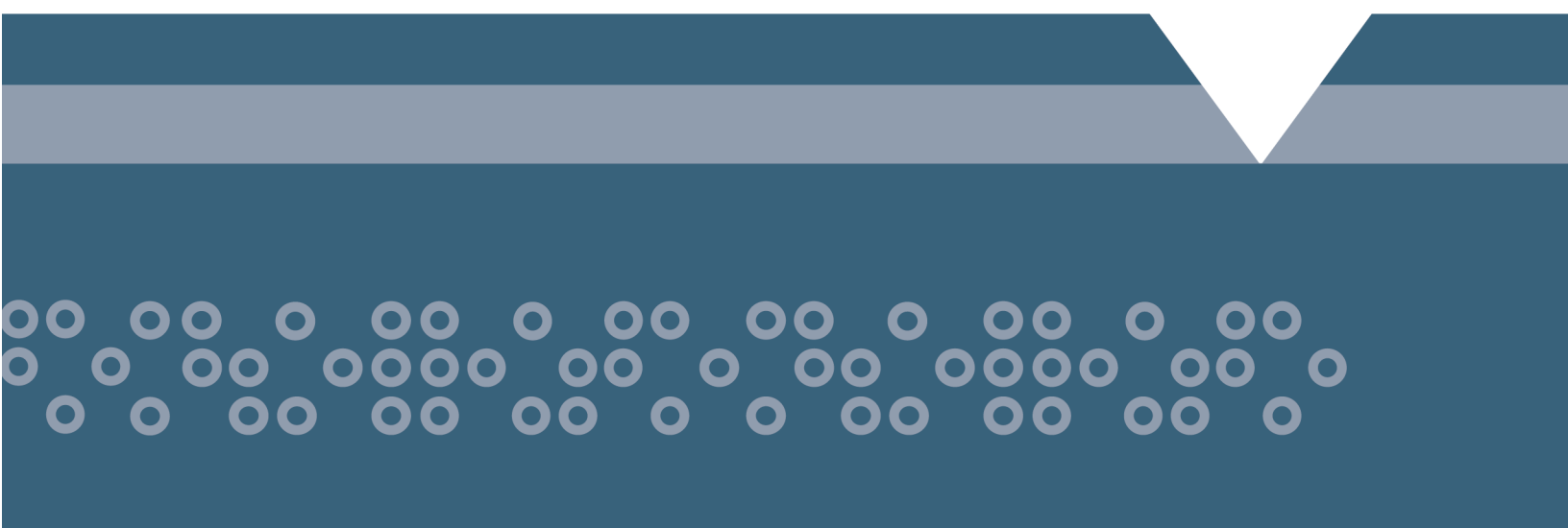


Louisiana Tech University Foundation, Inc.

Ruston, Louisiana

June 30, 2024 and 2023



CERTIFIED PUBLIC
ACCOUNTANTS

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

RUSTON, LOUISIANA

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AUDITED CONSOLIDATED FINANCIAL STATEMENTS



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The Board of Directors
Louisiana Tech University Foundation, Inc.
Ruston, Louisiana

Independent Auditor's Report

Opinion

We have audited the accompanying consolidated financial statements of Louisiana Tech University Foundation, Inc. (a non-profit organization), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities and cash flows for the years 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 consolidated financial position of Louisiana Tech University Foundation, Inc. as of June 30, 2024 and 2023, and the consolidated 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Consolidated Financial Statements section of our report. We are required to be independent of Louisiana Tech University Foundation, Inc. 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.

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 consolidated 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 Louisiana Tech University Foundation, Inc.'s ability to continue as a going concern within 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 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 GAAS 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 GAAS 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 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 Louisiana Tech University Foundation, 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 evaluated 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 Louisiana Tech University Foundation, 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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Details of Consolidated Statements of Financial Position and Activities included on pages 22 and 23 are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit

of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2024, on our consideration of the organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the organization's 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 Louisiana Tech University Foundation, Inc.'s internal control over financial reporting and compliance.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana
November 12, 2024

