LSU FOUNDATION

Consolidated Financial Statements

June 30, 2023

LSU FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
LSU Foundation
Baton Rouge, Louisiana

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LSU Foundation (the “Foundation"), which comprise the consolidated statement of financial position as of June 30, 2023, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LSU Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the LSU Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The consolidated financial statements of LSU Foundation as of and for the year ended June 30, 2022, were audited by other auditors whose report dated October 7, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the LSU Foundation’s ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
October 9, 2023

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

A S S E T S

	2023	2022
CURRENT ASSETS		
Cash and cash equivalents	$ 27,795,841	$ 35,901,122
Restricted cash	102,827,727	48,899,156
Accrued interest receivable	686,720	377,579
Accounts receivable, net	1,263,112	1,168,440
Current portion of unconditional promises to give, net	25,235,987	23,327,225
Other current assets	141,635	172,235
Total current assets	157,951,022	109,845,757
NONCURRENT ASSETS		
Restricted assets:		
Investments	667,094,972	658,203,924
Assets held in split-interest agreements	2,410,285	2,482,810
Beneficial interest in split-interest agreements	2,655,482	2,657,731
Investment in partnership	11,797,005	12,390,741
Unconditional promises to give, net	39,962,901	43,321,901
Property and equipment, net	38,765,291	33,968,754
Right of use asset	169,338	-
Other noncurrent assets	1,118,546	1,067,312
Total noncurrent assets	763,973,820	754,093,173
Total Assets	$ 921,924,842	$ 863,938,930

The accompanying notes are an integral part of these consolidated financial statements.

LIABILITIES AND NET ASSETS

		2023		2022
CURRENT LIABILITIES				
Accounts payable and accrued liabilities	$	5,690,719	$	4,313,695
Current portion of funds held in custody for others		19,758,286		19,346,275
Compensated absences payable and other payroll liabilities		556,623		524,334
Current portion of notes payable		519,557		511,656
Current portion operating lease liability		23,667		-
Total current liabilities		26,548,852		24,695,960
NONCURRENT LIABILITIES				
Funds held in custody for others, net of current portion		119,009,785		118,151,747
Refundable advances		1,164,277		2,061,381
Operating lease liability, less current portion		139,115		-
Notes payable, less current portion		12,988,244		13,495,027
Total noncurrent liabilities		133,301,421		133,708,155
Total liabilities		159,850,273		158,404,115
NET ASSETS				
Without donor restrictions		60,655,285		58,808,311
With donor restrictions		701,419,284		646,726,504
Total net assets		762,074,569		705,534,815
Total Liabilities and Net Assets	$	921,924,842	$	863,938,930

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
Changes in net assets without donor restrictions:		
Contributions	$ 1,086,368	$ 2,147,845
Service fees	1,525,532	1,481,720
Development services agreement	3,200,000	3,200,000
Earnings allocation, net	519,683	(1,506,328)
Other revenues	7,276,447	5,845,844
	13,608,030	11,169,081
Net assets released from donor restrictions	45,760,272	39,987,816
Total revenues and other support without donor restrictions	59,368,302	51,156,897
Program expenses	41,875,955	38,267,598
Supporting services:		
Management and general	7,917,664	6,814,228
Fundraising	7,727,709	7,228,770
Total expenses	57,521,328	52,310,596
Change in net assets without donor restrictions	1,846,974	(1,153,699)
Changes in net assets with donor restrictions:		
Contributions	48,807,015	109,389,404
Earnings allocation	51,603,432	(39,600,680)
Changes in value of split-interest agreements	42,605	(1,338,509)
Total revenues with donor restrictions	100,453,052	68,450,215
Net assets released from donor restrictions	(45,760,272)	(39,987,816)
Change in net assets with donor restrictions	54,692,780	28,462,399
Change in net assets	56,539,754	27,308,700
Net assets - beginning of year	705,534,815	678,226,115
Net assets - end of year	$ 762,074,569	$ 705,534,815

The accompanying notes are an integral part of these consolidated financial statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2023 AND 2022

	Year ended June 30, 2023			
	Program Services	Management and General	Fundraising	Total
University support	$ 31,905,914	$ -	$ -	$ 31,905,914
Salaries and benefits	55,675	3,798,331	6,189,107	10,043,113
Office operations	2,559,105	2,244,821	493,823	5,297,749
Meetings and development	3,112,076	44,237	480,278	3,636,591
Professional services	2,504,555	664,614	46,905	3,216,074
Travel	1,229,402	6,114	18,848	1,254,364
Depreciation	47,294	889,674	229,759	1,166,727
Dues and subscriptions	232,382	49,828	131,015	413,225
Occupancy	229,552	220,045	137,974	587,571
	$ 41,875,955	$ 7,917,664	$ 7,727,709	$ 57,521,328

	Year ended June 30, 2022			
	Program Services	Management and General	Fundraising	Total
University support	$ 30,967,005	$ -	$ -	$ 30,967,005
Salaries and benefits	73,588	3,097,056	5,909,497	9,080,141
Office operations	2,960,862	2,044,231	425,281	5,430,374
Meetings and development	2,007,226	52,806	423,279	2,483,311
Professional services	1,200,905	505,885	47,437	1,754,227
Travel	655,497	4,351	5,509	665,357
Depreciation	106,548	918,815	212,405	1,237,768
Dues and subscriptions	197,724	40,081	116,059	353,864
Occupancy	98,243	151,003	89,303	338,549
	$ 38,267,598	$ 6,814,228	$ 7,228,770	$ 52,310,596

The accompanying notes are an integral part of these consolidated financial statements.

