RAGIN' CAJUN FACILITIES, INC.

FINANCIAL REPORT

JUNE 30, 2019

CONTENTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Ragin' Cajun Facilities, Inc. (a nonprofit organization) as of June 30, 2019 and 2018 and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2019 and 2018, and the respective changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, in 2019, the Company adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. In connection therewith, the ASU has been retrospectively applied to the financial statements as of and for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 information 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 September 19, 2019, 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.

Broussard Poche LLP

Lafayette, Louisiana
September 19, 2019

FINANCIAL STATEMENTS

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF FINANCIAL POSITION
June 30, 2019 and 2018

ASSETS	2019	2018
CURRENT ASSETS		
Cash	$ 252,520	$ 234,597
Accounts receivable	28,303	-
Interest receivable	42,634	-
	$ 323,457	$ 234,597
RESTRICTED ASSETS		
Cash in debt service reserves	$ 5,329,555	$ 5,285,357
Cash in maintenance reserves	2,873,481	3,405,394
Project and other funds:		
Cash	3,407,718	49,628,791
Investments, at market value	3,348,163	-
	$ 14,958,917	$ 58,319,542
PROPERTY AND EQUIPMENT		
Buildings	$260,991,389	$255,127,499
Furniture and equipment	26,758,521	25,665,788
	$287,749,910	$280,793,287
Accumulated depreciation and amortization	(58,320,962)	(47,621,635)
Net depreciable assets	$229,428,948	$233,171,652
Land	2,474,047	-
Construction in progress	44,727,763	8,617,471
Total property and equipment	$276,630,758	$241,789,123
Total assets	$291,913,132	$300,343,262

See Notes to Financial Statements.

LIABILITIES AND NET ASSETS	2019	2018
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Current maturities of bonds payable	$ 6,035,000	$ 5,820,000
Current portion of long-term debt	124,391	119,186
Accounts payable	1,780,915	2,164,546
Accrued interest payable	3,002,845	2,714,043
Deferred revenue	1,700	1,700
Total current liabilities	$ 10,944,851	$ 10,819,475
LONG-TERM LIABILITIES		
Bonds payable less current maturities	$253,945,000	$259,980,000
Bond issue premium (discount), net of accumulated amortization of $742,438 and $210,323, respectively	12,100,644	12,632,758
Bond issuance costs, net of accumulated amortization of $1,962,523 and $1,642,517 respectively	(5,380,159)	(5,700,165)
Long-term debt, less current portion	755,385	879,775
Long-term debt costs, net of accumulated amortization of $5,121 and $3,951, respectively	(3,615)	(4,785)
Total long-term liabilities	$261,417,255	$267,787,583
Total liabilities	$272,362,106	$278,607,058
NET ASSETS		
Without donor restrictions	$ 16,677,545	$ 18,330,810
With donor restrictions	2,873,481	3,405,394
	$ 19,551,026	$ 21,736,204
Total liabilities and net assets	$291,913,132	$300,343,262

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF ACTIVITES
Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Rental income	$ 15,378,262	$ -	$ 15,378,262
Contributions	999,962	2,346,422	3,346,384
Interest income	124,433	55,371	179,804
Total revenues, gains, losses and other support	$ 16,502,657	$ 2,401,793	$ 18,904,450
Released from restriction	2,933,706	(2,933,706)	-
Total revenues after net assets released from restrictions	$ 19,436,363	$ (531,913)	$ 18,904,450
EXPENSES:			
Program expenses:			
Depreciation and amortization	$ 10,699,327	$ -	$ 10,699,327
Repairs and maintenance	1,077,167	-	1,077,167
Other expenses	57,149	-	57,149
Interest expense, net	9,255,985	-	9,255,985
	$ 21,089,628	$ -	$ 21,089,628
Change in net assets	$ (1,653,265)	$ (531,913)	$ (2,185,178)
Net assets at beginning of year	18,330,810	3,405,394	21,736,204
Net assets at end of year	$ 16,677,545	$ 2,873,481	$ 19,551,026