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT JUNE 30, 2024 AND 2023

<u>ASSETS</u>	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	5,896,694	4,950,377
Accounts receivable	265,559	72,320
Contributions receivable, net - Note 6	11,098,204	10,523,801
Note receivable - Press Box	900,000	900,000
Note receivable - TPII LOC	3,866,498	1,795,945
Receivable - LED - Note 7	-	699,165
Investments - Note 3 and 4	45,368,072	43,628,519
Fixed assets, net - Note 5	17,311,334	13,452,920
Other assets	552,258	482,154
Long-term note receivable	6,857,737	7,757,737
Restricted assets - investments - Notes 3 and 4	<u>42,728,637</u>	<u>39,964,752</u>
 Total assets	 <u><u>134,844,993</u></u>	 <u><u>124,227,690</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	887,380	1,468,949
Accrued interest payable	13,171	36,500
Line of Credit - Note 8	2,656,283	2,574,474
Video Board - Note 8	-	221,021
Line of Credit - TPII - Note 8	3,866,498	1,795,945
Private Lending Note	1,500,000	-
Current Portion of Press Box Note Payable	900,000	900,000
Annuities liability - Note 11	37,330	55,127
Deferred Revenue - Note 12	-	8,721,872
Contractual Obligations - Note 13	-	979,166
Long-Term Portion of Press Box Note Payable	6,857,737	7,757,737
Due to Louisiana Tech University	<u>42,521,558</u>	<u>39,776,480</u>
Total liabilities	59,239,957	64,287,271
 <u>Net assets:</u>		
Without donor restrictions:		
Undesignated	3,554,681	2,339,856
Invested in capital assets, net of related debt	<u>444,748</u>	<u>493,396</u>
	3,999,429	2,833,252
With donor restrictions:		
Restricted for specific purposes (non-endowment)	18,610,426	8,388,418
Restricted for specific purposes (endowment)	<u>52,995,181</u>	<u>48,718,749</u>
	<u>71,605,607</u>	<u>57,107,167</u>
Total net assets	<u><u>75,605,036</u></u>	<u><u>59,940,419</u></u>
 Total liabilities and net assets	 <u><u>134,844,993</u></u>	 <u><u>124,227,690</u></u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, gains, and other support:</u>			
Contributions and Other	237,619	31,589,988	31,827,607
Contributed services	1,120,998	-	1,120,998
Net investment income	178,126	4,711,133	4,889,259
Lease income	232,773	308,379	541,152
Service charges	2,276,145	-	2,276,145
LED Revenue	-	9,500,000	9,500,000
Other	15,248	23,703	38,951
	4,060,909	46,133,203	50,194,112
Net assets released from restrictions	31,634,763	(31,634,763)	-
Total revenues, gains, and other support	35,695,672	14,498,440	50,194,112
<u>Expenses:</u>			
Program expenses in support of LA Tech University	28,777,115	-	28,777,115
General administrative and investment services	4,101,238	-	4,101,238
Fundraising	1,486,142	-	1,486,142
Total expenses	34,364,495	-	34,364,495
Assets dedicated to Louisiana Tech University, net	165,000	-	165,000
Change in net assets	1,166,177	14,498,440	15,664,617
<u>Net assets, beginning of year</u>	<u>2,833,252</u>	<u>57,107,167</u>	<u>59,940,419</u>
<u>Net assets, end of year</u>	<u><u>3,999,429</u></u>	<u><u>71,605,607</u></u>	<u><u>75,605,036</u></u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<u>Revenues, gains, and other support:</u>			
Contributions and Other	275,384	18,443,476	18,718,860
Contributed services	346,631	-	346,631
Net investment income	8,838	3,039,769	3,048,607
Lease income	232,773	-	232,773
Service charges	2,064,915	-	2,064,915
Other	322	37,613	37,935
	<u>2,928,863</u>	<u>21,520,858</u>	<u>24,449,721</u>
Net assets released from restrictions	<u>17,424,464</u>	<u>(17,424,464)</u>	<u>-</u>
 Total revenues, gains, and other support	 <u>20,353,327</u>	 <u>4,096,394</u>	 <u>24,449,721</u>
<u>Expenses:</u>			
Program expenses in support of LA Tech University	13,573,909	-	13,573,909
General administrative and investment services	3,461,583	-	3,461,583
Fundraising	1,916,147	-	1,916,147
	<u>18,951,639</u>	<u>-</u>	<u>18,951,639</u>
 Assets dedicated to Louisiana Tech University, net	 <u>1,140,000</u>	 <u>-</u>	 <u>1,140,000</u>
 Change in net assets	 261,688	 4,096,394	 4,358,082
<u>Net assets, beginning of year</u>	<u>2,571,564</u>	<u>53,010,773</u>	<u>55,582,337</u>
<u>Net assets, end of year</u>	<u>2,833,252</u>	<u>57,107,167</u>	<u>59,940,419</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
<u>Cash flows from operating activities:</u>		
Change in net assets	15,664,617	4,358,082
Depreciation and amortization	191,057	13,267
Net unrealized gain on long-term investments	316,778	3,935,366
Realized (gain) loss on sale of investments	563,398	241,304
Gain on sale of fixed assets	(7,748)	(9,900)
Accounts receivable	(193,239)	114,650
Contributions receivable	(574,403)	88,579
Receivable from LED	699,165	47,268
Prepaid expenses	53,042	116,830
Other assets	(25,403)	52,013
Accounts payable	(581,569)	814,635
Accrued interest payable	(23,329)	18,597
Annuities liability	(17,797)	(17,085)
Deferred revenue	(8,721,872)	7,845,731
Contractual Obligations	(979,166)	(979,167)
Deferred compensation	-	-
Contributions restricted for long-term investments	-	(4,404,007)
Net cash (used) by operating activities	6,363,531	12,236,163
<u>Cash flows from investing activities:</u>		
Purchases of fixed assets	(71,643)	(20,583)
Proceeds from sale of fixed assets	25,000	15,455
Investment in Construction-In-Progress	(4,092,824)	(12,083,383)
Purchases of investments	(10,522,438)	(12,389,194)
Proceeds on sale of investments	5,138,824	2,540,332
Issuance of notes receivable	(2,070,553)	(1,795,945)
Proceeds from notes receivable	900,000	900,000
Increase (decrease) in due to Louisiana Tech University	2,745,078	3,344,672
Net cash provided (used) by investing activities	(7,948,556)	(19,488,646)
<u>Cash flows from financing activities:</u>		
Contributions restricted for investment in endowment	-	4,404,007
Payments of notes payable	(1,121,021)	(1,271,087)
Payments of line of credit	(2,574,474)	(553,193)
Proceeds from line of credit	4,726,836	1,795,945
Proceeds from issuance of debt	1,500,000	-
Net cash provided by financing activities	2,531,341	4,375,672
<u>Increase (decrease) in cash and cash equivalents</u>	946,316	(2,876,811)
<u>Cash and cash equivalents-beginning of year</u>	4,950,377	7,827,188
<u>Cash and cash equivalents-end of year</u>	5,896,693	4,950,377

