

RAGIN' CAJUN FACILITIES, INC.
FINANCIAL REPORT
JUNE 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Ragin' Cajun Facilities, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of Ragin' Cajun Facilities, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ragin' Cajun Facilities, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ragin' Cajun Facilities, Inc. and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ragin' Cajun Facilities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards and Government Auditing Standards 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 generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Ragin' Cajun Facilities, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ragin' Cajun Facilities, Inc.'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of compensation, benefits and other payments to agency head on page 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits and other payments to agency head is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated October 3, 2022, on our consideration of Ragin' Cajun Facilities, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and

compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ragin' Cajun Facilities, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Bronssard Poche LLC". The signature is written in a cursive, flowing style.

Lafayette, Louisiana
October 3, 2022

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FINANCIAL STATEMENTS

RAGIN' CAJUN FACILITIES, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2022 and 2021

ASSETS	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 5,074,380	\$ 481,784
Interest receivable	<u>2,481</u>	<u>113</u>
	<u>\$ 5,076,861</u>	<u>\$ 481,897</u>
RESTRICTED ASSETS		
Cash in debt service reserves	\$ 836,179	\$ 5,294,782
Cash in maintenance reserves	3,976,312	3,484,209
Cash in project and other funds	<u>274,771</u>	<u>253,887</u>
	<u>\$ 5,087,262</u>	<u>\$ 9,032,878</u>
PROPERTY AND EQUIPMENT		
Buildings	\$311,438,403	\$309,795,759
Land improvements	4,472,852	4,249,713
Furniture and equipment	<u>32,306,280</u>	<u>31,704,222</u>
	\$348,217,535	\$345,749,694
Accumulated depreciation and amortization	<u>(97,715,846)</u>	<u>(84,525,961)</u>
Net depreciable assets	\$250,501,689	\$261,223,733
Land	2,474,047	2,474,047
Construction in progress	<u>410,881</u>	<u>715,484</u>
Total property and equipment	<u>\$253,386,617</u>	<u>\$264,413,264</u>
Total assets	<u>\$263,550,740</u>	<u>\$273,928,039</u>

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current maturities of bonds payable	\$ 6,770,000	\$ 6,670,000
Current portion of long-term debt	142,707	136,424
Accounts payable	497,766	234,590
Accrued interest payable	2,653,475	2,906,480
Due to related parties	<u>60,000</u>	<u>135,000</u>
Total current liabilities	<u>\$ 10,123,948</u>	<u>\$ 10,082,494</u>
LONG-TERM LIABILITIES		
Bonds payable less current maturities	\$228,550,000	\$243,455,000
Bond issue premiums, net of bond discounts, and net of accumulated amortization of \$3,683,529, and \$2,362,246 and respectively	18,648,383	10,953,074
Bond issuance costs, net of accumulated amortization of \$1,450,161 and \$1,788,283 respectively	(4,927,205)	(4,848,159)
Long-term debt, less current portion	345,637	488,365
Long-term debt costs, net of accumulated amortization of \$7,005 and \$6,148, respectively	<u>(1,034)</u>	<u>(1,731)</u>
Total long-term liabilities	<u>\$242,615,781</u>	<u>\$250,046,549</u>
Total liabilities	<u>\$252,739,729</u>	<u>\$260,129,043</u>
NET ASSETS		
Without donor restrictions	\$ 2,179,886	\$ 10,314,787
With donor restrictions	<u>8,631,125</u>	<u>3,484,209</u>
	<u>\$ 10,811,011</u>	<u>\$ 13,798,996</u>
Total liabilities and net assets	<u>\$263,550,740</u>	<u>\$273,928,039</u>

RAGIN' CAJUN FACILITIES, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Rental income	\$ 13,610,393	\$ -	\$ 13,610,393
Contributions:			
Maintenance reserve	-	2,589,540	2,589,540
Other	997,103	4,956,839	5,953,942
Interest income	<u>3,394</u>	<u>2,066</u>	<u>5,460</u>
Total revenues, gains, losses and other support	\$ 14,610,890	\$ 7,548,445	\$ 22,159,335
Released from restriction	<u>2,401,529</u>	<u>(2,401,529)</u>	<u>-</u>
Total revenues after net assets released from restrictions	<u>\$ 17,012,419</u>	<u>\$ 5,146,916</u>	<u>\$ 22,159,335</u>
EXPENSES:			
Program expenses:			
Depreciation and amortization	\$ 13,189,885	\$ -	\$ 13,189,885
Repairs and maintenance	472,539	-	472,539
Insurance	28,911	-	28,911
Other expenses	21,493	-	21,493
Interest expense, net	9,889,189	-	9,889,189
Loss of refunding	<u>1,545,303</u>	<u>-</u>	<u>1,545,303</u>
	<u>\$ 25,147,320</u>	<u>\$ -</u>	<u>\$ 25,147,320</u>
Change in net assets	\$ (8,134,901)	\$ 5,146,916	\$ (2,987,985)
Net assets at beginning of year	<u>10,314,787</u>	<u>3,484,209</u>	<u>13,798,996</u>
Net assets at end of year	<u>\$ 2,179,886</u>	<u>\$ 8,631,125</u>	<u>\$ 10,811,011</u>