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF ACTIVITES
Year Ended June 30, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Rental income	$ 13,742,851	$ -	$ 13,742,851
Contributions	5,281,055	2,346,422	7,627,477
Interest income	53,822	43,994	97,816
Total revenues, gains, losses and other support	$ 19,077,728	$ 2,390,416	$ 21,468,144
Net assets released from restriction	5,952,676	(5,952,676)	-
Total revenues after net assets released from restrictions	$ 25,030,404	$ (3,562,260)	$ 21,468,144
EXPENSES:			
Program expenses:			
Depreciation and amortization	$ 10,448,917	$ -	$ 10,448,917
Repairs and maintenance	1,872,332	-	1,872,332
Other expenses	51,710	-	51,710
Loss on refinancing	149,823	-	149,823
Interest expense, net	9,468,812	-	9,468,812
	$ 21,991,594	$ -	$ 21,991,594
Change in net assets	$ 3,038,810	$ (3,562,260)	$ (523,450)
Net assets at beginning of year	15,292,000	6,967,654	22,259,654
Net assets at end of year	$ 18,330,810	$ 3,405,394	$ 21,736,204

See Notes to Financial Statements.

RAGIN' CAJUN FACILITIES, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (2,185,178)	$ (523,450)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,699,327	10,448,917
Loss on refinancing	-	149,823
Amortization of deferred bond cost, loan costs and bond discount and premium included in interest expense	(152,328)	(169,533)
Decrease in receivables	(70,937)	2,332
Increase (decrease) in accrued interest payable	(53,604)	485,707
Increase in deferred revenue	-	1,700
Net cash provided by operating activities	$ 8,237,280	$ 10,395,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	$ (44,647,853)	$ -
Proceeds from sale/maturity of investments	41,667,333	
Acquisition of fixed assets	(44,314,693)	(13,314,022)
Capitalization of interest, net of interest and investment earnings	(1,693,747)	(225,139)
Net cash used in investing activities	$ (48,988,960)	$ (13,539,161)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on bonds payable	$ (5,820,000)	$ (5,360,000)
Proceeds from issuance of bond debt, net of underwriter's discount and bond insurance premium	-	61,360,580
Payments on long-term debt	(119,185)	(10,113,939)
Payments for bond issue costs	-	(414,986)
Net cash provided by (used in) financing activities	$ (5,939,185)	$ 45,471,655
Net increase (decrease) in cash	$ (46,690,865)	$ 42,327,990
Cash, beginning of year	58,554,139	16,226,149
Cash, end of year	$ 11,863,274	$ 58,554,139
Cash:		
Operating	$ 252,520	$ 234,597
Restricted	11,610,754	58,319,542
	$ 11,863,274	$ 58,554,139

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"). 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 and investments -

The Corporation's trustee maintains 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 agreement, by the trustee 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.

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:

	Years
Buildings and improvements	20-30
Appliances, furniture and equipment	5-20
Technology costs	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 2016.

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.

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 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 100% of its facilities lease rental revenue from the University of Louisiana at Lafayette.

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.

Recent accounting pronouncements

During 2019, the Corporation adopted Accounting Standards Update (ASU No. 2016-14), *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profits Entities.* This update simplifies and improves the manner in which a not-for-profit entity (NFP) classifies its net assets, as well as the information that it presents in financial statements and notes concerning liquidity, financial performance, and cash flows. In particular, ASU No. 2016-14 amends the requirements for financial statements and notes in *Topic 958, Not-for-Profit Entities*, and requires a Not-for-Profit to, among other things, (1) present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the previously required three classes; (2) present on the face of the statement of activities the amount of the change in each of the two classes of net assets referenced above, rather than that of the previously required three classes; and (3) continue to present on the face of the statement of cash flows the net amount for operating cash flows, using either the direct or the indirect method of reporting, but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method. Net assets previously reported as temporarily restricted and permanently restricted are now reported as net assets with donor restrictions. Likewise, net assets previously reported as unrestricted are now reported as net assets without donor restrictions. The new presentation has been applied retrospectively to all periods presented.

In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities* as amended by ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments-Overall.* These ASUs changed how certain equity investments are measured with changes in fair value recognized in change in net assets, simplified the impairment assessment process for equity investments without readily determinable fair values, eliminated certain fair value disclosure requirements for financial instruments, and changed presentation requirements for certain financial instruments as well as other situational requirements involving recognition The Company adopted these provisions in 2019. Changes resulting from this adoption only effected certain disclosures related to the fair value of financial instruments. Net assets as previously reported were not affected by the adoption of this ASU.

