Nicholls State University

ANNUAL FINANCIAL STATEMENTS

Fiscal Year Ended June 30, 2020

NICHOLLS STATE UNIVERSITY

UNIVERSITY OF LOUISIANA SYSTEM
A COMPONENT UNIT OF THE
STATE OF LOUISIANA

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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STATEMENT OF NET POSITION
FISCAL YEAR ENDED JUNE 30, 2020

ASSETS	
Current Assets	
Cash and cash equivalents	$15,066,908
Receivables, net	4,097,520
Due from state treasury	3,166,015
Due from federal government	3,099,067
Prepaid expenses and advances	2,784,269
Total current assets	28,213,779
Noncurrent Assets	
Restricted assets:	
Cash and cash equivalents	11,340,620
Investments	18,295,335
Accounts receivable (net)	437,567
Capital assets (net)	97,273,581
Total noncurrent assets	127,347,103
Total assets	155,560,882
Deferred Outflows of Resources	
Deferred outflows relating to pensions	19,712,488
Deferred outflows relating to other postemployment benefits (OPEB)	4,606,744
Total deferred outflows of resources	24,319,232
Total assets and deferred outflows	179,880,114
LIABILITIES	
Current Liabilities	
Accounts payable and accrued liabilities	3,998,258
Unearned revenues	2,073,659
Amounts held in custody for others	457,309
Current Portion of Noncurrent Liabilities	
Compensated absences payable	390,450
Bonds payable	2,220,000
OPEB liability	2,900,000
Total current liabilities	12,039,676

(Continued)

The accompanying notes are an integral part of this statement

STATEMENT OF NET POSITION
FISCAL YEAR ENDED JUNE 30, 2020

Long-term Portion of Noncurrent Liabilities	
Unearned revenues	$76,030
Compensated absences payable	3,565,121
Bonds payable	47,941,430
Net pension liability	77,512,994
OPEB liability	76,340,862
Other noncurrent liabilities	14,310,589
Total noncurrent liabilities	219,747,026
Total liabilities	231,786,702
Deferred Inflows of Resources	
Deferred inflows relating to pensions	5,092,733
Deferred inflows relating to OPEB	13,694,957
Total deferred outflow of resources	18,787,690
Net Position	
Net investment in capital assets	51,077,846
Restricted for:	
Nonexpendable	17,228,900
Expendable	16,221,338
Unrestricted	(155,222,362)
Total net position	(70,694,278)
Total liabilities, deferred inflows, and net position	$179,880,114

(Concluded)

The accompanying notes are an integral part of this statement

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2020

Operating Revenues	
Student tuition and fees (net of allowances of $11,548,437)	$37,385,475
Federal grants and contracts	3,143,028
State and local grants and contracts	823,216
Nongovernmental grants and contracts	192,910
Sales and services of educational departments	153,445
Auxiliary enterprise revenues (net of allowances of $1,367,395)	18,826,361
Other operating revenues	3,748,276
Total operating revenues	64,272,711
Operating Expenses	
Educational and general:	
Instruction	29,879,390
Research	1,168,985
Public service	1,211,057
Academic support	7,364,211
Student services	5,642,801
Institutional support	8,888,431
Operations and maintenance of plant	7,401,319
Depreciation	6,435,959
Scholarships and fellowships	8,629,081
Auxiliary enterprises	15,338,765
Other operating expenses	149,202
Total operating expenses	92,109,201
Operating income (loss)	(27,836,490)

(Continued)

The accompanying notes are an integral part of this statement

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FISCAL YEAR ENDED JUNE 30, 2020

Nonoperating Revenues (Expenses)	
State appropriations	$18,173,415
Gifts	583,846
Federal nonoperating revenues (expenses)	13,511,554
Net investment income (loss)	(495,473)
Interest expense	(2,653,090)
Payments to or on behalf of the university	392,098
Gain (loss) on sale /exchange of capital assets	(2,238)
Other nonoperating revenues (expenses)	(3,588,564)
Net nonoperating revenues (expenses)	25,921,548
Income (loss) before other revenues, expenses, gains and losses	(1,914,942)
Capital appropriations	216,156
Capital grants and gifts	53,172
Additions to permanent endowments	0
Increase (decrease) in net position	(1,645,614)
Net position at the beginning of the year, restated	(69,048,664)
Net position at the end of the year	($70,694,278)