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. Organization and Significant Accounting Policies

Organization

The Louisiana Tech University Foundation, Inc. (the Foundation) was organized to solicit, receive, hold, invest and transfer funds for the benefit of Louisiana Tech University (LTU). Additionally, the Foundation assists Louisiana Tech University in meeting the criteria for accreditation as outlined by the Commission on Colleges for the Southern Association of Colleges and Schools. Louisiana Tech University and the Foundation are also in a management agreement related to endowed chairs and professorships. This agreement is in compliance with Board of Regents policy and allows the Foundation to manage funds on behalf of Louisiana Tech University. The Foundation is a separate legal entity and is not included as part of the reporting entity of Louisiana Tech University.

Consolidation

The consolidated financial statements include the Louisiana Tech Research Corporation and Tech Pointe II, LLC because the Foundation maintains control of the entities. All material intercompany transactions have been eliminated in the consolidated financial statements.

Significant Accounting Policies

Basis of Accounting – The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting under the financial reporting framework of the Financial Accounting Standards Board (“FASB”) in its Accounting Standards Codification, *Financial Statements of Not-for-Profit Organizations*.

Basis of Presentation – The Foundation’s net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. This includes funds that are designated for discretionary use by the Foundation and board-designated funds functioning as endowments.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time. This includes annuity and life income funds, term endowments, the present value of contributions receivable, and earnings on investments. Some net assets with donor restrictions are required by donors to be held in perpetuity. The donors of substantially all net assets to be held in perpetuity permit the Foundation to use a portion of the income earned on the related investments for specified purposes.

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 donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as released

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

between the applicable classes of net assets. Revenues with donor restrictions that are used in the year of receipt are classified as net assets with donor restrictions and released from restriction.

Contributions, including unconditional promises to give, are recognized as revenues in the period received.

Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Income and realized and unrealized net gains or losses on investments are reported as follows:

Without Donor Restrictions – As increases or decreases in net assets if the terms of the gift are not considered to have donor restrictions.

With Donor Restrictions – As increases or decreases in net assets if the terms of the gift require that they be added to the principal of a permanent endowment fund or if the terms of the gift impose restrictions on the timing or the use of the income or by law.

Release of Restrictions on Net Assets for Acquisition of Land, Building and Equipment - Contributions of land, building and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues without donor restrictions. Contributions of cash or other assets to be used to acquire land, building and equipment without such donor stipulations concerning the use of such long-lived assets are reported as revenues with donor restrictions; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

Cash and Cash Equivalents

Cash and cash equivalents principally include cash and money market investments not held by trustees. For purposes of the cash flow statement, all highly liquid instruments with original maturities of three months or less are considered cash equivalents.

In-Kind Gifts

Gifts of investments, real estate, and other property contributed to the Foundation are recorded at estimated fair value at date of contribution.

Accounts Receivable

Accounts receivable consists of amounts due from outside parties. Management evaluates the collectability and aging of those accounts receivable in determining the need for an allowance for doubtful accounts.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Investments

Investments in marketable securities with readily determinable fair values are stated at fair value. Realized gains or losses on sales of investment securities are based upon the cost of the specific security sold. Unrealized gains and losses are included in the change in net assets.

Investment income, net of external and internal management expenses and fees, and gains and losses arising from the sale or other disposition of investments and other noncash assets are pooled in a separate general ledger account for the payment of scholarships and other purposes in accordance with the intent of the endowment agreement. Scholarships and other payments from the general endowment pool are determined based on four percent of the specific endowment corpus.

Endowment and board-designated funds are invested on the basis of a total return policy to provide income and to realize appreciation in investment values. Under this policy, earnings, not to exceed a specified percentage, could be used to support the intended purposes. An appropriation from the endowment for expenditures that support the intended purpose may be made to the extent it is deemed prudent, unless otherwise restricted by the donor in the gift instrument.

The Foundation's investments include various types of investment securities and investment vehicles. Investment securities are exposed to several risks, such as interest rate, currency, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Foundation's consolidated financial statements.

Fixed Assets

Depreciation is provided on the straight-line method based on the estimated useful lives of the depreciable assets which range from two to ten years. The Foundation capitalizes expenditures in excess of \$2,500 for fixed assets at cost.

Tax Status

The Foundation is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (IRC) as an organization described in IRC Section 501(c)(3). Therefore, no provision for income taxes has been made in the consolidated financial statements, but the Foundation is required to file an annual information tax return. The Foundation is also required to review various tax positions it has taken with respect to its exempt status and to determine whether in fact it is a tax exempt entity. The Foundation must also consider whether it has nexus in jurisdictions in which it has income and whether a tax return is required in those jurisdictions. In addition, as a tax exempt entity, the Foundation must assess whether it has any tax positions associated with unrelated business income subject to income tax. The Foundation does not expect its positions to change significantly over the next twelve months. Any penalties related to late filing or other requirements would be recognized as penalties expense in the Foundation's accounting records.

The Foundation files U.S. federal Form 990 for informational purposes. The Foundation's federal income tax returns for generally the past three years remain subject to examination by the Internal Revenue Service.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are susceptible to significant change within one year relate to the determination of the fair value of financial instruments.