LSU FOUNDATION
BATON ROUGE, LOUISIANA

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received for operations	$ 45,724,062	$ 65,862,044
Service fees, investment advisory fees, and other receipts	13,448,315	13,231,624
Interest and dividends received	4,940,358	4,231,343
Grants paid to benefit Louisiana State University	(30,295,729)	(28,490,103)
Cash paid for supporting services	(22,548,903)	(18,848,144)
Interest paid	(517,661)	(540,248)
Net cash provided by (used in) operating activities	10,750,442	35,446,516
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,573,449)	(4,170,814)
Proceeds from sales of property and equipment	-	649,729
Purchases of investments	(124,455,865)	(201,940,682)
Proceeds from sales and maturities of investments	163,074,774	142,220,826
Net cash provided by (used in) investing activities	31,045,460	(63,240,941)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment purposes	4,153,325	7,909,539
Principal payments on notes payable	(498,882)	(487,135)
Increase (decrease) in amounts held in custody	1,270,049	(11,489,996)
Net change in refundable advances and deferred revenues	(897,104)	211,628
Net cash provided by (used in) financing activities	4,027,388	(3,855,964)
Net change in cash and cash equivalents	45,823,290	(31,650,389)
Cash and cash equivalents - beginning of the year	84,800,278	116,450,667
Cash and cash equivalents - end of the year	$ 130,623,568	$ 84,800,278

RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENTS OF FINANCIAL POSITION

	2023	2022
Cash and cash equivalents	$ 27,795,841	$ 35,901,122
Restricted cash	102,827,727	48,899,156
	$ 130,623,568	$ 84,800,278

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and purpose

The LSU Foundation (the "Foundation") is a non-profit organization which was organized to promote the educational and cultural welfare of the Louisiana State University and Agricultural and Mechanical College and the Louisiana State University Agricultural Center, herein collectively referred to as "the University," by accepting contributions for the purpose of scholarships, academic support, research support, and other designated projects for the benefit of the University.

Consolidation

The Foundation elects all of the members of the LSU Property Foundation's board of directors and, therefore, is considered to have a majority voting interest in the LSU Property Foundation's board. The LSU Property Foundation is the sole member of the LSU Museum, LLC, the Foundation Office Building, LLC, and the Nicholson Gateway Project, LLC. The LSU Property Foundation was the sole member of the Veterans Center, LLC which was dissolved during the year ended June 30, 2022.

The Foundation is considered to have a majority voting interest in the LSU Real Estate and Facilities Foundation ("LSU REFF"), a supporting organization of the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College and the LSU Foundation. LSU REFF is the sole member of the Greenhouse District Project, LLC, Recital Hall, LLC, Hilltop Arboretum Projects, LLC, Geology Field Camp, LLC, Burden Museum and Gardens, LLC, LSU-A Student Service Building, LLC, LSU-A Allied Health Facility, LLC, Bengal Village, LLC, Charity Hospital Redevelopment, LLC, University Lakes, LLC, Mobility Transit, LLC, ULS, LLC, Pilots Pointe, LLC, BSL3 Lab, LLC, HPL Fieldhouse, LLC, Utilities Modernization, LLC, LSU-A Development, LLC, and HSC-NO Property Redevelopment, LLC. LSU REFF was the sole member of Memorial Tower Plaza, LLC which was dissolved during the year ended June 30, 2022.

As such, the consolidated financial statements of the Foundation include the accounts of the LSU Foundation, Cook Legacy, LLC, whose sole member is the LSU Foundation, the LSU Property Foundation, those LLCs for which the LSU Property Foundation is the sole member, the LSU Real Estate and Facilities Foundation, and the LLCs for which the LSU Real Estate and Facilities Foundation is the sole member.

All significant intercompany accounts and transactions have been eliminated in consolidation.

1. Summary of Significant Accounting Policies (continued)

Basis of accounting

The consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The FASB has established the Accounting Standards Codification ("ASC") as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - net assets available for general use and not subject to donor restrictions.

Net assets with donor restrictions - net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature which may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

As of June 30, 2023 and 2022, the Foundation's net assets with donor restrictions are restricted for funding chairs and professorships, scholarships and fellowships, academic support and development, capital outlay and improvements, research support, and institutional support programs specified by the donors.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

The Foundation reports gifts of land, buildings, equipment, and other assets as revenues without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as revenue with donor restrictions. The Foundation reports expirations of donors' restrictions when the donated or acquired long-lived assets are placed in service.

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 reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

1. Summary of Significant Accounting Policies (continued)

Cash and cash equivalents

The Foundation considers all highly liquid investments with maturities of three months or less at the date of acquisition to be cash equivalents. Cash and cash equivalents includes treasury securities of approximately $24,400,000 at June 30, 2023. Restricted cash represents amounts set aside to fund restrictions imposed by donors.

The Foundation, at times, may have deposits in excess of FDIC insured limits. Management, however, believes the credit risk associated with these deposits is minimal.

Investments

Investments in equity securities with readily determinable fair values and investments in debt securities are recorded at fair value based on quoted market prices. Investments in non-exchange traded debt and equity instruments are valued using independent pricing services or by broker/dealers who actively make markets in these securities.

Investments managed by external advisors include investments in limited partnerships and commingled funds. The majority of these external investments are not readily marketable and are reported at fair value utilizing the most current information provided by the external advisor, subject to assessments that the information is representative of fair value and in consideration of any additional factors deemed pertinent to the fair value measurement. If situations occur where the information provided by the external advisor is deemed to not be representative of fair value as of the measurement date, management evaluates specific features of the investment and utilizes supplemental fair value information provided by the external advisor along with any relevant market data to estimate the investment's fair value.