(Concluded)

The accompanying notes are an integral part of this statement

STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows From Operating Activities	
Tuition and fees	$37,699,069
Grants and contracts	4,738,572
Sales and services of educational departments	127,806
Auxiliary enterprise receipts	18,206,687
Payments for employee compensation	(41,245,735)
Payments for benefits	(16,511,478)
Payments for utilities	(2,956,345)
Payments for supplies and services	(17,450,577)
Payments for scholarships and fellowships	(10,482,032)
Other receipts (payments)	3,208,484
Net cash provided (used) by operating activities	(24,665,549)
Cash Flows From Non-Capital Financing Activities	
State appropriations	15,107,409
Gifts and grants for other than capital purposes	583,846
Pell Grant receipts	11,189,769
TOPS receipts	14,028,367
TOPS disbursements	(14,028,367)
CARES Act receipts	2,220,087
Direct lending receipts	25,701,077
Direct lending disbursements	(25,763,662)
Other receipts (payments)	(2,026,739)
Net cash provided (used) by noncapital financing sources	27,011,787
Cash Flows From Capital Financing Activities	
Purchases of capital assets	(765,590)
Principal paid on capital debt and leases	(2,145,000)
Interest paid on capital debt and leases	(2,666,237)
Deposits with trustees	(2,000,000)
Net cash provided (used) by capital financing activities	(7,576,827)

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2020

Cash Flows From Investing Activities	
Proceeds from sales and maturities of investments	$3,835,041
Interest received on investments	347,182
Purchases of investments	(3,505,679)
Net cash provided (used) by investing activities	676,544
Net increase (decrease) in cash and cash equivalents	(4,554,045)
Cash and cash equivalents at the beginning of the year, restated	30,961,573
Cash and cash equivalents at the end of the year	$26,407,528
Reconciliation of Net Operating Revenues (Expenses) to Net Cash Provided (used) by Operating Activities	
Operating income (loss)	($27,836,490)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation expense	6,435,959
Retirement contributions paid by third parties	231,356
Amortization of bond issuance costs	108,153
Changes in assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in accounts receivable, net	24,297
(Increase) decrease in prepaid expenses and advances	(435,283)
(Increase) decrease in deferred outflows related to pensions	(4,566,777)
(Increase) decrease in deferred outflows related to OPEB	(1,728,748)
Increase (decrease) in accounts payable and accrued liabilties	(413,077)
Increase (decrease) in unearned revenue	(164,229)
Increase (decrease) in amounts held in custody for others	51,766
Increase (decrease) in compensated absences	191,188
Increase (decrease) in net pension liability	5,696,968
Increase (decrease) in OPEB liability	(7,403,384)
Increase (decrease) in deferred inflows related to pensions	(1,522,728)
Increase (decrease) in deferred inflows related to OPEB	6,665,480
Net cash provided (used) by operating activities:	($24,665,549)

(Continued)

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH FLOWS
FISCAL YEAR ENDED JUNE 30, 2020

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position	
Cash and cash equivalents classified as current assets	$15,066,908
Cash and cash equivalents classified as noncurrent assets	11,340,620
Total cash and cash equivalents	$26,407,528

Schedule of Noncash Investing, Capital, and Financing Activities	
Capital appropriations	$216,156
Change in fair market value of investments	($1,270,903)
Capital gifts and grants	$53,172
Disposition of capital assets	($2,238)
Retirement contributions paid by third parties	$231,356

(Concluded)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

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

The University had approximately 6,506 students enrolled during the fall semester of the 2019/2020 academic year and employed approximately 871 employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by GASB.

B. REPORTING ENTITY

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

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

Blended Component Unit

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

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

To obtain the corporation's latest audit report, write to:

- NSU Facilities Corporation, c/o Mr. Terry Braud, Nicholls State University, P.O. Box 2003, Thibodaux, Louisiana 70310

C. BASIS OF ACCOUNTING

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

D. BUDGET PRACTICES

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

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

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

F. NONCURRENT RESTRICTED ASSETS

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

G. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the University's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed $100,000. Any infrastructure exceeding $3 million must be capitalized. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, three to 10 years for most movable property, three years for software with an acquisition cost of $1,000,000 or more, and three to 10 years for internally generated software with development costs of $1,000,000 or more.