Recently Issued Accounting Pronouncements – In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the consolidated statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will be relevant for the pattern of expense recognition in the consolidated statement of activities. This standard is effective for the fiscal year ending June 30, 2024. After evaluation on the adoption of the ASU, the Foundation determined no material impact on the current consolidated financial statements.

2. Cash and Cash Equivalents

At times throughout the year, the Foundation may maintain certain bank accounts in excess of federally insured limits, which is a concentration of credit risk. The risk is mitigated by maintaining deposits in only well capitalized financial institutions.

Of the bank balances, those funds not covered by federal deposit insurance were covered by collateral held by the pledging banks' trust department.

3. Investments

Fair values and unrealized appreciation (depreciation) of investments classification at June 30, 2024 and 2023 are summarized as follows:

	2024			2023		
	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)	Cost	Fair Value	Unrealized Appreciation/ (Depreciation)
Held by investment custodians:						
Cash and cash equivalents	5,136,164	5,139,147	2,983	6,343,699	6,361,023	17,324
Certificates of deposit	285,000	285,000	-	285,000	285,000	-
Mutual funds	147,890	152,040	4,150	1,271,807	1,532,093	260,286
Government obligations and corporate bonds	31,852,852	30,272,085	(1,580,767)	31,546,693	29,314,659	(2,232,034)
Common stocks	24,660,168	47,655,850	22,995,682	24,817,939	41,507,909	16,689,970
Real estate held by the Foundation	4,592,587	4,592,587	-	4,592,587	4,592,587	-
	<u>66,674,661</u>	<u>88,096,709</u>	<u>21,422,048</u>	<u>68,857,725</u>	<u>83,593,271</u>	<u>14,735,546</u>
Included on the statement of financial position:						
Investments	38,120,985	45,368,072	7,247,087	39,555,141	43,628,519	4,073,378
Restricted assets-investments	28,553,676	42,728,637	14,174,961	29,302,584	39,964,752	10,662,168
	<u>66,674,661</u>	<u>88,096,709</u>	<u>21,422,048</u>	<u>68,857,725</u>	<u>83,593,271</u>	<u>14,735,546</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2024 and 2023:

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends income	7,210	1,614,286	1,621,496	9,803	1,363,387	1,373,190
Net realized and unrealized gains	-	3,267,763	3,267,763	275	1,675,142	1,675,417
Total investment return	<u>7,210</u>	<u>4,882,049</u>	<u>4,889,259</u>	<u>10,078</u>	<u>3,038,529</u>	<u>3,048,607</u>

4. Fair Value of Financial Instruments

The Foundation adopted FASB Accounting Standards Codification Topic 820, "Fair Value Measurements" (Topic 820). Topic 820 requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. These strata included:

- Level 1 valuations, where the valuation is based on quoted market prices for identical assets or liabilities traded in active markets (which include exchanges and over-the-counter markets with sufficient volume),
- Level 2 valuations, where the valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market, and
- Level 3 valuations, where the valuation is generated from model-based techniques that use significant assumptions not observable in the market, but observable based on Foundation-specific data. These unobservable assumptions reflect the Foundation's own estimates for assumptions that market participants would use in pricing the asset or liability. Valuation techniques typically include option pricing models, discounted cash flow models and similar techniques, but may also include the use of market prices of assets or liabilities that are not directly comparable to the subject asset or liability.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Fair values of assets and liabilities measured on a recurring basis at June 30, 2024 and 2023 are as follows:

<i>Assets at Fair Value as of June 30, 2024</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money Markets	5,139,147	-	-	5,139,147
Certificates of Deposit	285,000	-	-	285,000
Mutual Funds	1,374,401	-	-	1,374,401
Exchange Traded Funds	20,789,926	-	-	20,789,926
Government Obligations and Corporate Bonds	-	28,927,552	-	28,927,552
Common Stocks-Domestic	26,988,096	-	-	26,988,096
Alternatives	-	-	-	-
Real Estate	<u>-</u>	<u>-</u>	<u>4,592,587</u>	<u>4,592,587</u>
Total	<u>54,576,570</u>	<u>28,927,552</u>	<u>4,592,587</u>	<u>88,096,709</u>

<i>Assets at Fair Value as of June 30, 2023</i>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Fair Value</u>
Money Markets	6,361,023	-	-	6,361,023
Certificates of Deposit	285,000	-	-	285,000
Mutual Funds	1,339,588	-	-	1,339,588
Exchange Traded Funds	19,438,947	-	-	19,438,947
Government Obligations and Corporate Bonds	-	27,960,953	-	27,960,953
Common Stocks-Domestic	22,233,619	-	-	22,233,619
Alternatives	529,138	852,416	-	1,381,554
Real Estate	<u>-</u>	<u>-</u>	<u>4,592,587</u>	<u>4,592,587</u>
Total	<u>50,187,315</u>	<u>28,813,369</u>	<u>4,592,587</u>	<u>83,593,271</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Investments measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	<u>2024</u>	<u>2023</u>
Balance-July 1	4,592,587	4,592,587
Gains (losses) realized and unrealized	-	-
Purchases, issuances, and settlements	-	-
Sales	-	-
Transfers in and/or out of Level 3, net	-	-
	<u>4,592,587</u>	<u>4,592,587</u>
Balance-June 30	<u>4,592,587</u>	<u>4,592,587</u>

5. Fixed Assets

A summary of the fixed assets at June 30, 2024 and 2023 follows:

	Depreciable Lives	<u>2024</u>	<u>2023</u>
Automobiles	2-3	81,643	30,583
Furniture, fixtures and equipment	3-10	4,509,430	3,564,230
Engineering equipment	3-10	550,000	550,000
Commercial building	39	16,009,404	-
Real estate and other	-	114,557	114,557
Construction in progress	-	-	12,959,524
		<u>21,265,034</u>	<u>17,218,894</u>
<u>Less-accumulated depreciation</u>		<u>(3,953,700)</u>	<u>(3,765,974)</u>
		<u>17,311,334</u>	<u>13,452,920</u>

Depreciation of \$191,057 and \$13,267 was recorded for the years ended June 30, 2024 and 2023, respectively.