Fair value is based on a combination of information obtained from independent appraisals and/or one or more industry standard valuation techniques (e.g., income approach, market approach or cost approach). The income approach is primarily based on the investment's anticipated future income using one of two principal methods, the discounted cash flow method or the capitalization method. Inputs and estimates developed and utilized in the income approach may be subjective and require judgment regarding significant matters such as estimating the amount and timing of future cash flows and the selection of discount and capitalization rates that appropriately reflect market and credit risks. The market approach derives investment value through comparison to recent and relevant market transactions with similar investment characteristics. The cost approach is utilized when the cost or the replacement cost amounts are determined to be the best representation of fair value. This method is typically used for newly purchased or undeveloped assets. These values are determined under the direction of, and subject to review by, the Foundation's management.

Dividend, interest, and other investment income is recorded as an increase in net assets with or without donor restrictions depending on donor stipulations.

Donated investments are recorded at their fair value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method. Realized gains and losses are recognized in the Foundation's current operations.

1. Summary of Significant Accounting Policies (continued)

Fair values of financial instruments

The Foundation's financial instruments, excluding investments which are described in Note 2 and split-interest agreements which are recorded at estimated fair value, include cash and cash equivalents and unconditional promises to give. The Foundation estimates that the fair values of all these financial instruments at June 30, 2023 and 2022, do not differ materially from the aggregate carrying values of these financial instruments recorded in the accompanying consolidated statements of financial position.

Contributions

Contributions received are recorded as support with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is met), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities and changes in net assets as net assets released from restrictions.

Promises to give

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at their realizable value if they are expected to be collected in one year and at their fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. An allowance for doubtful accounts has been established based on management's assessment of collectability.

Refundable advances

The Foundation has received contributions that are deemed revocable until spent. The Foundation has outstanding refundable advances of $1,164,277 and $2,061,381, at June 30, 2023 and 2022, respectively.

Property and equipment

Purchased property and equipment is recorded at cost. Property and equipment donated to the Foundation is recorded at its fair value at the date of donation which is then treated as cost. Depreciation is provided over the estimated useful lives, which range from 5 to 25 years, of exhaustible assets on a straight-line basis. Inexhaustible assets, such as artwork and collections, are not depreciated. These inexhaustible assets are evaluated for impairment.

Funds held in custody for others

The Foundation considers all state matching funds and unexpended income from these funds to be funds held in custody for others. Additionally, amounts held for other LSU affiliated foundations and liabilities associated with charitable gift annuities and charitable remainder trusts are also reported as funds held in custody for others. All funds held in custody are recorded in the consolidated statements of financial position at their estimated fair market values.

1. Summary of Significant Accounting Policies (continued)

Split-interest agreements

The Foundation is the beneficiary of various charitable gift annuities. Charitable gift annuities are arrangements between a donor and an organization in which the donor contributes assets to the organization in exchange for a promise by the organization to pay a fixed amount for a specified period of time to the donor or other parties designated by the donor. The assets received are recorded at fair value and reported as assets held in split-interest agreements on the consolidated statements of financial position. When the annuity is initially executed, the difference between the fair value of assets received and the present value of the annuity payment liability is reported as contribution revenue in the consolidated statements of activities and changes in net assets. On an annual basis, the annuity payment liability is revalued using present value techniques and actuarial assumptions, including applicable mortality tables. Changes in the present value of the annuity payment liability are reported in the consolidated statements of activities and changes in net assets as a change in the value of split-interest agreements. The present value of the liability is included in the consolidated statements of financial position as funds held in custody for others.

Leases

In February 2016, the FASB issued guidance as ASC 842, *Leases*, to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial condition. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. The Foundation adopted the standard and recognized and measured leases existing at, or entered into after July 1, 2022, using the modified retrospective approach, with certain practical expedients available. The adoption of ASC 842 did not result in any adjustments to net assets or changes in the timing or amounts of lease costs. Comparable periods continue to be presented under the guidance of the previous standard.

The Foundation determines if an arrangement is a lease at the inception of the contract. For leases with terms greater than twelve months, ROU assets and lease liabilities are recognized at the contract commencement date based on the present value of lease payments over the lease term. ROU assets represent the Foundation's right to use the underlying asset for the lease term. Lease liabilities present the Foundation's obligation to make lease payments arising from these contracts. The Foundation uses a risk-free rate, which is derived from information available at the lease commencement date, in determining the present value of lease payments. The Foundation's operating leases in effect prior to July 1, 2022, were recognized at the present value of the remaining payments on the remaining lease term as of July 1, 2022.

Lease terms may include options to extend or terminate the lease when it is reasonably certain that such options will be exercised. The estimated useful life of ROU assets is limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. The Foundation's lease agreements generally do not contain any material residual value guarantees, restrictions or covenants.

The Foundation has elected to apply the short-term lease exemption to all classes of assets where leases that have a term of 12 months or less are excluded from the measurement of the right-of-use asset and lease liability.

1. Summary of Significant Accounting Policies (continued)

Compensated absences

The Foundation records a liability for accrued and unused vacation of its employees. The balances in accrued and unused vacation and other payroll liabilities totaled $556,623 and $524,334 at June 30, 2023 and 2022, respectively.

Functional expenses

The costs of providing program and other activities have been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. Accordingly, certain costs have been allocated among program, management and general, and fundraising. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Occupancy	Full time equivalent
Depreciation	Full time equivalent
Office operations - insurance	Full time equivalent
Office operations - telecommunications	Full time equivalent

Income taxes

The LSU Foundation, the LSU Property Foundation, and the LSU Real Estate and Facilities Foundation operate as public charities under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are exempt from federal and state income taxes and the excise tax which applies to certain foundations.