H. UNEARNED REVENUES

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

I. COMPENSATED ABSENCES

The University's compensated absences liability is computed in accordance with GASB Codification Section C60.

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

Upon separation of employment, both classified and nonclassified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and nonclassified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows

members of the Louisiana State Employees' Retirement System (LASERS), upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave, which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits.

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

J. NONCURRENT LIABILITIES

Noncurrent liabilities include principal amounts of revenue bonds payable, notes payable, and capital lease obligations with contractual maturities greater than one year; amounts for accrued compensated absences; the University's proportionate shares of the LASERS and Teachers' Retirement System of Louisiana (TRSL) actuarially accrued net pension liability and the actuarially accrued liability for other postemployment benefits (OPEB); and other liabilities that will not be paid within the next fiscal year.

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

K. NET POSITION

The University's net position is classified as follows:

(1) Net Investment in Capital Assets

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

(2) Restricted Net Position – Expendable

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

(3) Restricted Net Position – Nonexpendable

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

(4) Unrestricted Net Position

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

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

L. CLASSIFICATION OF REVENUES AND EXPENSES

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

(1) Operating Revenue

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

(2) Nonoperating revenue

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

(3) Operating expenses

Operating expenses generally include transactions resulting from providing goods or services, such as (a) payments to vendors for goods or services;

(b) payments to employees for services; and (c) payments for employee benefits.

(4) Nonoperating expenses

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

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

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

N. USE OF ESTIMATES

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

O. ADOPTION OF NEW ACCOUNTING PRINCIPLES

For the year ended June 30, 2020, there were no new GASB pronouncements affecting the University's financial statements.

In November 2016, the FASB issued Accounting Standards Update (ASU) 2016-18, Statement of Cash Flows (Topic 230). The update was issued to address diversity in the classification and presentation of changes in restricted cash in the Statement of Cash Flows, and requires that the statement explains the change during the period in the total cash, cash equivalents and restricted cash or cash equivalents. The NSU Facilities Corporation implemented ASU 2016-18 during the fiscal year ended June 30, 2020. The Corporation applied the ASU retrospectively to all periods presented. This adoption has resulted in a reclassification of the beginning balances of investments and restricted cash in these blended financial statements.

2. CASH AND CASH EQUIVALENTS

At June 30, 2020, the University has cash and cash equivalents (book balances) of $26,407,528, as follows:

Demand Deposits	$16,919,679
Certificates of Deposit	2,185,000
Money Market Funds	7,289,793
Petty Cash	13,056
Total Cash	$26,407,528

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, 2020, the University's bank balance totaled $27,181,907.

3. INVESTMENTS

At June 30, 2020, the University has investments totaling $18,295,335 reported on the Statement of Net Position as restricted investments of which $15,917,541 was held by the University's foundation.

Fair Value Measurement

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

(1) Level 1

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

(2) Level 2

Valuations are based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that

are not active, and inputs other than quoted prices that are observable for the asset or liability.

(3) Level 3

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

In addition, certain alternative investments (e.g., hedge funds) may be reported at their net asset values, which do not have readily determinable fair values.

Fair values of assets measured on a recurring basis at June 30, 2020, are as follows:

Description	Totals	Quoted Prices in Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Investments Measured at Net Asset Value
U.S. government securities:					
US Treasury Notes	$1,729,704		$1,729,704		
Money market funds	648,090		648,090		
Investments held by foundations:					
U.S. government securities:					
US Treasury Notes	418,035		418,035		
Federal Home Loan Mortgage Corporation	576,784		576,784		
Federal National Mortgage Association	602,916		602,916		
Other fixed income securities	736,513		736,513		
Mutual funds	953,922		953,922		
Money market accounts	1,073,614	$1,073,614			
Equity funds	2,893,056	1,824,686		$1,068,370	
Common and preferred stock	4,592,891	4,592,891			
Corporate bonds/obligations	2,705,798		2,705,798		
Hedge funds and other alternatives:					
Equity long/short	928,160				$928,160
Multi-strategy	435,852				435,852
Total	$18,295,335	$7,491,191	$8,371,762	$1,068,370	$1,364,012

Fair values for the University's investments categorized in Level 1 (e.g., equity securities, certain mutual funds, money market accounts) have been obtained using quoted prices from active markets in which these securities are traded (e.g., New York Stock Exchange). Fair values for investments categorized in Level 2 (e.g., United States government securities, certain mutual funds, corporate bonds and obligations) have been provided by the university's investment advisors, financial institutions, or other sources and are based on other observable inputs. Fair values for investments categorized in Level 3 have been provided by the university's investment advisors, financial institutions, or other sources and are based on other available information.