6. Contributions Receivable

Contributions receivable, net, is summarized as follows as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Unconditional pledges expected to be collected in:		
Less than one year	2,464,171	1,778,413
One year to five years	<u>11,867,133</u>	<u>11,212,631</u>
	14,331,304	12,991,044
<u>Less-discount on future contributions receivable</u> (discount rate of 4.60% and 4.50% in 2024 and 2023 , respectively)	<u>(2,566,639)</u>	<u>(2,060,543)</u>
<u>Less-allowance for uncollectible contributions</u> <u>receivable</u>	<u>(666,461)</u>	<u>(406,700)</u>
Contributions receivable, net	<u>11,098,204</u>	<u>10,523,801</u>

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

7. Receivable - LED

Tech Pointe II, LLC ("TPII") is a wholly owned subsidiary of Louisiana Tech University Foundation. The Foundation initially funded construction expenditures for TPII which were reimbursed to the Foundation as related funding from Louisiana Economic Development ("LED") was received, in accordance with the cooperative endeavor agreement (CEA). During FY24, TPII submitted reimbursement applications to LED for construction expenditures and payments were received at a 100% rate then a 50% rate according to the terms of the CEA. As of the year ended June 30, 2024, construction expenditures totaled \$17,052,348 and \$9,500,000 had been received from LED. On a consolidated basis, \$0 and \$699,165 was due from LED and was recorded on the balance sheet as a receivable from LED as of June 30, 2024 and 2023, respectively. The final reimbursement from LED was received on September 11, 2023.

8. Notes Payable

Notes payable consist of the following at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Line of credit to Origin Bank for operating capital up to \$10,000,400 dated September 17, 2024, secured by cross-collateralization of other loans. Interest at banks' prime rate (8.62% at June 30, 2024), maturing December 28, 2024.	2,656,283	2,574,474
Note payable to Origin Bank for the consolidation of the football stadium video board and basketball arena video board dated May 30, 2019, original amount of \$1,129,401.49, interest rate at 5.110%, matured January 15, 2024.	<u>-</u>	<u>221,021</u>
	<u>2,656,283</u>	<u>2,795,495</u>

Notes payable maturities are as follows:

Year Ended June 30,	
2025	2,656,283
2026	-
2027	-
Thereafter	<u>-</u>
	<u>2,656,283</u>

Interest expense on the above notes for the years ended June 30, 2024 and 2023 was \$134,852 and \$217,394, respectively.

Effective May 23, 2017, the board of directors approved self-financing, through the Foundation, to facilitate the timely completion of an athletics expansion project with the use of endowment funds.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

The funds were borrowed at an interest rate of four percent, with no formalized repayment schedule. Funds will be paid back as proceeds from charitable gifts along with income generated from above said project are available, and are estimated to be approximately \$900,000 annually. The financial statements reflect a note receivable from the Foundation, in the amount of \$7,757,737 and \$8,657,737 as of June 30, 2024 and 2023, respectively, and an unsecured note payable in the same amount to the Louisiana Tech University Foundation endowment investment account. Interest expense for the years ended June 30, 2024 and 2023 was \$346,309 and \$382,309, respectively.

Effective May 1, 2023, the board of directors approved internal financing, through the Foundation endowment investment account, to facilitate cash flow for the construction of Tech Pointe II. Funds of up to \$3,875,000 at an interest rate of 5.50% are accessible with repayment to begin when construction is complete, as evidenced by the payment of rent by tenants. The financial statements reflect a note receivable in the amount of \$3,866,498 as of June 30, 2024, and an unsecured note payable in the same amount. For the year ended June 30, 2024, \$3,875,000 had been borrowed through the endowment instrument. Interest revenue for the year ended June 30, 2024 was \$175,002.

Effective January 31, 2024, Tech Pointe II entered into a promissory note with a private lender for one million dollars at an interest rate of 6% maturing in January 2034. Interest only payments are due on a quarterly basis, and principal payments of \$100,000 may be made at Tech Pointe II's discretion.

Effective February 23, 2024, Tech Pointe II entered into a promissory note with a private lender for five hundred thousand dollars at an interest rate of 6% maturing in January 2034. Interest only payments are due on a quarterly basis, and principal payments of \$100,000 may be made at Tech Pointe II's discretion.

9. Transactions with Louisiana Tech University

Louisiana Tech University provides to the Foundation, without cost, services for the administration of the Foundation in the form of personnel. In addition, Louisiana Tech University provides, without cost, certain other operating services associated with the Foundation. These services are valued at their actual cost to Louisiana Tech University. For the year ended June 30, 2024, contributed personnel costs and operating services were determined to be \$1,118,037 and \$2,961, respectively. For the year ended June 30, 2023, contributed personnel costs and operating services were determined to be \$344,679 and \$1,952, respectively. The amounts for these services have been reflected as contributed services revenue and corresponding general administrative services and fundraising expenses in the accompanying financial statements.

