonoperating revenues(expenses)	21,912,506			21,912,506
Net investment income(loss)	976,891	2,977		979,868
Interest expense	(7,947,215)			(7,947,215)
Other nonoperating revenues(expenses)	1,376,959			1,376,959
Net nonoperating revenues(expenses)	68,460,884	2,977	(1,738,424)	66,725,437
Income(loss) before other revenues,				
expenses, gains, losses	(18,003,960)	4,239,231	5,895,812	(7,868,917)
Capital appropriations	3,358,438			3,358,438
Capital grants and gifts	6,438,817			6,438,817
Additions to permanent endowments	200,000	1,241,693		1,441,693
Increase(decrease) in Net Assets	(8,006,705)	5,480,924	5,895,812	3,370,031
Net position at beginning of the year, as restated	35,106,555	142,218,372	(57,331,963)	119,992,964
Net Asset at end of the year	$ 27,099,850	$ 147,699,296	$ (51,436,151)	$ 123,362,995

STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash flow from operating activities		
Tuition and fees	$	103,038,205
Grants and contracts		36,715,126
Sales and services of educational departments		44,033
Auxiliary enterprise receipts		36,735,144
Payments for employee compensation		(128,434,114)
Payments for benefits		(44,117,099)
Payments for utilities		(8,445,550)
Payments for supplies and services		(61,681,649)
Payments for scholarships and fellowships		(3,302,260)
Loans to students		(2,842,408)
Collection of loans to students		3,611,346
Other receipts (payments) (provide explanation)		4,910,093
Net cash provided (used) by operating activities		(63,769,133)
Cash flows from non-capital financing activities		
State appropriations	$	46,566,701
Gifts and grants for other than capital purposes		8,140,088
Pell Grant receipts (do not report in gifts and grants)		21,529,308
Private gifts for endowment purposes		120,000
TOPS receipts		29,508,077
TOPS disbursements		(29,508,919)
Direct lending receipts		52,621,520
Direct lending disbursements		(52,599,567)
Other receipts (payments)(provide explanation)		(161,986)
Net cash provided by noncapital financing sources		76,215,222
Cash flows from capital financing activities		
Capital grants and gifts received	$	6,068,680
Purchases of capital assets		(60,964,859)
Principal paid on capital debt and leases		(2,090,000)
Interest paid on capital debt and leases		(9,413,580)
Other sources (provide explanation)		(184,786)
Net cash used by capital financing activities		(66,584,545)
Cash flows from investing activities		
Proceeds from sales and maturities of investments	$	18,262,983
Interest received on investments		1,772,741
Net cash provided (used) by investing activities		20,035,724
Net increase (decrease) in cash and cash equivalents		(34,102,732)
Cash and cash equivalents at beginning of the year		123,042,319
Cash and cash equivalents at the end of the year	$	88,939,587

STATE OF LOUISIANA
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

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

Operating income (loss)	$	(86,464,844)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation expense		15,999,531
Pension expense		22,382,994
Deferred outflows		(26,929,990)
Cajundome rental income		(938,919)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivables, net		(984,534)
(Increase) decrease in inventories		(129,211)
(Increase) decrease in prepaid expenses and advances		(124,314)
Increase (decrease) in accounts payable and accrued liabilities		1,418,082
Increase (decrease) in unearned revenue		1,914,167
Increase (decrease) in amounts held in custody for others		1,961
Increase (decrease) in compensated absences		487,285
Increase (decrease) in OPEB payable		8,846,407
Increase (decrease) in loans to students and employees		900,640
Increase (decrease) in Pollution Remediation Obligation		(148,388)
Net cash provided (used) by operating activities:	$	(63,769,133)

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

Cash and cash equivalents classified as current assets	$	30,868,605
Cash and cash equivalents classified as noncurrent assets		58,070,982
Total Cash and Cash Equivalents	$	88,939,587

Noncash Investing, Noncapital Financing, and Capital and Related Financing Transactions

Capital appropriations	$	3,358,438
Increase in fair market value of assets		(768,803)
Capital gifts and grants		370,137
Amortization of bond discount (premium)		(59,776)
Amortization of bond issue costs		(210,885)
Cajundome bonds and interest		(938,919)
NCE revenues		576,967

* Other (operating cash payments)

_Miscellaneous income $2,908,564, Tenant rentals $631,780, Auto fines, registration, and parking fees $1,241,049, Arts admissions, concessions, and sales $123,201, Check fines $5,499

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

_Insurance recoveries $546,789, Cajundome reserve $308,720, Loan late fees $3688, Endowment fund changes ($1,138,459), Funds held in custody $625,184, Changes in capital assets ($467,693), Student organization agency transactions ($240,216)

***Other (cash flows from capital and related financing activities)

Line of credit $184,786

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 the GASB. The accompanying financial statements have been prepared in accordance with such principles.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. In July of 1984, the GASB issued Statement No. 1, which provided that all statements and interpretations issued by the National Council on Governmental Accounting (NCGA) continue as generally accepted accounting principles until altered, amended, supplemented, revoked or superseded by subsequent GASB pronouncements.

In June 1999, the GASB issued Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. This was followed in November 1999 by GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. As a component unit of the State of Louisiana, the University of Louisiana at Lafayette (university) is required to report its financial statements in accordance with GASBs 34 and 35 as amended by GASBs 37, 38, and 61. The financial statement presentation required by GASBs 34 and 35 provides a comprehensive, entity-wide perspective of the university's assets, liabilities, net position, revenues, expenses, changes in net position, and cash flows, and replaces the fund-group perspective previously required.