The Foundation accounts for income taxes in accordance with the accounting guidance included in the Accounting Standards Codification (ASC). The Foundation recognizes the effect of income tax positions only if the positions are more likely than not of being sustained. Recognized income tax positions are recorded at the largest amount that is greater than fifty percent likely of being realized. Changes in the recognition or measurement are reflected in the period in which the change in judgment occurs.

The Foundation has evaluated its position regarding the accounting for uncertain income tax and does not believe that it has any material uncertain tax positions at June 30, 2023.

Reclassification

Certain reclassifications have been made to the consolidated financial statements and footnotes as of and for the year ended June 30, 2022, in order for them to conform to the current year presentation.

2. Investments

Investments in debt and equity securities with readily determinable fair values are stated at their estimated fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for further discussion of fair value measurements.

The Foundation segregates its investments into four separate pools based on donor-imposed restrictions and internal designations and has established separate investment strategies for these pools. Investment earnings are allocated to net assets with or without donor restrictions based on donor restrictions for certain permanently endowed funds on policies approved by the Board of Directors for certain non-endowed funds. The Foundation employs a unitized method of accounting for pooled endowed investments. Each participating fund enters into and withdraws from the pooled investment account based on monthly unit values. Monthly unit values reflect changes in the fair value of investments within the investment pool. A spending allocation approved by the Board of Directors is made each year to the funds on a per unit basis.

The asset allocation of the Foundation's portfolio involves exposure to a diverse set of markets which involve various risks such as interest rate risk, market risk, and credit risk. The Foundation believes that the value of its investments may, from time to time, fluctuate substantially as a result of these risks. The Foundation has also entered into agreements with private equity and real estate partnerships. See Notes 3 and 15 for cash commitments relating to these investments.

Investments consisted of the following at June 30, 2023 and 2022:

	2023	2022
Government agency obligations	$ 84,357,551	$ 71,585,020
Corporate obligations	16,169,078	17,125,231
Common stocks	6,101,765	5,070,135
Mutual funds	172,807,090	183,277,557
Commingled funds	127,828,215	138,245,102
Hedge funds	118,781,899	104,335,353
Municipal obligations	3,063,289	3,709,702
Private equity	105,008,427	101,655,599
Separately managed accounts	32,823,574	33,046,141
Royalty interests	154,084	154,084
	$ 667,094,972	$ 658,203,924

From time to time, the fair value of assets associated with donor-restricted endowment funds may fall below corpus. There were no significant deficiencies of this nature at either June 30, 2023 or 2022.

3. Fair Value of Financial Instruments

In accordance with the *Fair Value Measurements and Disclosure* topic of the FASB ASC, disclosure of fair value information about financial instruments is required. Fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instruments; therefore, the aggregate fair value amounts presented do not necessarily represent the underlying value of the Foundation.

The fair value guidance provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

Fair value hierarchy

The ASC topic on *Fair Value Measurements and Disclosures* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1 - inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 - inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. Fair Values of Financial Instruments (continued)

The Foundation utilizes several externally managed funds for private equity, venture capital, and hedge funds, and with these types of investments, quoted prices are often unavailable, and pricing inputs are generally unobservable. Investments classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. In certain instances, several valuation techniques are utilized by external managers (e.g. the market approach or the income approach) for which sufficient and reliable data is available. The use of the market approach generally consists of using comparable market transactions, while the use of the income approach generally consists of the net present value of estimated future cash flows, adjusted as appropriate for liquidity, credit, market and/or other risk factors. In circumstances in which net asset value per share of an investment is determinative of fair value, the manager is permitted, as a practical expedient, to estimate the fair value of an investment in an investment company using the net asset value per share of the investment (or its equivalent) without further adjustment, if the net asset value per share of the investment is determined in accordance with the specialized accounting guidance for Investment Companies as of the reporting entity's measurement date. The application of those valuation procedures and methodologies are borne out in each manager's compliant annual audited financial statements and were monitored through the Foundation's reporting periods ended June 30, 2023, and 2022.

Level 3 valuation techniques

Although direct valuation techniques and methodologies for Level 3 assets are not completed internally, Foundation staff and the Foundation's outsourced chief investment officer conduct ongoing monitoring and review of managers to ensure that reporting and valuation techniques are in accordance with industry standards and best practices. Capital statements, performance, and pertinent news regarding changes in management are scrutinized as an internal part of the due diligence process prior to hiring a manager. These same elements are monitored on an on-going basis, as a matter of regular business practice, following the hiring of a manager. Level 3 asset types for which this due diligence process and focused monitoring are applied internally are commingled funds, hedge funds, other private equity, and commodities and natural resources.

The valuation process conducted internally for those Level 3 assets categorized as beneficial interests in split-interest agreements primarily entails a calculation of the present value of proceeds expected to be received in accordance with the terms of the agreement. Each agreement is reviewed by management to determine the amount of any contractual and/or estimated payments to income beneficiaries using available actuarial data. The present value is calculated using an assumed rate of risk as recommended by the Foundation's Controller in conjunction with actuarial data tables published by the Social Security Administration.