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Rental income	\$ 16,907,758	\$ -	\$ 16,907,758
Contributions			
Maintenance reserves	-	2,582,022	2,582,022
Other	996,863	-	996,863
Interest income	<u>1,110</u>	<u>671</u>	<u>1,781</u>
Total revenues, gains, losses and other support	\$ 17,905,731	\$ 2,582,693	\$ 20,488,424
Released from restriction	<u>2,859,834</u>	<u>(2,859,834)</u>	<u>-</u>
Total revenues after net assets released from restrictions	\$ 20,765,565	\$ (277,141)	\$ 20,488,424
EXPENSES:			
Program expenses:			
Depreciation and amortization	\$ 13,238,512	\$ -	\$ 13,238,512
Repairs and maintenance	337,885	-	337,885
Insurance	25,141	-	25,141
Other expenses	8,615	-	8,615
Interest expense, net	<u>11,114,998</u>	<u>-</u>	<u>11,114,998</u>
	<u>\$ 24,725,151</u>	<u>\$ -</u>	<u>\$ 24,725,151</u>
Change in net assets	\$ (3,959,586)	\$ (277,141)	\$ (4,236,727)
Net assets at beginning of year	<u>14,274,373</u>	<u>3,761,350</u>	<u>18,035,723</u>
Net assets at end of year	<u>\$ 10,314,787</u>	<u>\$ 3,484,209</u>	<u>\$ 13,798,996</u>

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,987,985)	\$ (4,236,727)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	13,189,885	13,238,512
Net amortization of deferred bond cost, loan costs and bond (premiums), net of discounts, included in interest expense	(714,750)	(265,966)
Loss on refunding	1,545,303	
Increase in receivables	(2,368)	(33)
Decrease in accrued interest payable	(253,005)	(51,801)
Increase in deferred revenue	<u>-</u>	<u>1,700</u>
Net cash provided by operating activities	<u>\$ 10,777,080</u>	<u>\$ 8,685,685</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of fixed assets	\$ (1,900,062)	\$ (2,796,040)
Net cash used in investing activities	<u>\$ (1,900,062)</u>	<u>\$ (2,796,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bonds payable	\$ (5,000,000)	\$ (6,420,000)
Proceeds from issuance of bond debt, net of underwriter's discount and bond insurance premium	57,681,842	-
Cash payments to escrow agent for refunded bonds	(60,285,000)	-
Payments for bond issue costs	(415,435)	-
Payments on long-term debt	(136,445)	(130,595)
Advances from related party	<u>(75,000)</u>	<u>135,000</u>
Net cash used in financing activities	<u>\$ (8,230,038)</u>	<u>\$ (6,415,595)</u>
Net increase (decrease) in cash	\$ 646,980	\$ (525,950)
Cash, beginning of year	<u>9,514,662</u>	<u>10,040,612</u>
Cash, end of year	<u>\$ 10,161,642</u>	<u>\$ 9,514,662</u>
Cash:		
Operating	\$ 5,074,380	\$ 481,784
Restricted	<u>5,087,262</u>	<u>9,032,878</u>
	<u>\$ 10,161,642</u>	<u>\$ 9,514,662</u>

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

Ragin' Cajun Facilities, Inc. (the "Corporation") is a Louisiana nonprofit corporation chartered in January 2001. Its purpose is to promote, assist and benefit the educational, scientific, research and public service mission of University of Louisiana at Lafayette (the "University" or "ULL"). The objectives of the Corporation are to acquire, construct, develop, manage, lease as lessor or lessee, mortgage and/or convey student housing and other facilities on the campus of the University.

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

Significant accounting policies:

Allowance for doubtful accounts -

The Corporation considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Restricted cash -

The Corporation's trustees maintain undisbursed bond proceeds and other deposits in trust in money market balances and other short-term investments required for financing the costs of the development, design, construction and equipping of new student housing, child care facilities, parking and athletics facilities (collectively, the "Facilities") for students, faculty and staff of the University, funding a debt service reserve fund, paying capitalized interest on the bonds, and paying costs of issuance of the bonds, including the premium for the Bond Insurance Policy. These reserved amounts are reflected as restricted cash on the statement of financial position. The funds are held in trust and can only be disbursed, in accordance with the trust agreements, by the trustees and intended for debt service payments, construction repair and maintenance activities.

Money market funds and other short term investments are not bank deposits or obligations, are not guaranteed by the Bank in trust and are not insured by the FDIC, the Federal Reserve Board, or any other government agency and are collateralized by securities held by the financial institution's trust department, but not in the Corporation's name. These funds are reflected as restricted cash and investments on the statement of financial position.