Note 2. Investments

During the 2019 fiscal year, the Company directed the Trustee for the Series 2018 Parking and Housing Bonds to invest in certain short term bonds and Treasury securities to increase investment income on undisbursed bond proceeds as the project progressed. At June 30, 2019, the balance of investments was made up of various state and municipal bonds and U.S. Treasury and Agency securities with varying maturities through September 2019. The face value of the bonds outstanding were $3,780,000 with an amortized cost basis of $3,347,213 and a market value of $3,348,163. Investments are stated at market value and made up of the following components at June 30, 2019:

State and Municipal Bonds	$ 1,350,333
U.S. Agency Bond	998,970
U.S. Treasury Bond	998,860
	$ 3,348,163

Note 3. 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 Trust 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, 2019 range from 3.00% to 5.00%, with an average interest rate of 4.02%

During the 2017 fiscal year, the Corporation's remaining $11,880,000 of Series 2009 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 that were not included in the refunding, were bonds with maturities through October 1, 2020.

The loss on the refunding of the remaining Series 2009 Bonds outstanding was $1,751,542, which included the write off of unamortized bond costs and issue discounts of $573,574. For that portion of the Series 2010 Parking and Housing revenue bonds included the refunding, a loss on the refunding was also recorded in the 2017 fiscal year of $14,505,703, which included the write down of unamortized bond costs and issue discounts attributed to the refunded bonds of $3,987,206. While the refunding resulted in a net loss on the refunding of $16,257,245 in 2017 under generally accepted accounting principles, the calculation does not take into account that the bonds were issued at a premium of $8,479,654. The net present value benefit from the future reduction in debt service payments is a net economic gain of $4,377,835.

Interest rates on bonds outstanding for the remaining Series 2010 bonds at June 30, 2019 range from 5.00% to 5.25%, with an average interest rate of 5.19%. Interest rates on the Series 2017 Refunding Bonds for Parking and Housing from 3.00% to 5.00%, have an average interest rate of 4.64%

The initial purpose of the Series 2009 bonds was to construct a second phase of the Legacy Park Apartment complex. The bonds were originally issued for 12,500,000. The bonds were used to construct the second phase of the Legacy Park Apartment Complex for students of the University of Louisiana at Lafayette at a cost of $9,783,019, plus capitalized interest incurred during the project of $871,139.

The Series 2010 Parking and Housing Bond 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 construction of a six level parking garage. In connection with this project, the 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.

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 building. The University initially contributed $19,312,000 toward the project along with the issuance of bonds in the amount $22,200,000 to finance the cost of demolishing certain facilities, renovate and expand the existing UL

Student Union, renovate the O. K. Allen Hall to provide for a student health center and construction of a new food services center and other facilities. The proceed from the bonds are $21,377,384, which is net of the issue discount on the bonds of $374,142, the underwriters discount of $157,620 and the bond insurance premium of 290,854. Additional bond issuance costs of $273,853 were paid from the bond proceeds. 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, 2019 range from 3.00% to 5.00%, with an average interest rate of 4.85%

At the beginning of the 2014 fiscal year, the Organization issued Series 2013 bonds for the construction of two new projects, the Athletic Facilities Project and the Lewis Street Parking Garage. 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, during the 2014 fiscal year toward the project, 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. Proceeds from the bonds are $23,096,239, which is net of the issue discount on the bonds of $147,923, the underwriter's discount of $182,939 and the bond insurance premium of $177,899. Additional bond issuance costs of $178,964 were paid from bond proceeds. 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 in rent revenues in the fiscal years ended June 30, 2019 and 2018.

Accumulated construction costs for the initial 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 the Series 2013 Athletics Facilities Bonds at June 30, 2019 range from 3.00% to 5.00%, with an average interest rate of 4.758

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. Proceeds from the bonds are $24,649,828, which is net of the issue discount on the bonds of $175,990, the underwriter's discount of $189,038 and the bond insurance premium of $190,144. Additional bond issuance costs of $200,444 were paid from the bond proceeds. Through June 30, 2018, the accumulated construction costs for the completed 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, 2019 range from 3.00% to 5.00%, with an average interest rate of 4.78%.

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 year which netted bond proceeds of $18,114,064 after an original issue discount of $118,297, an underwriter's discount of $148,000 and bond insurance premium of $49,640. Additional bond issuance costs of $198,774 were paid from bond proceeds.

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

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 Bonds and Refunding 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 in addition to proceeds of the Series 2016 refunding. The refunding also accomplished an additional $1,470,276 of funding that was added to the Cajundome Improvement Project 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, 2019 is 2.47%.

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 the Corporation incurred in 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, 2019 is 3.50%.