3. Fair Values of Financial Instruments (continued)

The following tables set forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023 and 2022:

	Level 1	Level 2	Level 3	Totals
June 30, 2023:				
Government agency obligations	$ -	$ 9,770,064	$ -	$ 9,770,064
U.S. Treasury securities	74,587,487	-	-	74,587,487
Municipal obligations	-	3,063,289	-	3,063,289
Corporate obligations	-	16,169,078	-	16,169,078
Common stocks	6,101,765	-	-	6,101,765
Mutual funds:				
Domestic equity	95,789,190	-	-	95,789,190
Developed foreign equity	14,218,398	-	-	14,218,398
Core fixed income	62,799,502	-	-	62,799,502
Annuity and trust funds held by agent	2,410,285	-	-	2,410,285
Beneficial interest in split-interest Agreements	-	-	2,655,482	2,655,482
Royalty interests	-	-	154,084	154,084
	$ 255,906,627	$ 29,002,431	$ 2,809,566	287,718,624
Commingled funds (including hedge funds measured at net asset value) (*a*)				246,610,114
Private market investments measured at net asset value (*a*)				105,008,427
Other investments measured at net asset value (including separately managed accounts) (*a*)				32,823,574
				$ 672,160,739
June 30, 2022:				
Government agency obligations	$ -	$ 10,158,150	$ -	$ 10,158,150
U.S. Treasury securities	61,426,870	-	-	61,426,870
Municipal obligations	-	3,709,702	-	3,709,702
Corporate obligations	-	17,125,231	-	17,125,231
Common stocks	5,070,135	-	-	5,070,135
Mutual funds:				
Domestic equity	84,473,115	-	-	84,473,115
Developed foreign equity	12,169,206	-	-	12,169,206
Core fixed income	86,635,236	-	-	86,635,236
Annuity and trust funds held by agent	2,482,810	-	-	2,482,810
Beneficial interest in split-interest Agreements	-	-	2,657,731	2,657,731
Royalty interests	-	-	154,084	154,084
	$ 252,257,372	$ 30,993,083	$ 2,811,815	286,062,270
Commingled funds (including hedge funds measured at net asset value) (*a*)				242,580,455
Private market investments measured at net asset value (*a*)				101,655,599
Other investments measured at net asset value (including separately managed accounts) (*a*)				33,046,141
				$ 663,344,465

(a) - In accordance with Subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

3. Fair Values of Financial Instruments (continued)

The following tables present the nature, characteristics and risks of investments measured at net asset value and whether the investments, if sold, are probable of being sold at amounts different from net asset value per share or its equivalent.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
June 30, 2023:				
Commingled funds	$ 93,716,346	$ -	quarterly or less	≤ 90 days
Commingled funds	34,111,868	-	longer than quarterly	≤ 90 days
Hedge funds:				
Long/short equity	122,632	-	longer than quarterly	≤ 90 days
Event driven	17,749,485	-	longer than quarterly	≤ 90 days
Multi-strategy	14,676,039	-	longer than quarterly	≤ 90 days
Multi-strategy	86,233,744	-	quarterly or less	≤ 90 days
Total commingled and hedge funds	246,610,114	-		
Private markets	105,008,427	49,692,134	*	
Other	32,823,574	-	quarterly or less	≤ 90 days
Total	$ 384,442,115	$ 49,692,134		
June 30, 2022:				
Commingled funds	$ 104,640,653	$ -	quarterly or less	≤ 90 days
Commingled funds	33,604,448	-	longer than quarterly	≤ 90 days
Hedge funds:				
Long/short equity	79,286	-	longer than quarterly	≤ 90 days
Long/short equity	2,864,083	-	quarterly or less	≤ 90 days
Event driven	16,341,045	-	longer than quarterly	≤ 90 days
Multi-strategy	13,605,951	-	longer than quarterly	≤ 90 days
Multi-strategy	71,444,989	-	quarterly or less	≤ 90 days
Total commingled and hedge funds	242,580,455	-		
Private markets	101,655,599	38,804,517	*	
Other	33,046,141	-	quarterly or less	≤ 90 days
Total	$ 377,282,195	$ 38,804,517		

* Private market investments are generally invested in funds with no specific redemption period. Investment proceeds, if any, from private market investments are distributed to investors throughout the life of the private market investment fund, as stipulated in the funds' offering documents.

3. Fair Values of Financial Instruments (continued)

The following table presents the changes in fair value in Level 3 instruments that are measured at fair value on a recurring basis for the years ended June 30, 2023 and 2022:

Balance - June 30, 2021	$ 3,584,402
Unrealized losses	(772,587)
Balance - June 30, 2022	2,811,815
Unrealized losses	(2,249)
Balance - June 30, 2023	$ 2,809,566

The realized and unrealized gains or losses recorded during the years ended June 30, 2023 and 2022, are included in the consolidated statements of activities and changes in net assets as earnings allocation within net assets with or without donor restrictions based on donor restrictions for certain permanently endowed funds and based on policies approved by the Board of Directors for certain non-endowed funds.

4. Unconditional Promises to Give

Unconditional promises to give at June 30, 2023 and 2022, were as follows:

	2023	2022
Promises to give expected to be collected in:		
Less than one year	$ 25,442,344	$ 23,503,483
One to five years	44,337,080	46,990,731
More than five years	1,574,879	1,841,424
	71,354,303	72,335,638
Less discount on promises to give	(5,939,058)	(5,161,010)
Less allowance for uncollectible accounts	(216,357)	(525,502)
Net unconditional promises to give	$ 65,198,888	$ 66,649,126

The discount rates used in discounting unconditional promises to give that were made in fiscal years 2023 and 2022 were 5.02% and 2.96%, respectively.

5. Split-Interest Agreements

The Foundation serves as trustee for several charitable remainder trusts for which the Foundation is the irrevocable beneficiary. The funds are held and administered by a third-party financial institution as an agent of the Foundation. The fair value of the funds held is reported as an asset and corresponding liability in the consolidated statements of financial position. As of June 30, 2023 and 2022, the fair value of both the asset and corresponding liability of these charitable remainder trusts totaled $237,973 and $242,887, respectively.

The Foundation has several charitable gift annuity arrangements with donors in which the Foundation has received assets from a donor in exchange for the Foundation's promise to pay the donor or his or her designee a fixed amount over a specified period of time. The assets are held and administered by a third-party financial institution as an agent of the Foundation. The assets are reported as investments - split-interest agreements on the consolidated statements of financial position at the fair value of $2,172,312 and $2,239,923 at June 30, 2023 and 2022, respectively. The present value of the amount due to these donors or their designees as of June 30, 2023 and 2022, totaled $1,827,317 and $1,939,330, respectively.