For the years ended June 30, 2024 and 2023, expenses totaling approximately \$28,777,115 and \$13,573,909, respectively, were paid directly to or for the benefit of Louisiana Tech University.

Funds administered by the Foundation on behalf of Louisiana Tech University are not commingled with funds belonging to the Foundation. Classified as amounts due to Louisiana Tech University at June 30, 2024 and 2023 is \$42,521,558 and \$39,776,480, respectively, related to certain endowed chairs and professorships matched by the State of Louisiana. Initially, the donor portion of these funds is recorded as contributions to the Foundation. Once the state matching is received, the donor portion is deducted from the net assets of the Foundation and reflected as due to Louisiana Tech University.

Various other services and facilities are contributed to the Foundation, the values of which are not readily determinable and, therefore, are not reflected as contributions or expenses in the accompanying financial statements.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

10. Commitments

As of June 30, 2024 and 2023, there was approximately \$1,392,832 and \$1,284,467, respectively, in awarded but unpaid scholarships, which were funded subsequent to year-end.

11. Annuities Liability

The Foundation receives donations through split-interest agreements with contributors. These split-interest agreements specify that the donation is made in return for an individual or joint annuity for the remaining lives of the contributors. The difference between the fair market value of the assets received and liability under the annuity is recognized as revenue in the year received. Upon the death of the contributor, the remaining liability, if any, is recognized as revenue. The Foundation has received four donations under such agreements that result in an annuities liability totaling \$37,330 and \$55,127 at June 30, 2024 and 2023, respectively. The liabilities were calculated using discount rates of 4.9%, 5.0%, and 7.50%.

12. Deferred Revenue

Deferred revenue consists of funding received from Louisiana Economic Development with certain metrics attached to be attained by Tech Pointe II, LLC in accordance with the cooperative endeavor agreement (CEA). As conditions are met, the funding will be recognized as revenue on the statement of operations as appropriate. Deferred revenue totaled \$0 and \$8,721,872 as of June 30, 2024 and 2023, respectively. Deferred revenue was fully recognized as of April 1, 2024 upon satisfaction of the requirements in the CEA.

13. Contractual Obligations

The Foundation is a party to contracts for supplemental pay in support of the Athletic Programs of LTU. Upon certain triggering events, LTUF may be responsible for fulfilling the remaining financial obligations of terminated contracts or entitled to receive payment for certain contract buyout provisions. Events during FY22 resulted in a financial obligation of LTUF of \$2,937,500 to be paid in three installments of \$979,167 by July 15, 2022, July 15, 2023, and July 15, 2024 with no penalty for early payment. LTUF elected to pay the first and second installments of \$979,167 in June 2022 and June 2023, respectively. The final payment of \$979,166 was paid on June 25, 2024, fully satisfying the contractual obligation.

14. Multimedia Sponsorship Rights

On August 28, 2008, the Foundation entered into an agreement with Louisiana Tech University ("University") for the exclusive promotion and management of multimedia sponsorship rights for Louisiana Tech University Athletics. The term of the agreement is July 1, 2009 through June 30, 2019, extended through June 2033. The agreement indicates that the Foundation will contract with a third party company to sell multimedia sponsorship rights on behalf of Louisiana Tech University Athletics. As payment for rights granted under this agreement, the Foundation is required to pay the University an annual minimum fee of \$200,000, throughout the agreement.

On November 25, 2008, the Foundation entered into an agreement with LA Tech Sports Properties, LLC ("Learfield"), a Missouri limited liability company owned by Learfield Communications, Inc. with respect to the licensing rights related to the promotion of Louisiana Tech University Athletics. The term of the agreement is July 1, 2009 through June 30, 2019, extended through June 2033. Effective July 16, 2020 the agreement was amended from a guaranteed payment to a revenue-sharing agreement. As payment for the rights granted under this agreement, Learfield will pay the Foundation 50 percent of the first \$1,850,000 in AGR in each athletic year, and 55 percent of AGR in excess of

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

\$1,850,000 in each athletic year. Notwithstanding the foregoing, for the fiscal year ended June 30, 2021 and each year thereafter, the amount will not be less than 90 percent of the amount paid in the immediately preceding athletic year.

Payments of \$514,809 and \$768,071 were received under this agreement for the fiscal years ended June 30, 2024 and 2023, respectively, and recorded as other income. A receivable of \$264,518 and \$70,281 was recorded at June 30, 2024 and 2023, respectively.

Effective July 1, 2023, the agreement was amended to state that Learfield will pay the Foundation the greater of (i) the Guaranteed Royalty Fee or (ii) fifty-one percent of the revenue share payment. In addition to the Guaranteed Payment, Learfield shall pay the Foundation a Capital Subsidy Payment of \$250,000 each year through fiscal year 2027-2028 for a total of one million dollars with such payments being paid in two installments each year.

The Foundation has a partnership with Learfield Amplify, and the Learfield Guaranteed Payments are received net of Amplify management fees. Payments and amounts due from Learfield are recorded as revenue at the gross amount according to the terms of the agreement. Amplify management fees are recorded as expenses at the time payment is received from Learfield.

15. Endowed Net Assets

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the 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.