Cash and cash equivalents -

For the purposes of the statement of cash flows, the Corporation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

NOTES TO FINANCIAL STATEMENTS

Property and equipment -

Purchased property and equipment is recorded at cost at the date of acquisition. Depreciation is computed basis over the estimated useful life of the related assets at rates based on the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20-30
Land improvements	10-30
Appliances, furniture and equipment	5-20
Technology costs	10-15

Interest on debt issued to finance the construction of the facilities is capitalized as a part of the project and amortized over the same useful life of buildings and improvements. Investment earnings on temporary investments earned during the construction phase are netted against capitalized interest. When fixed assets are placed in service, they are transferred to the respective accounts and depreciated. Amortization of capitalized interest is consistent with the depreciation method used for buildings and improvements.

Federal income taxes -

The Corporation qualifies for an exemption from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

The Corporation's Form 990, *Return of Organization Exempt from Income Tax*, is no longer subject to examination by tax authorities for years prior to 2019.

Bond Issuance Costs –

Costs incurred in obtaining long-term financing have been capitalized and are being amortized over the lives of the bonds under the effective interest method.

Bond Issue Discounts and Premiums –

Bond issue discounts and premiums resulting from the issuance of revenue bonds at a price below (discount) or exceeding (premium) the face value of the bonds are amortized over the life of the bonds under the effective interest method. Bond discounts and premiums are presented at net values on the financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair values of financial instruments -

The Corporation has adopted the provisions of the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification (ACS 820) for all financial assets and

NOTES TO FINANCIAL STATEMENTS

liabilities and nonfinancial assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

The Corporation's financial instruments are cash and cash equivalents, accounts payable, contracts payable, interest payable and long-term debt. The recorded values of cash and cash equivalents and accounts payable approximate their fair values based on their short-term nature. The recorded values of investments and long-term debt are estimated based on the quoted market prices of the same or similar investments or issues.

ASC 820 defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including the Corporation's own credit risk.

In addition to defining fair value, ASC 820 expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which is determined by the lowest level input that is significant to the fair value measurement in its entirety.

These levels are: The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities as of the reporting date. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgment.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly, as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Valuations based on inputs that are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

Concentrations of credit risk -

The Corporation receives substantially all of its facilities lease rental revenue from the University of Louisiana at Lafayette. In addition, the University makes annual maintenance reserve contributions that are stipulated in the bond indentures.

The Corporation periodically maintains cash in trust accounts in excess of insured limits. The Corporation has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

NOTES TO FINANCIAL STATEMENTS

Recent accounting pronouncements -

The Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). This ASU requires lessors to classify its leases as a sales type lease, direct financing lease or operating lease. It also requires the lessor to present lease assets (net investment in a sales type or direct financing leases) separately from other assets. For operating leases the underlying asset and any receivable are presented in accordance with other topics. Income arising from leases must be presented separately. For sales type and direct financing leases profit or loss is recognized at the commencement date. The ASU is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. The Corporation is continuing to assess the impact adoption of this update will have on the financial statements going forward.

Note 2. Long-Term Debt - Bonds

In October 2012, the Corporation issued \$14,740,000 of non-taxable refunding revenue bonds, the Series 2012 bonds, through the Lafayette Public Financing Authority. The purpose of the issue was to refund the Series 2002 revenue bonds of the Corporation and to reduce debt service on the remaining outstanding obligation in a falling interest rate environment. The original Series 2002 revenue bonds were used to construct the first phase of the Legacy Park Apartment Complex for students of the University of Louisiana at Lafayette at a cost of \$15,464,451, plus capitalized interest incurred during the project of \$1,461,966. The Series 2012 refunding bonds were issued at a premium of \$818,273 and costs of issuance deducted from the bond proceeds consisted of \$110,550 of underwriter's discount and the bond insurance premium of \$233,595. Additional payments for costs of issuance of \$176,337 were paid by the Corporation. Interest rates on bond outstanding at June 30, 2022 range from 4.00% to 5.00%, with an average interest rate of 4.01% over the remaining life of the bonds maturing in 2032.

In 2009, the Corporation issued Series 2009 Housing Revenue Bonds to construct another student apartment complex. During the 2017 fiscal year, the Corporation's remaining \$11,880,000 of Series 2009 Housing Revenue bonds were refunded, along with a substantial portion of the outstanding Series 2010 Parking and Housing Bonds, as the Series 2017 Refunding Bonds. That portion of the Series 2010 Parking and Housing revenue bonds included in the refunding were bonds outstanding of \$85,645,000 with maturities from October 1, 2021 through October 1, 2041. As a result of the refunding, the remaining Series 2010 Parking and Housing Bonds outstanding of \$8,150,000, not included in the refunding, were bonds with maturities through October 1, 2020, and at which time repayment of the remaining maturities of the Series 2010 Bonds were made during the 2021 fiscal year. The Series 2017 Refunding Bonds were issued in the face amount of \$95,945,000, with aggregate bond issue costs of \$2,156,840, at a premium of \$8,479,654. Interest rates on the refunding bonds outstanding at June 30, 2022 range from 2.5% to 5.00%, with an average interest rate of 4.64% over the remaining life of the bonds with a final maturity in 2041.