The Foundation is the irrevocable beneficiary of several split-interest agreements for which the funds are held and administered by third parties. The Foundation's interest in the funds held by the third parties is measured at its present value and reported as assets in the consolidated statements of financial position as beneficial interest in split-interest agreements. As of June 30, 2023 and 2022, the fair value of the beneficial interests totaled $2,655,482 and $2,657,731 respectively.

6. Property and Equipment

Property and equipment consisted of the following at June 30, 2023 and 2022:

	2023	2022
Leasehold improvements	$ 2,754,805	$ 2,754,805
Buildings and building improvements	24,927,604	24,927,604
Furniture and equipment	2,589,468	2,566,884
	30,271,877	30,249,293
Less: accumulated depreciation	(8,357,548)	(7,196,661)
	21,914,329	23,052,632
Construction in progress	12,168,120	6,233,280
Land	463,866	463,866
Artwork and other non-depreciable assets	4,218,976	4,218,976
	$ 38,765,291	$ 33,968,754

7. Investment in Partnership

The Foundation is a 50% investor in the Shaw Center for the Arts, LLC, and accordingly, accounts for the investment using the equity method of accounting. The investments recorded on the consolidated statements of financial position totaled $11,797,005 and $12,390,741 at June 30, 2023 and 2022, respectively. The summarized financial information as of and for the years ended June 30, 2023 and 2022 of the Shaw Center for the Arts, LLC is as follows:

	2023	2022
Total assets	$ 24,008,040	$ 25,156,056
Total liabilities	$ 414,030	$ 374,576
Net loss	($ 1,187,470)	($ 1,106,323)

8. Notes Payable

The Foundation Office Building, LLC had a construction line of credit that was converted to a $3,250,000 term note on November 8, 2016 and is secured by the mortgaged property. The note bears interest at a fixed rate of 3.5% and the outstanding balances as of June 30, 2023 and 2022, are $760,786 and $789,424, respectively. The note is scheduled to mature on November 8, 2026. For the years ended June 30, 2023 and 2022, interest expense totaling $27,550 and $28,859, respectively, was recognized and is included in office operations expense within the management and general function.

On March 28, 2018, the Nicholson Gateway Project, LLC, entered into a $2,430,000 term note secured by all property of the borrower. The note bears interest at a fixed rate of 4.61% and the outstanding balances as of June 30, 2023 and 2022, are $1,968,300 and $2,065,500, respectively. Level payments of principal and interest are due until the maturity date, March 28, 2028. Interest expense totaling $94,426 and $98,950 was recognized for the years ended June 30, 2023 and June 30, 2022, respectively, and is included in office operations expense within the management and general function.

On February 8, 2019, Bengal Village, LLC, executed an assumption of a mortgage promissory note secured by the property to refinance a loan taken out on September 21, 2018, by Eunice Student Housing Foundation for the construction of the Bengal Village student housing on the LSU-E campus in the amount of $6,650,711. The note originally bore interest at a fixed rate of 5.5%. During the year ended June 30, 2021, the terms of the loan were modified, and the rate was lowered to 4.5% and the maturity date of the loan was extended to August 8, 2025. The outstanding balances as of June 30, 2023 and 2022, are $6,002,200 and $6,167,184, respectively. For the years ended June 30, 2023 and 2022, interest expense totaling $277,493 and $284,931, respectively, was recognized and is included in office operations expense within the management and general function.

On March 25, 2020, Pilots Pointe, LLC, entered into a $5,300,000 term loan secured by all property of the borrower. The note bears interest at a fixed rate of 2.40% and the outstanding balances as of June 30, 2023 and 2022 are $4,803,125 and $5,023,958, respectively. The note is scheduled to mature on March 25, 2027. For the years ended June 30, 2023 and 2022 interest expense totaling $117,723 and $123,181, respectively, was recognized and is included in office operations expense within the management and general function.

8. Notes Payable (continued)

The notes payable are scheduled to mature as follows:

Year ending June 30,	Amount
2024	$ 519,557
2025	529,452
2026	5,999,769
2027	4,906,132
2028	1,579,501
	13,534,411
Less: unamortized debt issuance	(26,610)
	$ 13,507,801

9. Funds Held In Custody For Others

Under agreements with the University and certain other charitable organizations, the Foundation manages and holds for deposit designated funds for these entities. The funds being held at June 30, 2023 and 2022, were as follows:

	2023	2022
LSU - Alexandria Foundation	$ 25,636,012	$ 23,055,820
LSU - Eunice Foundation	3,757,733	3,296,759
State Matching Funds Managed for the University	107,309,036	108,963,226
Split-interest agreements	2,065,290	2,182,217
	138,768,071	137,498,022
Less: portion classified as current	(19,758,286)	(19,346,275)
	$ 119,009,785	$ 118,151,747

10. Net Assets

Net assets with donor restrictions at June 30, 2023 and 2022, were restricted for the following purposes:

	2023	2022
Chairs and professorships	$ 220,659,644	$ 204,009,105
Scholarships and fellowships	166,675,096	151,454,045
Academic support and development	202,348,874	190,287,980
Capital outlay and improvements	59,624,748	56,622,232
Research support	45,245,342	43,487,816
Institutional support	6,865,580	865,326
	$ 701,419,284	$ 646,726,504

Of the above amounts reported as net asset with donor restrictions, the following are permanently restricted to investments in perpetuity, the income from which is expendable to support the activities below:

	2023	2022
Chairs and professorships	$ 132,939,963	$ 132,535,589
Scholarships and fellowships	101,219,292	98,051,092
Academic support and development	73,191,280	72,825,711
Capital outlay and improvements	233,727	233,727
Research support	2,616,609	2,401,427
	$ 310,200,871	$ 306,047,546

Net assets were released from donor restrictions by satisfaction of the restricted purposes or by occurrence of the passage of time or other events specified by the donors during the years ended June 30, 2023 and 2022, as follows:

	2023	2022
Chairs and professorships	$ 8,664,270	$ 6,803,806
Scholarships and fellowships	12,571,032	11,330,269
Academic support and development	18,618,103	14,923,376
Capital outlay and improvements	4,447,917	6,016,980
Research support	1,157,903	832,208
Institutional support	301,047	81,177
	$ 45,760,272	$ 39,987,816

10. Net Assets (continued)

The Foundation's net assets without donor restrictions at June 30, 2023 and 2022, comprised undesignated and Board designated amounts to support the activities below:

	2023	2022
Undesignated	$ 21,815,377	$ 20,962,977
Board designated for continued University support	19,123,690	18,542,824
Board designated for operating reserve	5,416,080	5,310,000
Board designated for capital outlay and improvements	1,926,638	1,047,178
Board designated for quasi-endowment and scholarships	576,495	554,591
Board designated for partnership investment	11,797,005	12,390,741
	$ 60,655,285	$ 58,808,311

Board designated for continued University support

The Foundation's Board has designated funds to provide continued support for the University.

Board designated for operating reserve

The Foundation maintains a minimum operating reserve of board designated funds equal to 40% of the approved budget for the Foundation total operating revenues for the current fiscal year. The minimum operating reserve is intended to preserve sufficient unrestricted dollars for possible occurrences of significant negative variances in projected revenues or other unforeseen circumstances.

Board designated for capital outlay and improvements

The Foundation's Board has designated funds to provide temporary bridge loans for various capital projects before the projects secure longer-term financing options while awaiting donor pledge commitments to be funded or financial closings for debt financed projects to be completed.

Board designated for quasi-endowment and scholarships

The Foundation's Board designated funds to establish and maintain a quasi-endowment for the purpose of securing Foundation's long-term financial viability and continuing to meet the needs of the Foundation. The Foundation's Board has also designated funds to provide scholarships for the University.

Board designated for partnership investment

As discussed in Note 7, the Foundation is a 50% investor in the Shaw Center for the Arts, LLC ("Shaw Center"), and accordingly, the net assets related to the Shaw Center are designated to its investment.

11. Endowed Net Assets

The LSU Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and providing a stable level of support to the beneficiaries. To achieve this objective, the LSU Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility.

Certain endowed funds are provided by the State of Louisiana as a match to qualifying private endowed contributions and are managed under agreement with the University for the University's benefit. These state matching endowed funds, which are maintained in a separate pool from other Foundation investments, are further subject to the investment and spending policies established by the Louisiana Board of Regents, which has statutory authority to administer the matching funds program.

A spending rate is determined by the LSU Foundation Board of Directors on an annual basis, with consideration given to the market conditions, the spending levels of peer institutions, and the level of real return after spending measured over the long term. The spending rate approved by the Board is applied to the sixty-month moving average fair value of the investment pool of endowed assets. The objective is to provide relatively stable spending allocations. The net spending rate approved by the Board of Directors for each of the years ended June 30, 2023 and 2022, was 4.00%.

Effective July 1, 2010, the Louisiana Legislature enacted Act No. 168 (the "Act") to implement the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

In its interpretation of the law, the Foundation's Board of Directors has determined that it is prudent for those endowed funds with no donor restrictions to the contrary whose market value is in excess of 80% (eighty percent) of corpus be made available for appropriation for expenditure within the provisions of the Board's annual establishment of spending policy. The portion that has not been determined to be available for expenditure is considered by the Board to be funds of perpetual duration and is classified as net assets with donor restrictions. In making such determination, the Board considered the following factors: the duration and preservation of the endowment fund; the purposes of the institution and the endowment fund; general economic conditions; the possible effect of inflation or deflation; expected total return from income and appreciation of investments; other resources of the institution; and the investment policy of the institution.

The Louisiana Board of Regents spending policy dictates that the market value of each endowment at the end of the most recent fiscal trust fund year must exceed the original corpus of the endowment by an amount equal to the amount to be made available for expenditure in the next fiscal year for which a spending allocation is made. When the current market value of an endowment is below the original corpus, a spending allocation is not allowed.

The LSU Foundation Board of Directors has chosen to manage a portion of its net assets without donor restrictions as part of the endowed funds investment pool. At June 30, 2023 and 2022, the fair value of these Board Designated Endowed Funds was $576,495 and $554,591 respectively.

11. Endowed Net Assets (continued)

The net asset composition by type of fund as of June 30, 2023 and 2022, and the changes in endowment net assets for the years ended June 30, 2023 and 2022, were as follows:

	Without donor Restrictions	With donor Restrictions	Total
Balance at June 30, 2021	$ 598,881	$ 485,730,225	$ 486,329,106
Investment return	(44,290)	(45,439,456)	(45,483,746)
Contributions	-	11,503,741	11,503,741
Balance at June 30, 2022	554,591	451,794,510	452,349,101
Investment return	21,904	26,505,180	26,527,084
Contributions	-	5,876,178	5,876,178
Balance at June 30, 2023	$ 576,495	$ 484,175,868	$ 484,752,363

The composition of endowed net assets, by fund type, at June 30, 2023 and 2022, was as follows:

	Without donor Restrictions	With donor Restrictions	Total
June 30, 2023:			
Donor-restricted endowment			
Restricted in perpetuity	$ -	$ 310,200,871	$ 310,200,871
Purpose restricted	-	173,974,997	173,974,997
Board-designated endowment	576,495	-	576,495
	$ 576,495	$ 484,175,868	$ 484,752,363
June 30, 2022:			
Donor-restricted endowment			
Restricted in perpetuity	$ -	$ 306,047,546	$ 306,047,546
Purpose restricted	-	145,746,964	145,746,964
Board-designated endowment	554,591	-	554,591
	$ 554,591	$ 451,794,510	$ 452,349,101

12. Liquidity and Availability

The Foundation receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund beneficiary purposes such as faculty support, scholarships, and research. In addition, the Foundation receives support without donor restrictions; such support consists of contributions, investment income without donor restrictions, and appropriated earnings from gifts with donor restrictions.