The Series 2018 Housing and Parking Project commenced in the 2017 fiscal year with project costs incurred and accrued of $808,891 through June 20, 2017. Project costs 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. Project costs through June 30, 2019 were $51,195,494, including capitalized interest of $1,821,686. The project is obligated for an additional $8 million of contract costs between the developer and the contractor at June 30, 2019. It is anticipated that the project will be substantially completed by the beginning of the fall semester of 2019. The interest rate on bonds outstanding for the Series 2018 Housing and Parking at June 30, 2019 is 5.00%.

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

Bond Issue	Bonds Outstanding June 30, 2018	Bonds Issued	Bonds Paid	Bonds Outstanding June 30, 2019
Series 2012 Refunding	$ 12,910,000	$ -	$ 645,000	$ 12,265,000
Series 2017 Refunding Parking and Housing	95,300,000	-	440,000	94,860,000
Series 2010 Parking and Housing	6,250,000	-	1,980,000	4,270,000
Series 2010 Student Union	19,120,000	-	495,000	18,625,000
Series 2013 Parking	23,690,000	-	530,000	23,160,000
Series 2013 Athletics Complex	22,180,000	-	495,000	21,685,000
Series 2015 Cajundome Improvements	18,500,000	-	-	18,500,000
Series 2016 Cajundome Refunding	10,295,000	-	755,000	9,540,000
Series 2017 Baseball Stadium	10,145,000	-	480,000	9,665,000
Series 2018 Parking and Housing	47,410,000	-	-	47,410,000
	$265,800,000	$ -	$ 5,820,000	$259,980,000

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

	Principal	Interest	Total
2020	$ 6,035,000	$ 11,574,497	$ 17,609,497
2021	6,265,000	11,340,738	17,605,738
2022	6,510,000	11,100,253	17,610,253
2023	6,760,000	10,860,237	17,620,237
2024	7,015,000	10,608,090	17,623,090
2025-2029	39,755,000	48,324,664	88,079,664
2030-2034	47,700,000	38,824,949	86,524,949
2035-2039	50,265,000	27,628,128	77,893,128
2040-2044	52,560,000	15,339,650	67,899,650
2045-2049	37,115,000	4,649,875	41,764,875
	$259,980,000	$190,251,081	$450,231,081

Interest paid and accrued of $2,370,500 and $250,219, respectively, was capitalized during the years ended June 30, 2019 and 2018 for those bond projects under construction during those fiscal years. Capitalized interest costs are reduced by interest and investment earnings on undisbursed bond proceeds in the amounts of $701,990 and $22,060, respectively, at June 30, 2019 and 2018. Net amortization of bond costs, (bond premium amortization) and issue discount amortization, related to the bonds, in the amount of $(58,610) and $(16,374), respectively, are also included as components of capitalized interest at June 30, 2019 and 2018.

Cash payments for bond interest expensed during the years ended June 30, 2019 and 2018 were $9,419,275 and $8,957,250, respectively. The 2019 and 2018 fiscal year reflects cash payments of bond interest in the amounts $2,028,094 and $247,198, respectively, which are capitalized as part of the acquisition of capital assets in the statements of cash flows.

Note 4. Long-Term Debt – Note Payable

In 2015, the Corporation purchased a facility for $1,300,000 that it was leasing and renting the University, which it operates as a 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 being 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, 2019, the applicable interest rate has remained at 4.45% and the resulting loan balance is $879,776. Of the June 30, 2019 note balance, $755,385 is due after one year and classified as long-term debt.

During the 2017 fiscal year the Company sought funding from various sources to build a new baseball stadium. In that process, the Company borrowed $10,000,000 from the same lending institution noted in the previous paragraph to fund a portion of the construction. Under the terms of the loan agreement, the loan was facilitated through a construction line of credit, which was fully drawn through June 30, 2017.

In the 2018 fiscal year, the $10,000,000 loan was refinanced through bonded indebtedness as more fully described in Note 3 for the Series 2017 Baseball Stadium bond issue. The loan had a provision for a one percent (1%) prepayment penalty, or $100,000 at the date the loan paid, which is included in the loss on refunding in the 2018 statement of activities, in additional to the write down of unamortized loan costs of $49,823.