The initial purpose of the Series 2009 Housing Revenue Bonds was the construction of a second phase of the Legacy Park Apartment complex and were originally issued at a face value of \$12,500,000. The original cost of the project was \$9,783,019, plus capitalized interest incurred during construction of the project of \$871,139.

The original Series 2010 Housing and Parking Revenue Bonds, refunded by the Series 2017 Housing and Parking Refunding Revenue Bonds, had multiple phases and involved the demolition of existing residence halls and the construction of four new large residence halls, the renovation of four existing halls and the construction of a six-level parking garage. In connection with this project, the

NOTES TO FINANCIAL STATEMENTS

Corporation issued bonds in the amount of \$100,050,000. The cost of the facilities in connection with this issue was \$81,052,862, plus capitalized interest incurred during the project of \$7,469,682. The project was performed in various stages and spanned three years to completion.

In fiscal year 2010, the Organization also issued the Series 2010 Student Union Revenue Bonds for the renovation and expansion of the University's Student Union facility. The University initially contributed \$19,312,000 toward the project along with the proceeds of the bonds issued in the amount \$22,200,000 to finance the cost of demolishing certain facilities, renovate and expand the existing ULL Student Union, renovate the O. K. Allen Hall to provide for a student health center, the construction of a new food services center and other facilities. Issue costs in connection with the Series 2010 Student Union project were \$671,779 and the bonds were issued at a discount of \$374,142. The University made additional contributions throughout the five year construction term totaling \$12,995,607. By the end of the 2016 fiscal year, the facility was completed at a cost of \$52,543,370, in additional to \$3,891,414 of capitalized interest, net of interest and investment earnings on bond proceeds. Interest rates on bonds outstanding for the Series 2010 Student Union Bonds at June 30, 2021 range from 4.25% to 5.00%, with an average interest rate of 4.88% over the remaining life of the bonds.

In September 2021, \$17,580,000 of outstanding Series 2010 Student Union Revenue Bonds were refunded with the Series 2021 Student Union Refunding Revenue Bonds in the amount of \$14,550,000 and were issued at a premium of \$2,501,768. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$422,560 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$577,140 on the Series 2010 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturity on the refunding bonds is October 1, 2040 and remain the same as the original issue.

In November 2013, the Organization issued Series 2013 Revenue Bonds for the construction of two new projects, the Athletic Facilities Project and the East Lewis Street Parking Garage in connection with the Louisiana Local Government Environmental Facilities and Community Development Authority. The Series 2013 Athletic Facilities Project involved the design, development, equipping, renovation, reconstruction and/or construction of an addition to the Leon Moncla Indoor Athletic Practice Facility to provide football locker rooms, a weight room, coach's offices and training facilities; the construction of an additional 5,900 seats in the south end zone of Cajun Field football stadium; the construction of a new visitor's football locker room; and the construction of a new track/soccer office, concession and locker room building on the campus of the University of Louisiana at Lafayette.

The University initially contributed \$1,000,000 toward the project during the 2014 fiscal year, concurrent with the issuance of the 2013 Series bonds in the amount \$23,605,000. During the construction phase, the University made additional contributions to the project of \$1,139,956 and the Ragin' Cajun Athletics Foundation ("RCAF") made contributions of \$3,860,000. Bond issuance costs of \$539,802 were incurred in connection with the bonds and the bonds were issued at a discount of \$147,924. The bonds were issued pursuant to the Athletic Revenue Contribution Agreement; whereby, the Ragin' Cajun Athletics Foundation agreed to transfer Athletic Revenues in a minimum annual amount of \$400,000. Such contributions by the RCAF are included as a component of rent revenues in the statements of activities for the fiscal years ended June 30, 2022 and 2021.

Final construction costs for the Athletics Facilities Project were \$25,309,602, along with capitalized interest of \$1,709,891, are included in buildings and improvements, and equipment and technology costs of \$1,899,159 are included in furniture and equipment. Interest rates on bonds outstanding for

NOTES TO FINANCIAL STATEMENTS

the Series 2013 Athletics Facilities Bonds at June 30, 2021 range from 3.00% to 5.00%, with an average interest rate of 4.82%.

In September 2021, the outstanding \$20,650,000 of Series 2013 Athletics Complex Revenue Bonds were refunded with the Series 2021 Athletics Complex Refunding Revenue Bonds in the amount of \$17,380,000 and were issued at a premium of \$2,813,435. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$541,438 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$460,514 on the Series 2013 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturities on the refunding bonds are October 1, 2043, which remain the same as the original issue.