Hedge Funds and Other Alternatives

Global Long/short equity funds totaling $928,160 are invested in the ACAP Strategic Fund. This fund has no lockup period; carries a redemption frequency of quarterly tender offers of up to 25% of the fund at the discretion of the board of directors; and specifies a redemption notice period with a paperwork deadline generally 14 days prior to fiscal quarter-end. The equity long/short funds are investments in hedge funds that seek to generate capital appreciation while maintaining a balanced level of risk by investing in a number of long/short equity-based funds and other direct investments. Net asset values of the funds are determined by using the latest unaudited or audited financial statements and performance reports of hedge funds in which the private equity funds are invested. Any listed investments are valued at the last sales price on the date of determination. Any investments not listed are valued at the mean between the last closing and asking prices as reported in the over-the-counter market, if available. Investments with no quotations are valued at their estimated fair values as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

Multi-strategy funds totaling $435,852 are invested in the Hatteras Core Alternatives TEI Fund, L.P. This fund has no lockup period; carries a redemption frequency with anticipated quarterly tender offers at the discretion of the board of directors, subject to an early repurchase fee of 5% if requested within the first 12 months of the investment; and specifies a redemption notice period as the tender window. The multi-strategy funds consist of investments in various funds that use a variety of different investment strategies across a wide range of financial instruments, including but not limited to fixed income securities, equities, mutual funds, futures, forward and option contracts, physical commodities, distressed securities, swaps and other derivative products. The net asset values of some funds use various inputs, including portfolio valuations that are received directly from independent sources. For those assets for which no independent sources are available, the investment managers determine the fair values by other means that may include obtaining appraisals. Some funds use a third party to provide the net asset calculation or rely on the latest unaudited or audited financial statements and performance reports of various investments in which the funds invest. Any listed investments are valued at the last sales price on the date of determination. Fair values for investments with no quotations are estimated at their net asset values calculated by the fund managers.

Investments in these two funds have no unfunded commitments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, the University does not have policies to limit interest rate risk. The University's fixed-income investments and maturities at June 30, 2020, follow:

	Percentage of Investments	Fair Value	Investment Maturities in Years			
			Less Than 1 Year	1-5 Years	6-10 Years	Over 10 Years
US Government Securities:						
US Treasury Notes	9.45%	$1,729,704	$1,534,772	$194,932		
Money Market Funds	3.54%	648,090				
Investments held by foundations:						
US Treasury Notes	2.28%	418,035		418,035		
Federal Home Loan Mortgage Corporation	3.15%	576,784				$576,784
Federal National Mortgage Association	3.30%	602,916				602,916
Other Fixed Income Securities	4.03%	736,513	56,327	680,186		
Mutual Funds	5.21%	953,922				
Money Market Accounts	5.87%	1,073,614				
Equity Funds	15.81%	2,893,056				
Common and Preferred Stock	25.10%	4,592,891				
Corporate Bonds/Obligations	14.79%	2,705,798	34,783	2,048,354	$425,087	197,574
Hedge Funds and Other Alternatives	7.46%	1,364,012				
Totals	100.00%	$18,295,335	$1,625,882	$3,341,507	$425,087	$1,377,274

Custodial Credit Risk

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

Concentration of Credit Risk

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

Credit Risk

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

Rating Agency	Ratings	Fair Value
Standard & Poor's	AAA	$201,004
Standard & Poor's	AA+	3,622,056
Standard & Poor's	AA	200,274
Standard & Poor's	AA-	111,566
Standard & Poor's	A+	87,984
Standard & Poor's	A	561,637
Standard & Poor's	A-	391,147
Standard & Poor's	BBB+	1,061,246
Standard & Poor's	BBB	337,771
Moody's	Aa1	102,745
Moody's	A2	92,320
Unrated		11,525,585
Totals		$18,295,335

4. RECEIVABLES

Receivables, net of an allowance for doubtful accounts, at June 30, 2020, reported on the Statement of Net Position are composed of the following:

	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable	Restricted Portion
Student tuition and fees	$4,584,569	($1,256,412)	$3,328,157	$1,655
Auxiliary enterprises	699,790		699,790	
Federal, state, and private grants and contracts	203,796		203,796	203,796
Insurance recoveries	2,300		2,300	
Other	301,044		301,044	232,116
Total Receivables	$5,791,499	($1,256,412)	$4,535,087	$437,567

5. CHANGES IN CAPITAL ASSETS

Changes in capital assets for the fiscal year ended June 30, 2020, follow:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets not being depreciated:				
Land	$8,788,137			$8,788,137
Construction-in-progress	382,735	$198,656		581,391
Total assets not being depreciated	9,170,872	198,656	NONE	9,369,528
Capital assets being depreciated:				
Infrastructure	8,254,949			8,254,949
Land improvements	4,398,862			4,398,862
Buildings	151,192,917	17,500		151,210,417
Equipment (including library books)	42,336,841	818,762	($999,609)	42,155,994
Total capital assets being depreciated	206,183,569	836,262	(999,609)	206,020,222
Less accumulated depreciation:				
Infrastructure	(3,135,567)	(295,638)		(3,431,205)
Land improvements	(2,897,249)	(153,090)		(3,050,339)
Buildings	(77,086,083)	(4,739,915)		(81,825,998)
Equipment	(29,558,682)	(1,247,316)	997,371	(29,808,627)
Total accumulated depreciation	(112,677,581)	(6,435,959)	997,371	(118,116,169)
Total capital assets, net	$102,676,860	($5,401,041)	($2,238)	$97,273,581

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

6. PAYABLES

Payables and accrued expenses at June 30, 2020, are summarized in the following:

Account Name	
Vendor payables	$293,092
Accrued salaries and payroll deductions	3,331,135
Accrued interest	310,481
Other	63,550
Total payables	$3,998,258

7. COMPENSATED ABSENCES

At June 30, 2020, employees of the University have accumulated vested annual, sick, and compensatory leave, the total balance of which is recorded in the accompanying financial statements and is summarized as follows:

Leave Type	
Annual leave	$1,771,713
Sick leave	2,013,610
Compensatory leave	170,248
Total compensated absences payable	$3,955,571

8. PENSION LIABILITY

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

9. OPTIONAL RETIREMENT SYSTEM

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

10. POSTEMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

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

11. LEASE OBLIGATIONS

Operating Leases

For the year ended June 30, 2020, the total rental expense for all operating leases is $47,512.

Capital Leases

The university had no capital leases.

Lessor - Operating Leases

The University's leasing operations consist primarily of leasing property for providing food services to students; bookstore operations; and office space for postal and banking services and vending operations.

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, 2020:

	Cost	Accumulated Depreciation	Carrying Amount
Office space	$1,787,536	($1,345,156)	$442,380
Buildings	7,657,940	(4,128,084)	3,529,856
Land	457,782		457,782
Total	$9,903,258	($5,473,240)	$4,430,018

Following is a schedule by years of minimum future rentals on non-cancelable operating leases as of June 30, 2020:

Fiscal Year Ending June 30,	Office Space	Buildings	Land	Total
2021	$283,729	$300,000	$15,734	$599,463
2022	123,306	300,000	16,204	439,510
2023	62,149	275,000	1,391	338,540
Total minimum future rentals	$469,184	$875,000	$33,329	$1,377,513

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 buildings for the year ended June 30, 2020, were $714,886.

12. LONG-TERM LIABILITIES

Following is a summary of bond and other long-term debt transactions of the System for the year ended June 30, 2020:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Bonds payable:					
Publicly offered	$8,977,609		($211,777)	$8,765,832	$240,000
Direct placements	43,220,668		(1,825,070)	41,395,598	1,980,000
Bonds payable	52,198,277	NONE	(2,036,847)	50,161,430	2,220,000
Other liabilities:					
Accrued compensated absences payable	3,764,383	$526,697	(335,509)	3,955,571	390,450
Total other liabilities	3,764,383	526,697	(335,509)	3,955,571	390,450
Total	$55,962,660	$526,697	($2,372,356)	$54,117,001	$2,610,450

Details of all debt outstanding at June 30, 2020, follow:

Issue	Date of Issue	Original Issue	Beginning Principal Outstanding	Issued (Redeemed)	Ending Principal Oustanding	Maturities	Interest Rates	Ending Interest Outstanding
Publicly Offered								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Self-Assessed Fees - Series 2010	December 15, 2010	$10,860,000	$9,420,000	($230,000)	$9,190,000	2041	4.13%	$5,924,025
Subtotal		10,860,000	9,420,000	(230,000)	9,190,000			
Discounts			(98,626)	4,303	(94,323)			
Bond issuance and insurance costs			(343,765)	13,920	(329,845)			
Total Publicly Offered		$10,860,000	$8,977,609	($211,777)	$8,765,832			$5,924,025
Direct Placements								
NSU Facilities Corporation (blended component unit):								
Louisiana Local Government Environmental Facilities and Community Development Authority:								
Student Revenue Housing - Series 2007 B	August 23, 2007	$32,380,000	$32,380,000		$32,380,000	2039	4.49%	$18,573,421
Streets and Parking Revenue Bonds - Series 2016 A	February 16, 2016	1,975,000	1,295,000	($200,000)	1,095,000	2025	2.30%	76,475
Cafeteria and Student Union Revenue Bonds - Series 2016 B	February 16, 2016	4,000,000	3,145,000	(235,000)	2,910,000	2030	3.71%	625,877
Student Revenue Housing - Series 2017	December 1, 2017	10,605,000	7,840,000	(1,480,000)	6,360,000	2024	2.86%	461,175
Subtotal - Direct Placements		48,960,000	44,660,000	(1,915,000)	42,745,000			
Bond issuance and insurance costs			(1,439,332)	89,930	(1,349,402)			
Total Direct Placements		$48,960,000	$43,220,668	($1,825,070)	$41,395,598			$19,736,948

Annual requirements to amortize all University bonds outstanding at June 30, 2020, follow:

	Publicly Offered		Direct Placements/Borrowings	
	Principal	Interest	Principal	Interest
2021	$240,000	$445,400	$1,980,000	$1,856,330
2022	250,000	434,975	2,035,000	1,798,795
2023	265,000	423,388	2,095,000	1,739,631
2024	275,000	411,237	2,307,500	1,591,267
2025	290,000	398,525	2,287,083	1,524,230
2026-2030	1,670,000	1,766,750	11,825,417	6,499,340
2031-2035	2,145,000	1,293,125	11,687,084	3,642,927
2036-2040	2,745,000	684,375	8,527,916	1,084,428
2041-2045	1,310,000	66,250		
Subtotal	9,190,000	5,924,025	42,745,000	19,736,948
Unamortized Discount/ Premium/Issuance Costs	(424,168)		(1,349,402)	
Total	$8,765,832	$5,924,025	$41,395,598	$19,736,948

Following are the debt service reserve requirements of the various bond issues outstanding at June 30, 2020:

Bond Issue	Reserves Available	Reserve Requirement	Excess/ (Deficiency)
NSU Facilities, Inc.			
Publicly Offered:			
Revenue Bonds, Series 2010	$689,392	$689,750	($358)
Direct Placement:			
Revenue Bonds, Series 2017	3,281,090	3,275,945	5,145
Total	$3,970,482	$3,965,695	$4,787

13. REFUNDING OF BONDS

Not applicable.

14. INTEREST RATE SWAP AGREEMENT

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

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

Objective of the Swap: In order to hedge interest rate exposure on the Bonds at the request of the Corporation, the Authority entered into an interest rate swap (Swap) with Morgan Keegan Financial Products, Inc. (Original Provider). The Swap was originally effective as of August 15, 2007, and was subsequently amended on June 20, 2008, as more fully described in the Master Agreement, Schedule to the Master Agreement, Replacement Transaction Agreement and Confirmation dated August 15, 2007, and the Amended Confirmation dated June 20, 2008 (Original Swap Documents). In connection with the remarketing of the Bonds, and pursuant to the terms of the Replacement Transaction Agreement, the Original Provider has assigned its rights under the Original Swap Documents to Deutsche Bank AG, New York Branch (Replacement Provider) and the Original Swap Documents were amended pursuant to an Amended and Restated Confirmation (Amended and Restated Confirmation and, together with the Original Swap Documents, the Swap Documents) between the Authority and the Replacement Provider.