Private endowed contributions received for professorships and chairs are included in endowed net assets. Certain endowed funds are provided by the State of Louisiana as a match to these qualifying private endowed contributions. Once the match is received, the private endowed funds along with the matching endowed funds are transferred to the Due to Louisiana Tech University liability account. These endowed assets 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 Foundation's Board of Directors, with consideration given to market conditions, the spending levels of peer institutions, and historical returns. The objective is to provide relatively stable spending allocations. The spending rate approved by the Board for the fiscal year ended June 30, 2024 is 4%. Prior state law dictated that no portion of the corpus (original amount of donation) of the endowed assets shall be allocated for spending. However, in June 2010, the state legislature passed the Uniform Prudential Management of Institutional Funds Act (UPMIFA). This act changed the law regarding spending in endowments, to allow for a portion of the corpus to be spent.

The Foundation classifies as donor restricted endowed net assets the original value of gifts donated for endowment, any subsequent gifts to such endowments, and accumulations subsequently made at the direction of the applicable donor instrument.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

Endowment fund net asset composition as of June 30, 2024:

	<u>With Donor Restriction</u>
Endowment net assets, June 30, 2023	48,718,749
Contributions	1,994,430
Net investment income (loss)	4,849,608
Other income	2,276
Released from restriction	(2,404,882)
Assets dedicated to LA Tech University	<u>(165,000)</u>
Endowment net assets, June 30, 2024	<u>52,995,181</u>

Endowment fund net asset composition as of June 30, 2023:

	<u>With Donor Restriction</u>
Endowment net assets, June 30, 2022	45,118,985
Contributions	4,404,007
Net investment income (loss)	3,008,128
Other income	2,188
Released from restriction	(2,674,559)
Assets dedicated to LA Tech University	<u>(1,140,000)</u>
Endowment net assets, June 30, 2023	<u>48,718,749</u>

16. Net Assets with Donor Restrictions (Non-Endowed)

Net assets with donor restrictions (non-endowed) are restricted for the following purposes:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for specified purpose		
for benefit of University	18,610,426	8,388,418

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

17. Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include support on behalf of the College, personnel costs, and donor cultivation and stewardship, which are allocated on the basis of estimates of time and effort.

Expense allocation for the year ended June 30, 2024 is as follows:

	<u>Program</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Support on behalf of the College	4,639,384	1,755,950	78,777	6,474,111
Scholarships and awards for the College	11,664,146	-	-	11,664,146
Personnel	-	932,590	827,188	1,759,778
Athletics	12,468,291	-	-	12,468,291
Administration	-	1,412,698	286,301	1,698,999
Depreciation	5,294	-	-	5,294
Donor cultivation/stewardship	-	-	293,876	293,876
Total	<u>28,777,115</u>	<u>4,101,238</u>	<u>1,486,142</u>	<u>34,364,495</u>

Expense allocation for the year ended June 30, 2023 is as follows:

	<u>Program</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Support on behalf of the College	5,340,831	1,596,790	64,650	7,002,271
Scholarships and awards for the College	2,307,465	-	-	2,307,465
Personnel	-	960,160	880,638	1,840,798
Athletics	5,916,632	-	-	5,916,632
Administration	-	904,633	839,120	1,743,753
Depreciation	8,981	-	4,285	13,266
Donor cultivation/stewardship	-	-	127,454	127,454
Total	<u>13,573,909</u>	<u>3,461,583</u>	<u>1,916,147</u>	<u>18,951,639</u>

18. Liquidity and Availability

Financial assets, consisting of cash, investments, and accounts receivable, that are available for general expenditure, that is, without donor or other restrictions limiting their use, amounted to approximately \$32,048 and \$39,494 at June 30, 2024 and 2023, respectively. Management has a general goal of maintaining sufficient financial resources on hand to meet two to three months of operating expenses.

The investment portfolio is subject to annual board-established spending rate. At times it may be necessary to liquidate certain investments, which can be accomplished in two to three days, for operating needs.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

19. Recently Adopted Accounting Standards

Louisiana Tech University Foundation, Inc. and subsidiaries adopted Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, in 2024. Topic 326 requires the measurement of all expected credit losses for financial assets held at the reporting date to be based on historical experience, current conditions, and reasonable and supportable forecasts. The adoption of this standard did not have a material impact on the entities' financial statements.

20. Subsequent Events

In accordance with FASB Accounting Standards Codification Topic 740 "Subsequent Events," the Foundation evaluated events and transactions that occurred after the statement of financial position date but before the financial statements were made available for issuance for potential recognition or disclosure in the financial statements. The Foundation evaluated such events through November 12, 2024 and noted one such subsequent events.

Louisiana Tech University has received notification of funding from Capital Outlay for two projects, the Forest Products Innovation Center and the Athletic Academic Center. The Foundation is committed to providing private funds of \$9 million for the projects upon the triggering event, being the projects are out for bid. The Foundation expects to remit \$4 million to the State of Louisiana for the Athletic Academic Center in November 2024. No date has been set for the remaining \$5 million for the Forest Products Innovation Center.