The Series 2013 Parking Garage Project involved the construction of another multi-level parking garage on the campus of the University of Louisiana at Lafayette on East Lewis Street. Bonds with a face amount of \$25,205,000 were issued in the 2014 fiscal year to facilitate construction of the project. Bond issuance costs of \$579,625 were incurred in connection with the bonds which were issued at a discount of \$175,990. Upon completion of the project in the 2018 fiscal year, the accumulated construction costs for the East Lewis Street Garage Project was \$21,708,768, in addition to capitalized interest of \$1,244,444. Interest rates on bonds outstanding for the Series 2013 Parking Garage Bonds at June 30, 2021 range from 3.00% to 5.00%, with an average interest rate of 4.83%.

In September 2021, the outstanding \$22,055,000 of Series 2013 Parking Revenue Bonds for the East Lewis Street Parking Garage were refunded with the Series 2021 Parking Refunding Revenue Bonds in the amount of \$18,550,000 and were issued at a premium of \$3,003,334. The refunding bonds carry rates of 3% and 4% with an average rate at issuance of 3.99%. Bond costs of \$568,131 were incurred in connection of the issuance of the refunding bonds. Unamortized bond discounts and costs of \$507,649 on the Series 2013 bonds were written off as of the refunding date and included in the loss on refunding in the 2022 statement of activities. The final maturities on the refunding bonds is October 1, 2043, which are the same as the original issue.

In 2015, the Organization issued bonds for the University of Louisiana at Lafayette's Cajundome Improvements Project. The Series 2015 bonds were issued to fund improvements to the University's Cajundome Facility. The bonds issued for the project were used for designing, renovating, constructing, furnishing and/or equipping certain improvements for the Cajundome, including seating replacement, parking lot improvements, courtyard improvements, storage improvements, elevator improvements, kitchen improvements, lobby improvements, roof improvements, boiler replacement and lighting improvements. Bonds with a face amount of \$18,500,000 were issued in the 2016 fiscal with an aggregate issue cost of \$426,182 at a discount of \$188,297.

As part of the Cajundome Series 2016 Refunding Bond, an additional \$1,470,276 of bond proceeds were provided, in addition to contributions from the Cajundome Commission, were added to the project budget for the Series 2015 Cajundome Improvement project. Through 2019, \$19,428,655 of final costs had been incurred on the project, in additional to \$1,394,738 of capitalized interest, net of earnings on undisbursed bond proceeds over the course of the project. Interest rates on bonds outstanding for the Series 2015 Cajundome Improvements Bonds at June 30, 2022 range from 3.50% to 4.125%, with an average interest rate of 4.04%. These bonds have a final maturity in 2044.

During the 2017 fiscal year, the University of Louisiana at Lafayette refunded revenue bonds outstanding of \$9,790,000, carried by the University in its financial statements. The \$11,005,000 Series 2016 Revenue and Refunding Bonds were issued though Ragin' Cajun Facilities, Inc. Cost of issuance in connection with the refunding was \$239,284. The refunding of the existing indebtedness was accomplished through transfers of funds accumulated in debt service reserves of the Cajundome

NOTES TO FINANCIAL STATEMENTS

in addition to proceeds of the Series 2016 refunding. The refunding also accomplished an additional \$1,470,276 of funding, as discussed above, which was added to the Cajundome Improvement Project's budget that was being developed with the Series 2015 Revenue Bonds. To record the assumption of the liability from the University, \$10,005,922 was recorded as a contribution to the college in the 2017 fiscal year. The interest rate on all bonds outstanding for the Series 2016 Cajundome Refunding Bonds at June 30, 2022 is 2.47% and have a final maturity in 2029.

In the 2018 fiscal year, the Organization issued Series 2017 Baseball Stadium revenue bonds in the amount of \$10,145,000. The purpose of this issue was to refinance long-term debt with a local financial institution in the amount of \$10,000,000, incurred during the 2017 fiscal year to facilitate construction of a new baseball stadium, in addition to a \$100,000 pre-payment penalty on the loan obligation and an approximate \$45,000 in issue costs. The project cost of the stadium was facilitated with additional contributions from the University and the ULL Foundation of \$7,696,478 through June 30, 2018. The final cost of the project were \$10,377,472 for the stadium and \$6,884,376 for related furniture and equipment. Capitalized interest during the construction phase were \$196,495. The interest rate on bonds outstanding for the Series 2017 Baseball Stadium Bonds at June 30, 2022 is 3.50%. The bonds reach maturity in 2033.

In 2016, the Corporation began incurring costs for a new housing and parking project that would become the Heritage Apartments with 590 beds utilizing 2, 3 and 4 bedroom apartments. The Series 2018 Housing and Parking Revenue Bonds were issued in May 2018. Project costs incurred prior to the issuance of bonds in May 2018 were paid by the University and reimbursed when the bonds were sold. Revenue bonds were issued in the amount of \$47,410,000 at a premium of \$4,903,746. The \$51,359,001 of bond proceeds are net of the underwriter's discount of \$341,352 and bond insurance premium and a surety bond fee of \$613,393. Additional costs of issuance of \$385,219 were paid from bond proceeds.