Corporation Liable for Swap Payments: The Corporation is liable to the Authority to make Swap payments and Bond debt service payments pursuant to the terms of the transaction documents. Any amounts owed by the Authority to the Replacement Provider of the Swap are obligations of the Corporation.

Terms: Under the amended terms of the Swap since December 9, 2017, the Authority pays a fixed rate of 5.622%, and the Replacement Provider pays a variable rate equal to 70% of the one month London Interbank Offered Rate (LIBOR) plus 1.50% beginning January 2, 2018, through June 1, 2039, all as more fully described in the Swap Documents.

LIBOR Phase Out: As a result of widespread market manipulation by banks which provide quotes for determining the LIBOR index, LIBOR is being phased out and will likely not be quoted beyond the end of 2021. In response, the Federal Reserve Board and the Federal Reserve Bank of New York created the Alternative Reference Rate Committee, which in 2017 announced that the Secured Overnight Financing Rate (SOFR) had been chosen as the recommended but not mandatory primary replacement index for LIBOR. Both the Swap and the Bonds have variable interest rates based on LIBOR. As of June 30, 2020, the Authority has not yet determined the replacement index for the Swap with the Replacement Provider nor the replacement index for the Bonds with the Bondholder.

Fair Value: The fair value of the Swap agreement as of June 30, 2020, which was provided by Sisung Securities Corporation, was $14,173,000 in favor of the Replacement Provider.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2020, the Authority is not exposed to credit risk because the Swap has a negative fair value. However, should interest rates change and the fair value of the Swap becomes positive, the Authority would be exposed to credit risk in the amount of the Swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a Swap and the associated debt are based on different indexes. Under the Swap, the floating rate paid to the Authority by the Replacement Provider is based on the same floating rate index as the Bonds (70% of one month LIBOR). Therefore, the Authority is not presently exposed to basis risk on the Swap. As part of the phase out of LIBOR, it is possible that the replacement index for the Bonds could be different than the replacement index for the Swap, which would result in basis risk for the Authority. As of June 30, 2020, the Corporation expects to seek to use the same replacement index for the Swap and the Bonds, thereby removing any basis risk, and to direct the Authority to enter into such documents necessary for the implementation thereof. However, the Corporation cannot provide any assurances as to the timing of implementing such replacement index for the Swap or the Bonds, nor the willingness of the Bondholder and the Replacement Provider to voluntarily agree to use the same index. During any time period, temporary or permanent, that the underlying index for the Swap is different than the underlying index for the Bonds, the Authority would be subject to basis risk.

Termination Risk: The Authority or the Replacement Provider may terminate the Swap if the other party fails to perform under the terms of the contract. The Swap may be terminated if either party fails to make payment when due; breaches the Swap Documents; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the Swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination of the Swap has a negative fair value, the Authority would be liable to the Replacement Provider for a payment equal to the Swap's fair value.

Rollover Risk: Rollover risk is the risk that the Swap does not extend to the maturity of the associated debt. The Authority is not exposed to rollover risk because the Swap terminates in conjunction with the maturity of the associated bond. The Swap terminates, and the Bonds mature, on June 1, 2039.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the Bonds are outstanding. The Authority entered into this fixed rate Swap agreement to mitigate interest risk associated with the underlying variable rate Bonds.

15. REVENUE USED AS SECURITY FOR REVENUE BONDS

Not applicable.

16. RESTATEMENT OF BEGINNING NET POSITION

Not applicable.

17. RESTRICTED NET POSITION

The University has the following restricted expendable net position at June 30, 2020:

Account Title	Amount
Endowments	$718,834
Student Fees	2,085,454
Auxiliary Enterprises	285,608
Grants and Contracts	3,630,822
Maintenance Reserves	5,898,569
Capital Construction/Plant Projects	2,000,000
Debt Service/Retirement of Indebtedness	1,165,718
Scholarships	272,579
Gifts - Restricted by Donors	163,754
Total expendable	$16,221,338

Of the total net position reported on Statement A for the year ended June 30, 2020, $4,000,409, was restricted by enabling legislation.

The University's restricted nonexpendable net position totaling $17,228,900 as of June 30, 2020, was comprised entirely of endowment funds.