B. REPORTING ENTITY

The University of Louisiana at Lafayette is a publicly supported institution of higher education. Using the criteria established in GASB Statement 14, *The Financial Reporting Entity* as amended by GASB 39 and 61, the university is reported as a discrete component unit of the State of Louisiana since it is legally separate from and is financially accountable to the State.

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

C. BASIS OF ACCOUNTING

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

The financial statements of the university have been prepared on the accrual basis of accounting.

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

The university considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. The university accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Position.

F. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted average basis. The university accounts for its inventories using the consumption method.

G. 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.

H. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. The university's capitalization policy provides that movable property items with a unit cost of $5,000 or more and an estimated useful life greater than one year and buildings and improvements with a cost of $100,000 or more are capitalized. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are 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, and 3 to 10 years for most movable property. Library collections regardless of age, with a total acquisition value of $5,000,000 or more will be capitalized and depreciated.

I. UNEARNED REVENUES

Unearned (formerly deferred) 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.

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 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, 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 will be based on the classified employee's hourly rate of pay at termination or transfer.

K. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; estimated amounts for accrued compensated absences and other liabilities that will not be paid within the next fiscal year; and other liabilities that, although payable within one year, are to be paid from funds that are classified as noncurrent assets.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position of the Louisiana State Employees Retirement System and the Teachers Retirement System of Louisiana, and additions to/deductions from the retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirements systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. NET POSITION

The university's net position is classified as follows:

(1) NET INVESTMENT IN CAPITAL ASSETS

This 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 include 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 consist of endowment and similar type funds for which 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.

(d) UNRESTRICTED NET POSITION

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

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

M. CLASSIFICATIONS OF REVENUES AND EXPENSES

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

(a) Operating revenue includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal, state, and local grants and contracts and federal appropriations.

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

(c) Operating expenses generally include transactions resulting from providing goods or services, such as (1) payment to vendors for goods or services; (2) payments to employees for services; and (3) payments for employee benefits.

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

N. 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 goods and services provided by the university, and the amount that is paid by students and/or third parties making payments on the student's behalf.

O. 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.

P. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2015, the university implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions.*

Q. ELIMINATING INTERFUND ACTIVITY

Activities between the university and the university's service units are eliminated for purposes of preparing the Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Net Position.

R. COMPONENT UNITS

Blended Component Unit

Ragin' Cajun Facilities, Inc. is considered a blended component unit and is included in the reporting entity because it is fiscally dependent on the university. The purpose of this organization is to promote, assist, and benefit the mission of the university through the acquisition, construction, development, management, leasing or otherwise assisting in the acquisition, construction, development, management or leasing of student housing or other facilities on behalf of the universities. Although the facilities corporation is legally separate, it is reported as a part of the university because the majority of their revenue comes from the leasing of facilities to the university. To obtain the corporations' latest audit reports, write to: Ragin' Cajun Facilities, Inc., c/o Ms. Debra L. Calais, University of Louisiana at Lafayette, P.O. Box 40400, Lafayette, Louisiana 70504.

Discretely Presented Component Unit

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

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

During the year ended June 30, 2015, the foundation made distributions of $14,707,426 to or on behalf of the university for both restricted and unrestricted purposes. To obtain the foundation's 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.

These blended and discretely presented component units are private nonprofit organizations that report under Financial Accounting Standards Board (FASB) standards, including FASB Codification No. 958, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. With the exception of presentation adjustments, no modifications have been made to this component unit's financial information in the university'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.

2. CASH AND CASH EQUIVALENTS

At June 30, 2015, the university has cash and cash equivalents (book balances) of $88,939,587 as follows:

Petty cash	$270,021
Demand deposits	44,943,007
Certificates of deposit	21,336,977
Money market funds	
Short-term investments	
Time deposits	
Blended component unit cash	22,389,582
Total	$88,939,587

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, 2015, none of the university's bank balance of $93,542,986 was uninsured and uncollateralized and, therefore, exposed to custodial credit risk.

Cash and cash equivalents of the component units totaling $9,162,956, as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*.

3. INVESTMENTS

At June 30, 2015, the university has investments totaling $91,400,828, none of which includes short-term investments reported on the Statement of Net Position as restricted cash equivalents. 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, direct security repurchase agreements, reverse direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds.

A summary of the university's investments follows:

Type of Investment	Percentage of Investments	Credit Quality Rating	Fair Value
U.S. government securities:			
U.S. Treasury Notes[4]	0.00%		
Federal Home Loan Mortgage Corporation[1]	0.00%		
Federal National Mortgage Association[1]	0.00%		
Federal Home Loan Bank[1]	0.00%		
Federal Farm Credit Bank[2]	0.00%		
Money market mutual funds[4]	0.00%		
Certificates of deposit	0.00%		
Common and preferred stock[3]	0.00%		
Corporate bonds and bond funds	0.00%		
Mutual funds[4]	0.00%		
Louisiana Asset Management Pool[2]	0.00%		
Investments held by foundations (component units)[3]	94.64%		86,501,578
Other[5]	0.00%		
Held by blended component units:[3]	5.36%		4,899,250
	100.0%		$91,400,828

[1]Credit quality ratings obtained from Moody's Investor Service.
[2]Credit quality ratings obtained from Standard and Poor's.
[3]Credit quality ratings not required for these investments.
[4]Credit quality ratings not available.
[5]Not rated