As a condition of the Bond Agreement, the University contributed \$3,824,484 to the project at the time of issuance. In 2019, the University made a \$1,000,000 extraordinary rental payment to offset a portion of the cost of acquisition of two lots adjacent to the project. During the 2020 fiscal year, additional extraordinary rental payments of \$3,921,277 were made by the University and added to the project budget.

Total project costs of were \$56,878,741 and the facility was completed by the 2019 fall semester. Included in the project cost is the acquisition of land in connection with the acquisition of adjacent commercial properties with existing structures that were demolished at a cost of \$2,474,047. The interest rate on bonds outstanding for the Series 2018 Housing and Parking at June 30, 2020 is 5.00%. While interest is payable semi-annually, bond payments do not commence until 2042 with a final payment in 2048.

Early in the 2020 fiscal year, a new bond project commenced for the Cajundome, the Series 2019 Revenue Bonds were sold for a new Cajundome Improvement Project. In connection with the project \$2,600,000 of bonds were issued by the Corporation at a cost of \$87,434. The purpose of the bonds are for the design, renovation, furnishing and equipping of certain improvements to the Cajundome including but not limited to improvements to the food and beverage retail sales facilities. The project undertook the conversion of existing storage space to accomplish that objective. Costs incurred on the project through June 30, 2021 were \$2,387,958, in addition to capitalized interest costs of \$44,782. The bonds carry an interest rate of 2.91% for all maturities through a final bond payment in 2033.

NOTES TO FINANCIAL STATEMENTS

A recap of the activity within the respective bond issues are as follows:

<u>Bond Issue</u>	<u>Bonds Outstanding June 30, 2021</u>	<u>Bonds Issued</u>	<u>Bonds Paid</u>	<u>Bonds Outstanding June 30, 2022</u>
Series 2012 Refunding	\$ 10,910,000	\$ -	\$ 715,000	\$ 10,195,000
Series 2010 Student Union	17,580,000	-	17,580,000 *	-
Series 2013 Parking	22,055,000	-	22,055,000 *	-
Series 2013 Athletics Complex	20,650,000	-	20,650,000 *	-
Series 2015 Cajundome Improvements	18,500,000	-	-	18,500,000
Series 2016 Cajundome Refunding	7,980,000	-	810,000	7,170,000
Series 2017 Refunding Parking and Housing	93,945,000	-	2,780,000	91,165,000
Series 2017 Baseball Stadium	8,650,000	-	535,000	8,115,000
Series 2018 Parking and Housing	47,410,000	-	-	47,410,000
Series 2019 Cajundome Improvements	2,445,000	-	160,000	2,285,000
Series 2021 Student Union Refunding	-	14,550,000	-	14,550,000
Series 2021 Parking Re- funding	-	18,550,000	-	18,550,000
Series 2021 Athletics Complex Refunding	-	17,380,000	-	17,380,000
	<u>\$250,125,000</u>	<u>\$ 50,480,000</u>	<u>\$ 65,285,000</u>	<u>\$235,320,000</u>

* - Denotes refunding

Aggregate maturities required on long-term debt, including interest, are as follows at June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	6,770,000	10,168,352	16,938,352
2024	7,015,000	9,927,977	16,942,977
2025	7,280,000	9,658,576	16,938,576
2026	7,595,000	9,349,173	16,944,173
2027	7,915,000	9,015,569	16,930,569
2028-2032	44,800,000	39,646,968	84,446,968
2033-2037	46,850,000	29,738,953	76,588,953
2038-2042	50,350,000	19,006,881	69,356,881
2043-2047	41,465,000	8,478,300	49,943,300
2048-2049	15,280,000	773,500	16,053,500
	<u>\$235,320,000</u>	<u>\$145,764,249</u>	<u>\$381,084,249</u>

NOTES TO FINANCIAL STATEMENTS

In September 2021, three bond series were refunded in the aggregate amount of \$60,285,000, as notated in the previous discussion and tables, with the issuance of refunding bonds in the aggregate amount of \$50,480,000. The write off of unamortized bond costs and bond discounts on the bonds refunding resulted in a loss in refunding of \$1,545,320. The net present value of savings for the three refunded issues in the current fiscal year is \$14,529,935. The annual decrease in the resulting debt service payments from the issuance of the refunding bonds is an average reduction of approximately \$904,000 in principal and interest payments per year through 2041, with an average annual decrease of approximately \$619,000 in the three years thereafter. Maturities for the refunded bonds are identical to the original issues they replaced.

Cash payments for bond interest paid and expensed during the years ended June 30, 2022 and 2021 were \$10,831,563 and \$11,349,722, respectively.