Donor Restricted Endowments

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

At June 30, 2020, the University reported restricted-expendable net appreciation of endowments totaling $718,834, of which $437,223 is available to be spent for restricted purposes. The System limits endowment spending to the income earned in a given year for purposes specified by donors. The donated portion of the endowments is reported in restricted net position - nonexpendable in the Statement of Net Position; the endowment income is reported in restricted net position - expendable.

18. CONDENSED FINANCIAL INFORMATION

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

Statement of Net Position	NSU Facilities Corporation
Assets:	
Current assets	$57,256
Capital assets	43,667,581
Other assets	7,284,502
Total assets	$51,009,339
Liabilities:	
Current liabilities	$2,530,482
Long-term liabilities	67,478,763
Total liabilities	$70,009,245
Net Position:	
Net investment in capital assets	($2,528,154)
Restricted net position - expendable	3,318,806
Unrestricted net position	(19,790,558)
Total net position	($18,999,906)

Statement of Revenues, Expenses, and Changes in Net Position	NSU Facilities Corporation
Operating revenues	$5,924,471
Operating expenses	(67,481)
Depreciation expense	(3,648,031)
Net operating income	2,208,959
Nonoperating revenues (expenses):	
Investment income	78,551
Interest expense	(2,761,243)
Other (net)	(3,797,000)
Changes in net position	(4,270,733)
Net position beginning of the year	(14,729,173)
Net position end of the year	($18,999,906)

Statement of Cash Flows	
Net cash flows provided (used) by:	
Operating Activities	$2,943,623
Capital and Related Financing Activities	(2,145,000)
Net increase in cash	798,623
Cash, beginning of the year, restated	6,485,879
Cash end of the year	$7,284,502

19. FUNCTIONAL VERSUS NATURAL CLASSIFICATION OF EXPENSES

Function	Employee Compensation	Benefits	Utilities	Supplies and Services	Scholarships and Fellowships	Depreciation	Totals
Instruction	$20,269,490	$7,844,662		$1,765,238			$29,879,390
Research	687,865	160,160		320,960			1,168,985
Public Service	808,651	285,896		116,510			1,211,057
Academic Support	3,893,053	1,533,974		1,937,184			7,364,211
Student Services	2,970,654	982,559	$93,970	1,595,618			5,642,801
Institutional Support	5,372,512	2,005,224		1,510,695			8,888,431
Operations and Maintenance of Plant	1,816,208	1,009,506	1,895,192	2,680,413			7,401,319
Depreciation						$6,435,959	6,435,959
Scholarships and Fellowships					$8,629,081		8,629,081
Auxiliary Enterprises	4,509,433	1,285,839	967,183	6,723,359	1,852,951		15,338,765
Other				149,202			149,202
Total operating expenses	$40,327,866	$15,107,820	$2,956,345	$16,799,179	$10,482,032	$6,435,959	$92,109,201

20. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies such as guaranty of mortgage loans on sorority and fraternity houses are considered State liabilities and are paid upon appropriation by the Legislature and not the university. Therefore, the University, through its legal advisors, estimates that potential claims not covered by insurance would not materially affect the financial statements. In addition, the University had not incurred any claims and/or litigation cost in the current year. Other losses of the University arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The Office of Risk Management insures all of these lawsuits.

21. ON-BEHALF PAYMENTS FOR SALARIES AND FRINGE BENEFITS

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

The amount of on-behalf payments for salaries and fringe benefits included in the accompanying financial statements for the fiscal year ended June 30, 2020, was $392,098, which includes $231,356 for contributions to the TRSL pension plan from non-employer contributing entities.

22. FOUNDATIONS

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

Nicholls State University Foundation
Nicholls Alumni Federation

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

23. DEFERRED COMPENSATION PLAN

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

24. COOPERATIVE ENDEAVOR AGREEMENTS

Not applicable.

25. SUBSEQUENT EVENTS

On August 13, 2020, the Southland Athletic Conference announced that the Conference was postponing all Fall 2020 sports for its member universities, of which Nicholls State University is a member. The Conference's current plans are to play these sports in Spring 2021. Therefore, the impact on the University's revenues and expenses is not known at the current time.

While the educational functions of the university have continued uninterrupted to this point, it is possible that the continuing global pandemic may cause the cancellation of other extracurricular activities. The potential impact that this may have on university revenues and expenses is not known at this time.