	Investment Maturities in Years				
Type of Investment	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	11-20 Years
Investments held by component unit foundations					
Common and preferred stock	7,943,008				
U.S. Treasury Notes					
Federal Home Loan Mortgage Corporation					
Federal National Mortgage Association					
Government National Mortgage Association					
Federal Home Loan Bank					
Federal Farm Credit Bank					
Other fixed income securities					
Mutual funds	66,568,796				
Hedge Funds and Alternative Investments	10,901,507				
Equity funds					
Corporate bonds/obligations					
Certificates of deposit					
Other	1,088,267				
Sub-total investments held by foundation	86,501,578				
Held by blended component unit - Ragin Cajun Facilities Inc.	4,899,250				
Total	91,400,828	$0	$0	$0	$0

Investments held by the private foundation in external investment pools are managed in accordance with the terms outlined in management agreements executed between the university and its discretely presented component unit, the University of Louisiana at Lafayette Foundation, Inc. The university is a voluntary participant. This investment totaling $86,501,578 has no credit quality rating. The foundation holds and manages funds received by the university as state matching funds for the Endowed Chairs and Endowed Professorship programs. Of the $86,501,578 reported as investments held by foundation, the entire amount is held by its discretely presented component units.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the university's investments to 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. The university does not have policies to further limit 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 universities with safekeeping receipts, collateral agreements, and custodial agreements.

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.

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.

INVESTMENTS - COMPONENT UNITS

The component units' investments totaling $156,079,258 as shown on the Statement of Financial Position, are reported under FASB ASC §958, which does not require the disclosures of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. The fair values of investments held by the component units at June 30, 2015, follow:

Type of Investment	University of Louisiana at Lafayette Foundation
Certificates of deposit	$1,943,213
U.S. Treasury and agency bonds	202,435
Municipal and other government agency bonds	283,029
Fixed income bonds	
Asset-backed securities	
Commerical bonds	655,696
Stocks and equities	8,136,546
International stocks	
Mutual and exchange traded funds	95,702,250
Real estate investment trusts	
Hedge funds and alternative investments	48,848,959
Unit investment funds	307,130
Total	$156,079,258

4. RECEIVABLES

Receivables are shown on the Statement of Net Position, net of an allowance for doubtful accounts, at June 30, 2015. These receivables are composed of the following:

Type	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Noncurrent Portion
Student tuition and fees	$3,294,157	$1,545,096	$1,749,061	
Auxiliary enterprises	3,441,397	737,140	2,704,257	
Contributions and gifts	4,611,792	-	4,611,792	
Federal, state, and private grants	-	-	-	
and contracts	7,217,029	-	7,217,029	
Insurance recoveries	254,802	-	254,802	
Other	1,612,519	173,792	1,438,727	
Total	$20,431,696	$2,456,028	$17,975,668	$0

State of Net Position	
Accounts Receivable, net	$17,739,130
Due from Federal Government	156,538
Noncurrent receivable	80,000
Total	$17,975,668

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2015, follows:

University

	Balance July 1, 2014	Prior Period Adjustment	Restated Balance July 1, 2014	Additions	Transfers	Retirements	Balance June 30, 2015
Capital assets not being depreciated:							
Land	$9,298,681		$9,298,681				$9,298,681
Non-depreciable land improvements			-				-
Capitalized collections			-				-
Livestock			-				-
Software development in progress			-	4,436,284			4,436,284
Construction-in-progress	65,033,507		65,033,507	56,696,048	($94,347,382)	(184,786)	27,197,387
Total assets not being depreciated	74,332,188	0	74,332,188	61,132,332	(94,347,382)	(184,786)	40,932,352
Capital assets being depreciated:							
Infrastructure			0				0
Depreciable land improvements	8,399,948		8,399,948		3,290,758		11,690,706
Buildings	388,948,714		388,948,714	300,000	89,501,101	(2,450,337)	476,299,478
Equipment (including library books)	91,329,463		91,329,463	3,274,835	1,555,523	(656,895)	95,502,926
Software (internally generated and purchased)			0				0
Total capital assets being depreciated	488,678,125	0	488,678,125	3,574,835	94,347,382	(3,107,232)	583,493,110
Less accumulated depreciation:							
Infrastructure			0				0
Depreciable land improvements	(4,052,010)		(4,052,010)	(440,596)			(4,492,606)
Buildings	(143,979,489)		(143,979,489)	(11,645,241)		1,982,644	(153,642,086)
Equipment	(78,702,358)		(78,702,358)	(3,913,694)		656,895	(81,959,157)
Software (internally generated and purchased)							0
Total accumulated depreciation	(226,733,857)	0	(226,733,857)	(15,999,531)	0	2,639,539	(240,093,849)
Total capital assets, net	$336,276,456	$0	$336,276,456	$48,707,636	$0	($652,479)	$384,331,613

Component Units

	Balance July 1, 2014	Prior Period Adjustment	Balance July 1, 2014	Additions	Transfers	Retirements	Balance June 30, 2015
Capital assets not being depreciated:							
Land	$985,373		$985,373	$124,637			$1,110,010
Art and collectibles	2,898,271		2,898,271	44,800			2,943,071
Construction-in-progress	32,404		32,404	58,805			91,209
Total assets not being depreciated	3,916,048	0	3,916,048	228,242	0	0	4,144,290
Capital assets being depreciated:							
Buildings	9,938,234		9,938,234	381,393			10,319,627
Vehicles, furniture, and equipment	550,333		550,333	124,118			674,451
Software (internally generated/purchased	67,529		67,529	34,564			102,093
Total assets being depreciated	10,556,096	0	10,556,096	540,075	0	0	11,096,171
Less accumulated depreciation							
Buildings	(2,767,162)		(2,767,162)	(248,756)			(3,015,918)
Vehicles, furniture, and equipment	(509,974)		(509,974)	(44,864)			(554,838)
Software (internally generated/purchased	(15,006)		(15,006)	(34,031)			(49,037)
Total accumulated depreciation	(3,292,142)	0	(3,292,142)	(327,651)	0	0	(3,619,793)
Total capital assets, net	$11,180,002	$0	$11,180,002	$440,666	0	$0	$11,620,668