The Foundation considers investment income without donor restrictions, earnings from donor-restricted gifts and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs to be available to meet cash needs for expenditures. Expenditures include operating expenses, program expenses, and disbursements related to funds held in custody for others.

As part of the liquidity policy, the Foundation has identified operating, financing, and market liquidity risks. Liquidity risk is mitigated in part through monitoring and reporting of the Primary Reserve Ratio, which measures the sufficiency and availability of the liquid financial resources of the Foundation by comparing expendable net assets to total expenses and disbursements related to funds held in custody. The ratio provides a snapshot of financial strength and flexibility by indicating how long the Foundation could function using its expendable net assets without relying on additional net assets generated by operations. As part of the liquidity management plan, the Foundation will monitor the Primary Reserve Ratio to ensure it is in compliance with the internally established benchmark.

For operating and program expenses, the Foundation monitors cash and the investment of non-endowed funds using a rolling 15-month cash flow forecast, to determine availability of these funds for the Foundation's general expenditures, liabilities, and other obligations, including debt service payments, as they become due for that given time frame.

For funds held in custody, the spendable funds managed for University-related third parties are invested in the Foundation's non-endowed pool, which consists primarily of cash and cash equivalents and highly liquid fixed income securities. Ordinary expenditure of such funds is factored into a 15-month cash flow forecast. The endowed funds managed for the third parties are invested in the Foundation's endowed pools. Fund redemption request notice for the endowed pools is required to be given at least 90 days in advance. The liquidity of these investment pools is governed by the Investment Policy Statement with oversight by the Foundation's Investment Committee.

12. Liquidity and Availability (continued)

The table below presents financial assets available for general expenditures within one year at June 30, 2023 and 2022:

	2023	2022
Financial assets at year end:		
Cash, cash equivalents, and restricted cash	$ 130,623,568	$ 84,800,278
Investments	667,094,972	658,203,924
Accrued interest receivable	686,720	377,579
Accounts receivable, net	1,263,112	1,168,440
Current portion of unconditional promises to give, net	25,235,987	23,327,225
Total financial assets available within one year	824,904,359	767,877,446
Less amounts unavailable to be used for general expenditures:		
Amounts held in custody for others	138,768,071	137,498,023
Designated by Board of Directors, excluding partnership investment	27,042,903	25,454,593
Donor-restricted endowments	484,175,868	451,794,510
Financial assets not available to be used within one year	649,986,842	614,747,126
Total financial assets available to management for general expenditure within one year	$ 174,917,517	$ 153,130,320

13. Retirement Plan

The Foundation sponsors a 401(k) retirement plan for its employees. The Foundation's match is 6%. An employee is vested 100% upon beginning employment with the Foundation. The retirement plan requires a minimum participation age of 21. The Foundation contributed $428,733 and $381,250 to the Plan during the years ended June 30, 2023 and 2022, respectively.

14. Operating Lease

Louisiana State University ("LSU") executed a ground lease with Nicholson Gateway Project, LLC ("NGP") to develop student housing and retail space on LSU's campus. In furtherance of development, NGP subleased the property to Provident Group - Flagship Properties, LLC ("Provident"). The lease commenced in September 2016 and expires on the fortieth anniversary of the commencement date. Annual lease payments of $2 million shall be paid during year three through seven of the lease. Commencing in year 8 through the remainder of the term, the ground rent will be adjusted by actual CPI at the beginning of each year.

The Foundation Office Building, LLC entered into a ground lease agreement with the LSU Board of Supervisors in May 2015 to lease the land occupied by the LSU Foundation Center for Philanthropy. The term of the agreement is 40 years with two successive options to renew the lease for 30 and 25 years for a total of 95 consecutive years. The annual rent payments are $5,000 for the first 40 years, $7,000 for the first renewal term, and $9,000 for the second renewal term.

Total lease expense for these leases totaled approximately $24,000 and $21,000 for the years ended June 30, 2023 and 2002, respectively.

15. Commitments

The Foundation has contractual commitments associated with the construction, restoration, and renovation projects for certain LSU buildings. The total contract amount for these projects is $31,054,709, and the remaining commitment as of June 30, 2023, totals $19,268,912.

The Foundation also previously committed an additional $188,655,292 to various Private Equity Funds. As of June 30, 2023, the remaining commitments to these funds total $49,692,134.

16. Transactions with the University

The Foundation has certain transactions with the University in the normal course of operations. The transactions consist of reimbursement for salaries, which are processed by the University and reimbursement for certain expenses paid by the University on behalf of the Foundation, such as payments of scholarships and capital projects. The amount owed to the University at June 30, 2023 and 2022, for these types of expenses was $3,885,806 and $2,641,495, respectively and is included in accounts payable on the statements of financial positions.

17. Subsequent Events

Management evaluated subsequent events through, October 9, 2023, the date that the financial statements were available to be issued, and determined that no additional disclosures were necessary. No events occurring after this date have been evaluated for inclusion in these financial statements.