SUPPLEMENTARY INFORMATION

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
DETAILS OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT JUNE 30, 2024

	Louisiana Tech University Foundation	Louisiana Tech Research Corporation	Louisiana Tech Tech Pointe II	Eliminations Dr (Cr)	Consolidated
<u>ASSETS</u>					
Cash and cash equivalents	4,990,635	316,736	589,323	-	5,896,694
Accounts receivable	265,559	-	-	-	265,559
Contributions receivable, net	11,098,104	100	-	-	11,098,204
Note Receivable - Press Box	900,000	-	-	-	900,000
Note Receivable - TPII LOC	3,866,498	-	-	-	3,866,498
Receivable - LED	-	-	-	-	-
Due from Tech Pointe II	4,418,615	-	-	(4,418,615)	-
Due from TPII - LOC	1,125,000	-	-	(1,125,000)	-
Investments	45,368,072	-	-	-	45,368,072
Fixed assets, net	444,748	-	16,866,586	-	17,311,334
Other assets	552,258	-	-	-	552,258
Long-term note receivable - Press Box	6,857,737	-	-	-	6,857,737
Restricted assets - investments	42,728,637	-	-	-	42,728,637
Total assets	122,615,863	316,836	17,455,909	(5,543,615)	134,844,993
<u>LIABILITIES AND NET ASSETS</u>					
<u>Liabilities:</u>					
Accounts payable	802,129	10,251	75,000	-	887,380
Accrued interest payable	13,171	-	-	-	13,171
Line of Credit - Note 7	2,656,283	-	-	-	2,656,283
Video Board - Note 7	-	-	-	-	-
Line of Credit - TPII	3,866,498	-	-	-	3,866,498
Private Lending Note	-	-	1,500,000	-	1,500,000
Current Portion of Press Box Note Payable	900,000	-	-	-	900,000
Annuities liability - Note 10	37,330	-	-	-	37,330
Deferred Revenue	-	-	-	-	-
Contractual Obligations	-	-	-	-	-
Long-Term Portion of Press Box Note Payable	6,857,737	-	-	-	6,857,737
Due to/From Intercompany	(32,941)	(2,000)	34,941	-	-
Due to LA Tech Foundation	-	-	4,418,615	(4,418,615)	-
Due to FDN - Origin LOC	-	-	1,125,000	(1,125,000)	-
Due to Louisiana Tech University	42,521,558	-	-	-	42,521,558
Total liabilities	57,621,765	8,251	7,153,556	(5,543,615)	59,239,957
<u>Net assets:</u>					
Without donor restrictions	3,690,844	308,585	-	-	3,999,429
With donor restrictions	61,303,255	-	10,302,352	-	71,605,607
Total net assets	64,994,099	308,585	10,302,352	-	75,605,036
Total liabilities and net assets	122,615,864	316,836	17,455,908	(5,543,615)	134,844,993

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
DETAILS OF CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Louisiana Tech University Foundation	Louisiana Tech Research Corporation	Louisiana Tech Tech Pointe II	Eliminations Dr (Cr)	Consolidated
<u>Revenues, gains, and other support:</u>					
Contributions and Other	31,036,024	291,583	500,000	-	31,827,607
Contributed services	1,120,998	-	-	-	1,120,998
Net investment income	5,060,175	4,086	-	(175,002)	4,889,259
Lease income	232,773	-	308,379	-	541,152
Service charges	2,276,145	-	-	-	2,276,145
LED Revenue	-	-	9,500,000	-	9,500,000
Other	38,951	-	-	-	38,951
Total revenues, gains, and other support	39,765,066	295,669	10,308,379	(175,002)	50,194,112
<u>Net assets released from restrictions</u>	-	-	-	-	-
Total revenues, gains, and other support after reclassifications	39,765,066	295,669	10,308,379	(175,002)	50,194,112
<u>Expenses:</u>					
Program expenses in support of LA Tech University	28,232,866	222,224	497,027	(175,002)	28,777,115
General administrative and investment services	4,101,238	-	-	-	4,101,238
Fundraising	1,486,142	-	-	-	1,486,142
Total expenses	33,820,246	222,224	497,027	(175,002)	34,364,495
Assets dedicated to Louisiana Tech University, net	165,000	-	-	-	165,000
<u>Change in net assets</u>	5,779,820	73,445	9,811,352	-	15,664,617
<u>Net assets, beginning of year</u>	59,214,279	235,140	491,000	-	59,940,419
<u>Net assets, end of year</u>	64,994,099	308,585	10,302,352	-	75,605,036

OTHER REPORTS



REGIONS TOWER
333 TEXAS STREET, SUITE 1525 | SHREVEPORT, LOUISIANA 71101
318.429.1525 (P) | 318.429.2124 (F)

November 12, 2024

The Board of Directors
Louisiana Tech University Foundation, Inc.
Ruston, Louisiana

**Independent Auditor's 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**

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 consolidated financial statements of Louisiana Tech University Foundation, Inc. and Subsidiaries, which comprise the statement of consolidated financial position as of June 30, 2024, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 12, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Louisiana Tech University Foundation, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Tech University Foundation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Louisiana Tech University Foundation, 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 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 over financial reporting 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 Louisiana Tech University Foundation, Inc.'s consolidated financial statements are free from 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 consolidated financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HEARD, McELROY & VESTAL, L.L.C.

Shreveport, Louisiana

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024

A. Summary of Audit Results

1. The auditor's report expresses an unmodified opinion on the basic consolidated financial statements of Louisiana Tech University Foundation, Inc.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements were reported.
3. No instances of noncompliance material to the financial statements of Louisiana Tech University Foundation, Inc. were disclosed during the audit.
4. Louisiana Tech University Foundation, Inc. was not subject to a federal single audit for the year ended June 30, 2024.

B. Financial Statement Findings

No matters were reported.

LOUISIANA TECH UNIVERSITY FOUNDATION, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2024

No matters were noted in the prior year.