The capital asset disclosure for the discretely presented component units has been adjusted to reflect the classifications of the assets as presented in the audited financial statements of the discretely presented component units. Their financial statements have been prepared in accordance with FASB ASC §958. The disclosure requirements of FASB ASC §958 differ from those required for financial statements prepared in accordance with GASB requirements.

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 Creole and Cajun Music Collection, the University Records Management Program, the Microforms Room, 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.

These items are considered inexhaustible and are held for public exhibition, educational purposes, or research in enhancement of primarily student and public service instead of financial gain. They have never been capitalized.

6. PAYABLES

The following is a summary of payables and accrued expenses at June 30, 2015:

Account Name	
Vendor payables	$9,159,162
Accrued salaries and payroll deductions	6,062,792
Accrued interest	
Other	504,044
Total payables	$15,725,998

7. COMPENSATED ABSENCES

At June 30, 2015, employees of the university have accumulated and vested annual, sick, and compensatory leave of $5,343,367; $5,133,040; and $172,008, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements.

8. PENSION LIABILITY

The University of Louisiana System AFR for the fiscal year ended June 30, 2015 will disclose pension liability for all nine universities and the board office in that report. No disclosure is being made on the university level.

9. OPTIONAL RETIREMENT SYSTEM

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in the TRSL for five or more years. 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 irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies.

Total contributions by the university are 28.0% of the covered payroll for fiscal year 2015. The participant's contribution (8.0%), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRSL pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by the actuarial committee. The TRSL retains the balance of the employer contribution for application to the unfunded accrued liability of the university. Benefits payable to participants are not the obligations of the State of Louisiana or the TRSL. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan totaled $10,537,676 and $3,010,769, respectively, for the year ended June 30, 2015.

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

The university provides certain continuing health care and life insurance benefits for its retired employees. Substantially all university employees become eligible for these benefits if they reach normal retirement age while working for the university.

The university offers its employees the opportunity to participate the state's Office of Group Benefits (OGB), which offers a life insurance plan. GASB Statement 45 promulgates the accounting and financial reporting requirement by employers that offer other postemployment benefits (OPEB) besides pensions. The medical coverage plans and the life insurance plan available would be subject to the provisions of this statement. Information about these two plans is presented below.

Plan Description - Employees of the System voluntarily participate in the State of Louisiana's health insurance plan. The Office of Group (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system, and they must be covered by the active medical plan immediately prior to retirement. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan. R.S. 42:801-883 provide the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

Funding Policy - The contribution requirements of plan members and the System are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers three standard plans for both active and retired employees: the Preferred Provider Organization (PPO) plan, two Health Maintenance Organization (HMO) plans, and the Medical Home HMO plan. OGB also offers the two Consumer Driven Health plan with a Health Savings Account option (CDHP-HSA) to active employees. Retired employees who have Medicare Part A and Part B coverage also have access to two OGB Medicare Advantage plans – two HMO plans, which are based on a calendar year. The two HMO plans are the Peoples Health HMO and the Vantage HMO. Beginning in 2013, Medicare eligible retirees can choose to enter the Towers Extend HIX program.

Employees hired before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

Service	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20+ years	75%	25%

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total premium is approximately $1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve cents for spouses, Maximum coverage is capped at $50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees,

Annual Other Postemployment Benefit Cost and Liability

The University of Louisiana at Lafayette's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of 30 years. A 30-year, open amortization period has been used. The total ARC for fiscal year 2015 is $13,108,700 as set forth below.

The following schedule presents the ULL's OPEB obligation for fiscal year 2015.

	State OGB Plan
Annual Required Contributions	$13,108,700
Interest on Net OPEB Obligation	3,652,500
ARC Adjustment	(3,489,200)
OPEB Cost	$13,272,000
Contributions made (current year retiree premiums)	(4,425,593)
Increase in Net OPEB Obligation	$8,846,407
Beginning net OPEB Obligation at July 1, 2013	$91,311,790
Ending Net OPEB Obligations at June 30, 2014	$100,158,197

Funded Status and Funding Progress

During fiscal year 2014, neither the UL system nor the State of Louisiana made contributions to its post-employment benefits plan trust. A trust was established during fiscal year 2008, but was not funded at all, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the ULL's entire actuarial accrued liability of $167,466,500 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2014, was as follows:

	State OGB Plan
Actuarial Accrued Liability (AAL)	$167,466,500
Actuarial Value of Plan Assets	NONE
Unfunded Actuarial Accrued Liability (UAAL)	$167,466,500
Funded Ratio (actuarial value of plan assets/AAL)	0%
Covered Payroll	$47,071,000
UAAL as a percentage of covered payroll	356%

Using the pay-as-you-go method, the UL Lafayette contributed 33.3% of the annual postemployment benefits cost during 2015. In fiscal year 2014, the annual OPEB cost was $12,099,800 and the UL Lafayette contributed 34.1% of the annual OPEB cost.

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 health care 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. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AAL for benefits.

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 of 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 AAL consistent with the long-term perspective of the calculations.