At June 30, 2019, principal payments on the debt over the term of the note, projected at the current interest rate, is as follows:

Year Ended	
2020	$ 124,391
2021	130,520
2022	136,501
2023	142,706
2024	149,249
2025-2026	196,409
	$ 879,776

Cash payments of interest on the above notes for the June 30, 2019 and 2018 fiscal years, included in expense, is $42,641 and $157,967, respectively. Interest capitalized on the construction of the baseball stadium in the 2017 fiscal year was $193,439, plus $3,056 of loan fee amortization. Cash payments for capitalized interest during the 2018 fiscal year was $37,500.

NOTES TO FINANCIAL STATEMENTS

Note 5. 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 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 6. 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 7. Non-Cash Transactions

Amortization of the bond premiums, net of the amortization of original issue discounts for the fiscal year ended June 30, 2019 and 2018 were $(451,467) and $(442,325), respectively, and amortization of bond issue costs were $297,969 and $268,656., respectively. Amortization of loan costs of $1,170 and $4,137, respectively, are also included in the statement of changes in net assets at June 30, 2019 and 2018. Amortization of the bond cost and net bond discounts and premium are included in interest expense.

Capitalized interest costs of $2,370,500 and $250,219, respectively, were accrued at June 30, 2019 and 2018 and are not reflected in the respective statements of cash flows, until such time that the interest payments are made. Likewise, net amortization of bond (premium) discount and bond costs of ($58,610) and $(16,374), respectively, included in capitalized interest at June 30, 2019 and 2018, are excluded from the statements of cash flows.

For the year ended June 30, 2018, bond proceeds of $18,114,064 is reflected in the statements of cash flows from the sale of the Series 2015 Revenue Bonds and consists of bonds with a face amount of $18,500,000, and reduced by an issue discount of $188,297, the underwriter's discount in the amount of $148,000 and bond insurance premiums of $49,640.

In connection with the Series 2017 Baseball Stadium bonds that occurred during the year ended June 30, 2018, bond proceeds of $10,001,58 is reflecting in the statements of cash flows from the sale of bonds and consists of bonds with a face amount of $10,145,000, and decreased by a prepayment penalty of $100,000 and cost of issuance of $43,420.

In addition to the bonds noted above, bond proceeds of $51,359,000 were recognized in the sale of bonds for the Series 2018 Parking and Housing Project at the end of the 2018 fiscal year. Bonds with a face value of $47,410,000 were issued at a premium of $4,903,745, and net of underwriter's discount, surety fees and bond insurance of $954,745.

Note 8. 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 are 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.

Note 9. Disclosure About Fair Value of Financial Instruments

The Company groups assets and financial liabilities measured at fair value on a recurring basis in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. These levels are:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes securities that are traded by dealers or brokers in active markets. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. For example, municipal securities valuations are based on markets that are currently offering similar financial products. Valuations are obtained from third party pricing services for identical or comparable assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

Below is a table that presents information about certain assets measured at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date Using:			
	Fair Value	Quoted Prices In Active Markets for Identical Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
As of June 30, 2019				
Investments:				
State and Municipal Bonds	$1,350,333	$ -	$1,350,333	$ -
U.S. Agency Bond	998,970	998,970	-	-
U.S. Treasury Bond	998,860	998,860	-	-
	$3,348,163	$1,997,830	$1,350,333	$ -

The debt securities listed above mature within three months of year end and fair value closely approximates face value at June 30, 2019.

Note 10. 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 $252,520.

Note 11. Commitments and Contingencies

At June 30, 2019, the Corporation had approximately $8,100,000 remaining on construction contracts for facilities that were in progress. That amount does not include the reimbursable expenses in connection with on-going project management, architectural and engineering or other construction related activities that may be required to complete the project.

Note 12. Subsequent Events

Subsequent events occurring after June 30, 2019 were evaluated through September 19, 2019 the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
Year Ended June 30, 2019

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

There are no transactions to report under this section.

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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, 2019 and 2018, 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 September 19, 2019.

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.

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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.

Broussard Poche LLP

Lafayette, Louisiana
September 19, 2019

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2019

We have audited the financial statements of Ragin' Cajun Facilities, Inc. as of and for the year ended June 30, 2019, and have issued our report thereon dated September 19, 2019. We conducted our audit 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 audit of the financial statements as of June 30, 2019 resulted in an unmodified opinion.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses	_ Yes	X No
Significant Deficiencies	_ Yes	X None reported

Compliance

Compliance Material to Financial Statements	_ Yes	X No

Section II - Financial Statement Findings

There were no current year findings reported.

RAGIN' CAJUN FACILITIES, INC.

SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2019

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.