Note 3. Long-Term Debt – Note Payable

In 2015, the Corporation purchased a facility for \$1,300,000 that it was initially leasing from the owner and renting to the University, which it operates as a student bookstore. In order to purchase the facility, the bank arranged to borrow \$1,300,000 from a local financial institution. Under the terms of the loan agreement, the Corporation commenced making monthly installments of \$13,486, including interest, with any remaining balance due on September 20, 2025, the maturity date. The interest rate on the loan is the prime lending rate plus 120 basis points, with a floor rate of interest of 4.45%. At June 30, 2022, the applicable interest rate has remained at 4.45% and the resulting loan balance is \$488,344. Of the June 30, 2022 note balance, \$345,637 is due after one year and classified as long-term debt.

At June 30, 2022, principal payments on the debt over the term of the note, projected at the current interest rate, is as follows:

<u>Year Ended</u>		
2023	\$	142,707
2024		149,250
2025		156,157
2026		<u>40,230</u>
	<u>\$</u>	<u>488,344</u>

Cash payments of interest on the above note for the June 30, 2022 and 2021 fiscal years, included in expense, is \$25,382 and \$31,232, respectively.

Note 4. Facilities Lease Agreements

The Corporation entered into various agreements to lease the Facilities to the Board of Supervisors for the University of Louisiana System. The rental payments under this lease are to be paid semiannually, March 15 and October 15, a base rental equal to the sum of the principal, if any, and interest due and payable on the following April 1 or October 1, for all University related projects. For the two bond issues related to the Cajundome, such facility payments, equal to the debt service payments will occur no later than the 25th day prior to the semiannual payments occurring on March 1 and September 1. The future minimum rental payments to be received as base rental payments are the amounts as reflected in Note 3. In addition to the base rental, the Board will pay additional rental

NOTES TO FINANCIAL STATEMENTS

of any and all expenses, of every nature, character, and kind whatsoever, incurred by the Corporation, on behalf of the Board, and/or by the Board of Ragin' Cajun Facilities in the management, operation, ownership, and/or maintenance of the Facilities.

Note 5. Ground Lease Agreement

The Corporation entered into an agreement effective October 29, 2002, and subsequently amended, to lease the land on which the Facilities are constructed from the Board of Supervisors of the Louisiana University System. The lease term expires on October 1, 2045. The rent shall be due and paid annually in advance in the sum of \$1 per year.

Note 6. Non-Cash Transactions

Accretion of bond premiums, net of the amortization of original issue discounts for the fiscal year ended June 30, 2022 and 2021 were \$1,047,277 and \$583,813, respectively, and amortization of bond issue costs were \$331,830 and \$316,362, respectively. Amortization of loan costs of \$697 and \$857, respectively, are also included in the statement of changes in net assets at June 30, 2021 and 2020. Amortization of the bond cost and net bond premiums and discounts are included in interest expense.

Note 7. Cooperative Endeavor Agreement

In August 2014, the Corporation entered into a Cooperative Endeavor Agreement (the "CEA") with; the State of Louisiana, the Louisiana Department of Economic Development, the University of Louisiana at Lafayette, the Lafayette Economic Development Authority and CGI Federal, Inc. (the "CGI"). In order to induce CGI Federal, Inc. to relocate to Lafayette, Louisiana to establish and operate an Information Technology center of excellence, the other parties to the CEA agreed to provide an Operational Cost Grant, a Facility Cost Grant, a Land Lease Grant and a UL Lafayette Grant and other considerations.

Pursuant to the CEA, Ragin' Cajun Facilities, Inc. is a party to the Facility Cost Grant portion of the Facility Agreement which provides for a grant of \$13.1 million for facility cost reimbursements by the State of Louisiana through the Louisiana Office of Economic Development. As part of the agreement, Ragin' Cajun Facilities will own and operate the facility though the term of the agreement and lease the Facility to CGI Federal, Inc. at a cost of \$1 per year, plus operating and maintenance costs for the initial 10-year period; and, thereafter at \$7 per square foot per year rental for the next ten years, with provisions for two five-year extensions.

The University funded the constructions costs incurred by Ragin' Cajun Facilities, Inc., as a funding mechanism until such costs were reimbursed by the State. At the end of the 2016 fiscal year the project was completed with total project costs of \$13,557,756 paid for the construction of the facility, all of which had been reimbursed by the Louisiana Office of Economic Development. The University reserved the right to take ownership of the facility at any time, subject to CGI's lease and Ragin' Cajun is to convey ownership to the University within 60 days written request to do so.

NOTES TO FINANCIAL STATEMENTS

Note 8. Liquidity and Availability of Resources

Financial assets available for general expenditures, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of operating cash in the amount of \$694,338 and 449,268, respectively at June 30, 2022 and 2021. Separate maintenance reserves are maintained and considered restricted funds for the purpose of capital expenditures and ongoing facility maintenance.