The RP 2014 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The state's UAAL is being amortized as a level percentage of projected payroll over an open amortization period of 30 years. The remaining amortization period at June 30, 2015 is 22 years. Annual per capita medical claims costs were updated to reflect an additional year of actual experience.

The OGB Plan AAL decreased from the last actuarial valuation due to a change in the retiree benefit plans for those retiring past 3/31/2015. Some assumptions were updated including (1) using the RP2014 mortality table; (2) the most recent pension valuation for assumptions such as retirement and termination; (3) a different age graded claim curve and updated per capita health claim costs based on the State's most recent claims and enrollment experience

A summary of the actuarial assumptions is presented as follows:

	State OGB Plan
Actuarial valuation date	July 1, 2013
Actuarial cost method	Projected Unit Cost
Amortization method	Level % of payroll
Amortization period	30 years, open
Asset valuation method	None
Actuarial assumptions:	
Investment rate of return	4%
Projected salary increases	3%
Healthcare inflation rate	4.5%-8%
Ultimate	4.50%

11. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2015, the total rental expense for all operating leases is $109,924. The following is a schedule by years of future minimum annual rental payments required under operating leases:

Fiscal Year Ending June 30,	Office Space	Equipment	Land	Other	Total Minimum Payments Required
2016	$135,000	$14,316	$97,406		$246,722
2017	180,000	14,316	98,867		293,183
2018	180,000	14,316	74,983		269,299
2019	180,000	14,316	10		194,326
2020	180,000	14,316	10		194,326
2021-2025	900,000	22,667	50		922,717
2026-2030	45,000		50		45,050
2031-2035			50		50
2036-2040			50		50
2041-2045			50		50
Thereafter			590		590
Total	$1,800,000	$94,247	$272,116	$0	$2,166,363

Capital Leases

The university did not have any capital leases.

The university's component unit did not have any capital leases at June 30, 2015.

Lessor - Operating Leases

The university's leasing operations consist primarily of leasing property for providing food services to students, vending operations, and promoting economic development and research activities.

The following schedule provides an analysis of the university's investment in property on operating leases and property held for lease by major classes as of June 30, 2015:

	Cost	Accumulated Depreciation	Carrying Amount
Office space	$1,619,756	($735,888)	$883,868
Buildings	27,008,978	(5,001,705)	22,007,273
Equipment			0
Land	555,839		555,839
Other			0
Total	$29,184,573	($5,737,593)	$23,446,980

The following is a schedule by years of minimum future rentals on noncancelable operating leases as of June 30, 2015:

Fiscal Year Ending June 30	Office Space	Buildings	Land	Other	Total
2016	$1,722,782		$95,010	$420,000	$2,237,792
2017	1,946,297		95,010	420,000	2,461,307
2018	1,943,156		95,010	420,000	2,458,166
2019	1,942,135		95,010	210,000	2,247,145
2020	1,936,990		95,010		2,032,000
2021-2025	8,685,246		333,383		9,018,629
2026-2030	4,543,113		88,050		4,631,163
2031-2035			50		50
2036-2040			50		50
2041-2045			50		50
Thereafter			540		540
Total minimum future rentals	$22,719,719		$897,173	$1,470,000	$25,086,892

Minimum future rentals do not include contingent rentals that may be received as stipulated in the lease contracts. These contingent rental payments occur as a result of sales volume or customer usage of services provided. Contingent rentals received from operating leases of office space and buildings for the year ended June 30, 2015, were $749,926 and $477,655 respectively.

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, 2015:

University

	Balance June 30, 2014	Adjustments	Balance June 30, 2014 Restated	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	$204,466,569		$204,466,569		($2,505,224)	$201,961,345	$4,430,000
Notes payable			0			0	
Total bonds and notes payable	204,466,569	0	204,466,569	0	(2,505,224)	201,961,345	4,430,000
Other liabilities:							
Accrued compensated absences payable	10,161,130		10,161,130	1,432,872	(945,587)	10,648,415	845,722
Capital lease obligations			0			0	
Pension liability		261,080,385	261,080,385	33,896,876	(60,156,945)	234,820,316	
OPEB payable	91,311,790		91,311,790	13,272,000	(4,425,593)	100,158,197	
Total other liabilities	101,472,920	261,080,385	362,553,305	48,601,748	(65,528,125)	345,626,928	845,722
Total	$305,939,489	$261,080,385	$567,019,874	$48,601,748	($68,033,349)	$547,588,273	$5,275,722

Component Units

	Balance June 30, 2014	Adjustments	Balance June 30, 2014 Restated	Additions	Reductions	Balance June 30, 2015	Amounts Due Within One Year
Bonds and notes payable:							
Bonds payable	$1,500,000		$1,500,000		($700,000)	$800,000	
Notes payable	450,568		450,568		(17,680)	432,888	432,888
Total bonds and notes payable	1,950,568	0	1,950,568	0	(717,680)	1,232,888	432,888
Other liabilities:							
Capital lease obligations			0			0	0
Amounts held in custody for others	35,283,671		35,283,671		(42,018)	35,241,653	
Total other liabilities	35,283,671	0	35,283,671	0	(42,018)	35,241,653	0
Total	$37,234,239	$0	$37,234,239	$0	($759,698)	$36,474,541	$432,888

Details of all debt outstanding at June 30, 2015, are as follows:

Bonds Payable - University

Issue	Date of Issue	Original Issue	Principal Outstanding June 30, 2014	Issued (Redeemed)	Principal Outstanding June 30, 2015	Maturities	Interest Rates	Interest Outstanding June 30, 2015
Lease Revenue Refunding Cajundome Series 2006	April 26, 2007	13,370,000	10,770,000	(475,000)	10,295,000	2030	4.0%-5.0%	3,632,772
Ragin' Cajun Facilities, Inc. (blended component unit) - Lafayette Public Trust Financing Authority:								
Student Housing - Series 2009	April 14, 2009	12,500,000	12,250,000	(160,000)	12,090,000	2039	3.5%-6.0%	10,334,648
Student Union and University Facilities Project - Series 2010	December 2, 2010	22,200,000	20,980,000	(450,000)	20,530,000	2040	2.0%-5.0%	15,040,635
Housing and Parking Project - Series 2010	December 14, 2010	100,050,000	98,810,000	(1,480,000)	97,330,000	2042	2.0%-5.5%	86,084,346
Refunding Bonds Series 2012	October 30, 2012	14,740,000	14,740,000		14,740,000	2033	3.0%-5.0%	5,728,849
Lewis Street Parking Garage Series 2	November 21, 2013	25,205,000	25,205,000.00		25,205,000	2044	2.0%-5.0%	20,562,955
Athletic Facilities Project Series 2013	November 26, 2013	23,605,000	23,605,000.00		23,605,000	2044	2.0%-5.0%	19,230,945
Total		211,670,000	206,360,000	(2,565,000)	203,795,000			160,615,150
Premiums/discounts, net		(2,224,805)	(1,893,431)	59,776	(1,833,655)			
Total		$209,445,195	$204,466,569	($2,505,224)	$201,961,345			$160,615,150

Component Units

Issue	Date of Issue	Original Issue	Outstanding June 30, 2014	Issued (Redeemed)	Outstanding June 30, 2015	Maturities	Interest Rates	Interest Outstanding June 30, 2015
University of Louisiana at Lafayette Foundation, Inc.								
Lafayette Economic Development Authority	February 1, 2002	$8,500,000	$1,500,000	($700,000)	$800,000	2017	4.50%	$72,000
Total		$8,500,000	$1,500,000	($700,000)	$800,000			$72,000

The annual requirements to amortize all university bonds outstanding at June 30, 2015, are as follows:

	Principal	Interest	Total
2016	$4,430,000	$9,732,653	$14,162,653
2017	4,670,000	9,597,082	14,267,082
2018	4,830,000	9,447,072	14,277,072
2019	5,010,000	9,257,700	14,267,700
2020	5,215,000	9,048,619	14,263,619
2021-2025	29,690,000	41,574,497	71,264,497
2026-2030	37,270,000	33,756,264	71,026,264
2031-2035	40,025,000	24,093,501	64,118,501
2036-2040	47,195,000	12,536,006	59,731,006
2041-2045	25,460,000	1,571,756	27,031,756
Sub-total	203,795,000	160,615,150	364,410,150
Unamortized Discount/ Premium	(1,833,655)	NONE	(1,833,655)
Total	$201,961,345	$160,615,150	$362,576,495

The annual requirements to amortize all component unit bonds outstanding at June 30, 2015, are as follows:

	Principal	Interest	Total
2016		36,000	36,000
2017	800,000	36,000	836,000
2018			0
Total	$800,000	$72,000	$872,000

The following is a summary of the debt service reserve requirements of the various bond issues outstanding at June 30, 2015:

Bond Issue	Reserves Available	Reserve Requirement	Excess/ (Deficiency)
University of Louisiana at Lafayette			
Ragin' Cajun Facilities, Inc., Project Series 2009	975,317	975,300	17
Ragin' Cajun Facilites, Inc., Student Union/University Facilities Project Series 2010	1,379,820	1,379,681	139
Ragin' Cajun Facilites, Inc., Housing and Parking Project Series 2010	6,846,312	6,845,625	687
Ragin' Cajun Facilities, Inc., Project Series 2013 Lewis Street Parking Garage	1,590,623	1,590,463	160
Ragin' Cajun Facilities, Inc., Project Series 2013 Athletic Facilities Project	1,488,401	1,488,250	151
Total	$12,280,473	$12,279,319	$1,154

Notes Payable – Component Units

Note	Date of Issue	Original Issue	Outstanding June 30, 2014	Issued (Redeemed)	Outstanding June 30, 2015	Maturities	Interest Rates	Interest Outstanding June 30, 2015
University of Louisiana at Lafayette Foundation, Inc.								
U.S. Department of Education	June 9, 2011	$500,000	$450,568	($17,680)	$432,888	2016	4.75%	$18,450

The annual requirements to amortize all notes outstanding for the System at June 30, 2015, including interest of $ 18,450, are as follows:

	Principal	Interest	Total
2016	$432,888	$18,450	$451,338
2017			0
Total	$432,888	$18,450	$451,338

13. REFUNDING OF BONDS

There was no debt refunding for the year ended June 30, 2015.

14. INTEREST RATE SWAP AGREEMENTS

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

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Lease Revenue Refunding Bonds, Series 2006 - Cajundome Convention Center Project

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. Pledged revenues must be disclosed for each period in which the secured debt remains outstanding and for each secured debt issued.

The Convention Center adjacent to the Cajundome is owned by the Board of Supervisors for the University of Louisiana System and the University of Louisiana at Lafayette. The Convention Center is leased to and operated by the Cajundome Commission. In consideration for use and possession of the Convention Center and the issuance of bonds by the Board, the Commission has entered into a lease agreement dated June 10, 1997 with the Board. Under the terms of the agreement, the Commission pays rentals for the facility in the amount of debt service of the bonds issued by the Board, including any penalties or premiums, and any and all expenses related to the trustee for the bonds. Rental payments are payable only from pledged revenues, which consist of a hotel/motel tax, which is subject to annual appropriation by the legislature, and excess revenues after deduction of operating expenditures of the Convention Center for each fiscal year of operation. Rental payments under the lease agreement during the fiscal year ended 2015 totaled $931,002, which consisted of the bond principal and interest payments.

16. RESTATEMENT OF BEGINNING NET POSITION/NET ASSETS

The beginning net position as reflected on the Statement of Revenues, Expenses, and Changes in Net Position and net assets on Statement of Net Position for the university and the component units, respectively, have been restated to reflect the following changes:

	University
Net position/assets at June 30, 2014	$271,312,204
Adjust for GASB 68 pension liability	(261,080,385)
Fiscal 2014 Employer Contributions	24,874,736
Net position/assets at June 30, 2014, restated	$35,106,555

17. RESTRICTED NET POSITION

The university has the following restricted expendable net position at June 30, 2015:

Account Title	Amount
Student fees	$10,196,343
Grants and contracts	903,337
Gifts - restricted by donors	
Endowment	35,548,269
Auxiliary enterprises	
Student loan fund	10,917,166
Capital construction/plant projects	130,000
Debt service/retirement of indebtedness	134
WRAC Fund	
Scholarships	383,722
Other	3,226,844
Total expendable	$61,305,815

The university's restricted nonexpendable net position totaling $49,715,000 as of June 30, 2015, was comprised entirely of endowment funds.

Of the total net position reported on Statement Net Position for the year ended June 30, 2015, $4,120,380 was restricted by enabling legislation.

RESTRICTED NET ASSETS - COMPONENT UNITS

Restricted net assets for the component units within the university are as follows:

	University of Louisiana at Lafayette Foundation, Inc.
Temporarily restricted:	
Donor-restricted endowment funds	$41,717,440
Chair and professorship endowment funds	18,354,530
Other programs	
Total temporarily restricted net assets	$60,071,970
Permanently restricted:	
Donor-restricted endowment funds	$43,632,639
Chair and professorship endowment funds	39,421,401
Total permanently restricted net assets	$83,054,040

18. CONDENSED FINANCIAL INFORMATION

Condensed financial information for the blended component unit follows:

Statement of Net Position

	Ragin' Cajun Facilities, Inc.
Assets	
Current assets	$166,828
Capital assets	199,395,594
Other assets	32,411,398
Total assets	$231,973,820
Liabilities	
Current liabilities	$12,856,673
Long-term liabilities	187,828,593
Total liabilities	$200,685,266
Net Position	
Net investment in capital assets	$25,788,248
Restricted net position - expendable	3,226,978
Unrestricted net position	2,273,328
Total net position	$31,288,554

Statement of Revenues, Expenses, and Changes in Net Position

	Ragin' Cajun Facilities, Inc.
Operating revenues	$10,299,230
Operating expenses	(112,033)
Depreciation expense	(5,400,642)
Net operating income (loss)	4,786,555
Nonoperating revenues (expenses):	
Investment income	15,100
Interest expense	(7,692,375)
Other (net)	0
Capital contributions/additions to permanent and term endowments	9,980,294
Changes in net position	7,089,574
Net position beginning of the year	24,198,980
Net position end of the year	$31,288,554

Statement of Cash Flows

	Ragin' Cajun Facilities, Inc.
Net cash flows provided (used) by:	
Operating activities	$12,757,896
Noncapital financing	0
Capital and related financing	(48,093,238)
Investing activities	17,235,271
Net increase (decrease) in cash	(18,100,071)
Cash, beginning of the year	40,489,653
Cash, end of the year	$22,389,582

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Compensated Absences	OPEB Expense	Total
Instruction	$51,249,849	$15,638,163	$275,676	$4,249,690	$0	$0	$0	$3,641,810	$75,055,188
Research	25,690,922	7,515,070	1,583,956	7,349,570	1,404	0	0	20,107	42,161,029
Public service	1,626,911	495,102	107,288	1,314,916	1,600	0	0	0	3,545,817
Academic support	9,818,740	3,838,807	94,532	2,990,291	32,750	0	0	1,054,021	17,829,141
Student services	9,231,983	2,475,092	173,473	7,429,680	348,179	0	0	424,911	20,083,318
Institutional support	14,123,038	5,292,766	135,414	7,760,738	130,996	0	0	3,203,597	30,646,549
Operations and maintenance of plant	4,177,028	1,843,734	4,162,975	7,470,678	0	15,999,531	0	501,961	34,155,907
Scholarships and fellowships	236,911	0	20,000	5,805	1,045,215	0	0	0	1,307,931
Auxiliary enterprises	11,891,238	3,209,923	1,883,187	23,910,469	1,607,868	0	0	0	42,502,685
Hospital	0	0	0	334,590	0	0	487,285	0	821,875
Total operating expenses	$128,046,620	$40,308,657	$8,436,501	$62,816,427	$3,168,012	$15,999,531	$487,285	$8,846,407	$268,109,440

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 paid upon appropriation by the legislature and not the university. Therefore, the university's legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. Other losses 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. During fiscal year 2015, no direct claims or litigation costs were incurred by the university.

21. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

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

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2015, was $1,997,484.

22. 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, 2015, net appreciation of donor restricted endowments is equal to 35,548,269, which is available to be spent for restricted purposes. The university limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net position - nonexpendable in the Statement of Net Position; the endowment income is reported in restricted net position - expendable.