Note 9. Change in Accounting Principle

As of July 1, 2020 the Corporation adopted the provisions of ASC Topic 606 (ASU 2014-09 *Revenue from Contracts with Customers*). The Corporation evaluated its revenue streams which include rental payments for the facilities to the University, contributions from various sources (non exchange transactions) and interest income earned on bank deposits. ASC 606-10-65-1 specifically exempts revenues within the scope of Topic 840 Leases (rental payments), income related to financial instruments (interest income) and contributions (non exchange transactions) which are accounted for under ASC 958. The adoption of this new standard did not impact the Corporation's accounting for its existing revenue streams.

Note 10. Coronavirus Pandemic

On January 30, 2020. The World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and business. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical areas in which the Corporation operates. It is unknown how long these conditions will last and what the complete financial effect will be on the Corporation. Additionally, it is reasonable possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

Note 11. Subsequent Events

Subsequent events occurring after June 30, 2022 were evaluated through October 3, 2022 the date the financial statements were available to be issued.

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SUPPLEMENTARY INFORMATION

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
Year Ended June 30, 2022

Agency Head: David K. Fontenot, Chairman of the Board

There are no transactions to report under this section.

INDEPENDENT AUDITOR' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Ragin' Cajun Facilities, Inc.
Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Ragin' Cajun Facilities, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 3, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ragin' Cajun Facilities, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ragin' Cajun Facilities, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Ragin' Cajun Facilities, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ragin' Cajun Facilities, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Broussard Poche LLC". The signature is written in a cursive style with a large initial 'B' and 'P'.

Lafayette, Louisiana
October 3, 2022

RAGIN' CAJUN FACILITIES, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2022

Section I. Internal Control and Compliance Material to the Financial Statements

Not applicable.

Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Management of
Ragin' Cajun Facilities, Inc.
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by the Ragin' Cajun Facilities, Inc. (the "Corporation") on the examination of certain records and documentation of the Corporation for the period of July 1, 2021 – June 30, 2022 related to the specific financial records dealing specifically with assertions listed below in this letter. The Corporation's management is responsible for the organization's accounting records. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated finding are as follows:

Verified that the Corporation did not make loans to or allocate any net earnings or assets to the benefit of its directors, officers or other private persons. Any payments made to these persons were for reasonable compensation for services rendered or reimbursement for reasonable travel expenses.

No exceptions noted.

Verified that the Corporation made no political contributions nor reimbursed any employee for politically-related expenses that would violate IRS guidelines for 501(c)(3) organizations. Accordingly the Corporation did not provide funds to or on behalf of university's employees to endorse political parties or candidates, attend political fund-raisers, participate in lobbying activities, etc.

No exceptions noted.

Verified that the Corporation preserved, in accordance with donor intent, the principal of any endowments, and disbursements from the expendable portion of those funds were made in accordance with donor intent and to eligible recipients or for eligible purposes.

No exceptions noted.

Verified that donations were properly recorded in the accounting records in accordance with donor intent. (i.e. unrestricted vs. restricted funds/endowments).

No exceptions noted

Verified that the Corporation did not deposit or hold public funds at any time during the period under audit, except for project funds held in accordance with a cooperative endeavor agreement.

No exceptions noted.

Verified that all contracts between the Corporation and any member of its Board of Directors, any member of the UL System Board of Supervisors, an UL System employee, or any university employee have been individually disclosed in the notes to the financial statements, regardless of the significance of the contract payments to total expenses. The applicable related statements, and the maximum amount of the contract.

There were no indications of contracts between the Corporation and any member of its Board of Directors, any member of the UL System Board of Supervisors, an UL System employee, or any university employee.

Verified that funds for supplemental compensations and /or benefits for a UL System or University employee were paid the System Office or University for disbursement to the employee; no supplemental payments were made directly to an employee unless specifically approved by the Board Office or University.

There were no supplemental compensation and/or benefits made directly to University employees.

Verified that on a quarterly basis, the Corporation, reported to the University all single payments of \$1,000 or more made to or on behalf of any individual university employee.

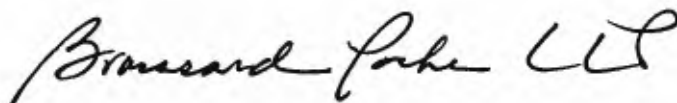
There were no supplemental compensation and/or benefits made directly to University employees.

Verified that disbursements of less than \$1,000 made to or on behalf of University employees are in compliance with the recommended policies contained in the UL System's sample Affiliation Agreement, "Affiliate Funding and Administrations", Section 4 (attachment 1 of UL System Policy Number FB-IV (4)(a).

There were no disbursements of less than \$1,000 made to or on behalf of University employees.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified elements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Corporation and the University of Louisiana at Lafayette and should not be used by anyone other these specified parties.



Lafayette, Louisiana
October 3, 2022