23. FOUNDATION

The university has contracted with its respective 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. The Endowed Professorship Program endowment funds are established for $100,000 each, with $60,000 of private contributions and $40,000 of state matching portion allocated by the Board of Regents for Higher Education. At June 30, 2015, the foundation held in custody $86,501,578 of Endowed Chair and Endowed Professorship Program funds. Amounts invested by the private foundation for the university are included as investments held by private foundation in external investment pools 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. ALTERNATIVE FINANCING AGREEMENTS

On October 1, 2002, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling $19,065,000 for the Ragin' Cajun Facilities, Inc., for constructing a student apartment complex, food service facility, and child care facility including parking and other infrastructure on land owned by the Board of Supervisors of the University of Louisiana System on behalf of UL Lafayette. In October 2012, the Ragin' Cajun Facilities, Inc., issued $14,740,000 of non-taxable refunding revenue bonds through the Lafayette Public Trust Financing Authority. The purpose of the issue was to refund the Series 2002 revenue bonds of the corporation.

Pursuant to the terms of the ground lease agreements, the corporation leases the land from the board. The new facilities are leased by the corporation to the board in accordance with the provisions of an agreement to lease (facilities lease). In accordance with the facilities lease, the corporation has constructed and equipped student housing facilities and leased the facilities back to the board for use by students, faculty, and staff of UL. The rental income derived from the facilities lease will be used to pay the bonds.

On April 14, 2009, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling $12,500,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of a student parking complex, including parking and other infrastructure at UL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student parking complex will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from parking fees will be used to pay the bonds.

On November 15, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling $22,200,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, expansion, and renovation of the existing UL student union.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student union will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental revenues will be used to pay the bonds.

On December 1, 2010, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling $100,050,000 for the Ragin' Cajun Facilities, Inc., for demolishing certain facilities and the development, design, construction, and equipping of student housing facilities and certain other facilities at UL.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new student housing facilities will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental income will be used to pay the bonds.

On November 21, 2013, the Lafayette Public Trust Financing Authority agreed to issue revenue bonds totaling $25,205,000 for the Ragin' Cajun Facilities, Inc., for the design, development, equipping, and construction of a parking facility and related facilities for students, faculty, staff and the public on the campus of the University of Louisiana at Lafayette.

Pursuant to the terms of the lease agreement, the parking garage will be leased back to and operated by the board. The income derived from the rental payments will be used to pay the bonds.

On November 26, 2013, the Lafayette Public Trust Financing Authority agreed to use revenue bonds totaling $23,605,000 for the Ragin' Cajun Facilities, Inc., for the (1) design, development, equipping, renovation, construction of an addition to indoor athletic practice field and the addition of 5,900 seats in the football stadium; and (2) other athletic facilities on the campus of the University of Louisiana at Lafayette.

Pursuant to the terms of the ground lease agreement, the corporation will lease the land required for the project from the board. The new athletic facilities will be leased back to the board by the corporation in accordance with the provisions of an agreement to lease (facilities lease). The income derived from rental income will be used to pay the bonds.

26. COOPERATIVE ENDEAVOR AGREEMENT - UNIVERSITY OF LOUSIANA AT LAFAYETTE, RAGIN' CAJUN FACILTIES, LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT, LAFAYETTE ECONOMIC DEVELOPMENT AUTHORITY, AND CGI FEDERAL, INC

In August 2014, the Ragin' Cajun Facilities Corporation entered into a Cooperative Endeavor Agreement (the "CEA") with; the State of Louisiana, the Louisiana Department of Economic Development, the University of Louisiana at Lafayette, the Lafayette Economic Development Authority and CGI Federal, Inc. In order to induce CGI Federal, Inc. 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 and a UL Lafayette Grant and other considerations.

Pursuant to the CEA, Ragin' Cajun Facilities, Inc. 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 of Louisiana through the Louisiana Office of Economic Development. As part of the agreement, Ragin' Cajun Facilities will own and operate the facility thought the term of the agreement and lease the Facility to CGI Federal, Inc. at a cost of $7 per square foot per year for the first ten years, with provisions for two five-year extensions. The University of Louisiana at Lafayette will lease the facility site to the Corporation at $1 per year during the construction phase and for the terms of the Facility Lease Agreement.

The university is funding the constructions costs incurred by Ragin' Cajun Facilities, Inc., as a funding mechanism until such costs are reimbursed by the State. Through June 30, 2015, project payments of $2,900,303 were paid and reimbursed by the State for the project. At June 30, 2015, RCFI had no costs paid by the university that had not been reimbursed by the State and had not been remitted to the university. At June 30, 2015, the project had outstanding payables for the facility of $1,226,919, which will be submitted for reimbursement when the invoices are paid.

27. SUBSEQUENT EVENTS

In February 2015, the Louisiana Bond Commission approved the issuance of up to $20,000,000 of bonds to fund improvements to the University's Cajundome Facility. The bonds issued for the project will be used for designing, renovating, constructing, furnishing and/or equipping certain improvements for the Cajundome, including seating replacement, concession stand improvements, storage improvements, elevator improvements, kitchen improvements, lobby improvements, roof improvements and lighting improvements. On August 18, 2015 $18,500,000 of bond indebtedness was issued for the project.

On September 18, 2015, Ragin' Cajun Facilities, Inc. exercised its lease option to buy the Ander's bookstore property by securing a loan through Mid-South Bank for $1,300,000. The Ander's building is located on 210 East St. Mary Boulevard.