

**UNIVERSITY GATEWAY ECONOMIC
DEVELOPMENT DISTRICT
A COMPONENT UNIT OF THE
CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA**

FINANCIAL REPORT

Year Ended October 31, 2024

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OTHER LOCATIONS:

Eunice Morgan City Abbeville

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
University Gateway Economic Development District
Parish of Lafayette, Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of University Gateway Economic Development District, A Component Unit of the Consolidated Government of Lafayette, Louisiana as of and for the year ended October 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of October 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University Gateway Economic Development District 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 opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historic context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the management's budgetary comparison information on page 18 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial

statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information as listed in the table of contents 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic 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 March 17, 2025, on our consideration of the District'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 District'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 the District's internal control over financial reporting and compliance.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

March 17, 2025
Lafayette, Louisiana

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

STATEMENT OF NET POSITION

OCTOBER 31, 2024

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash	\$ 1,969,454
Receivables:	
Sales Tax Receivable	<u>42,732</u>
TOTAL ASSETS	<u>\$ 2,012,186</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>\$ 6,099</u>
Total Liabilities	<u>6,099</u>
NET POSITION	
Restricted for Economic Development Program	2,006,087
Unrestricted	<u>-</u>
TOTAL NET POSITION	<u>\$ 2,006,087</u>

The accompanying notes are an integral part of the basic financial statements.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2024**

		<u>Program Revenues</u>		Net (Expenses) Revenues and Changes in Net Position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities				
Economic Development and Assistance:				
Governmental Activities	<u>\$ 25,666</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (25,666)</u>
Total Governmental Activities	<u><u>\$ 25,666</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>(25,666)</u>
General Revenues:				
Investment Earnings				880
Sales Taxes				<u>482,894</u>
Total General Revenues				<u>483,774</u>
Change in Net Position				<u>458,108</u>
Net Position - Beginning				<u>1,547,979</u>
Net Position - Ending				<u><u>\$ 2,006,087</u></u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

FUND DESCRIPTIONS

GENERAL FUND

The General Fund is the District's primary operating fund and it accounts for all financial resources of the District except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to the Commission's policy. This fund is considered to be a major fund.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

OCTOBER 31, 2024

	<u>General Fund</u>
ASSETS	
Cash	\$ 1,969,454
Receivables:	
Sales Tax Receivable	<u>42,732</u>
Total Assets	<u>\$ 2,012,186</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	<u>\$ 6,099</u>
Total Liabilities	<u>6,099</u>
Fund Balances:	
Restricted	2,006,087
Unassigned	<u>-</u>
Total Fund Balances	<u>2,006,087</u>
Total Liabilities and Fund Balances	<u>\$ 2,012,186</u>

The accompanying notes are an integral part of the basic financial statements.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
YEAR ENDED OCTOBER 31, 2024**

	<u>General Fund</u>
Revenues.	
Sales Taxes - General	\$ 412,975
Sales Taxes - Hotel/Motel	69,920
Interest Earnings	<u>880</u>
Total Revenues	<u>483,775</u>
Expenditures:	
Current -	
Other Services and Charges	
General Government	1,148
Admin Fees	5,820
Accounting Fees	7,756
Auditing Fees	10,550
Bank Fees	180
Printing and Advertising	<u>213</u>
Total Expenditures	<u>25,667</u>
Excess of Revenues Over Expenditures	<u>458,108</u>
Fund Balances, Beginning	<u>1,547,979</u>
Fund Balances, Ending	<u>\$ 2,006,087</u>

The accompanying notes are an integral part of the basic financial statements.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization- The University Gateway Economic Development District is a political subdivision of the State of Louisiana created under Louisiana Revised Statute 33:9038.31-42. The District is governed by a Board of Directors consisting of two appointed members. The District was created out of the City's desire to design, development, and construction of various multi-phased projects designed to encourage economic development, eliminate blighted and vacant property, increase the number of hotel rooms available, generate revenues for infrastructure and other necessary capital expenditures, stimulate job creation by enhancing the feasibility of private sector projects that help to achieve the community's economic goals, and catalyze development in target areas where it might not be otherwise economically feasible, primarily through focusing on projects in the areas of development, rehabilitation, infrastructure improvements, and recreation, and to pursue transportation improvements including, but not limited to, incorporating raised medians and roundabouts, making necessary safety upgrades, and improving pedestrian connectivity along the University Avenue Corridor from Renaud Drive (LA 725) to Jeanne Street.

The economic development district is empowered to levy up to five (5) mills of ad valorem taxes, up to two (2%) percent of sales and use taxes, or up to two (2%) percent of hotel occupancy taxes, or any combination of such taxes, above and in addition to any other ad valorem taxes, sales and use taxes, or hotel occupancy taxes, or combination of such taxes, then in existence or permitted to be in existence within the boundaries of such economic development district.

Basis of Presentation - The accounting and reporting policies of the District conform to accounting policies generally accepted in the United States of America (GAAP) as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:513, as well as any applicable requirements set forth by Audits of State and Local Governmental Units, the industry audit guide issued by the American Institute of Certified Public Accountants, and the Louisiana Governmental Audit Guide.

Financial Reporting Entity - FASB ASC Section 2100 – Defining the Financial Reporting Entity - This report includes all funds, account groups, and component units, which are controlled by or dependent on the University Gateway Economic Development District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, or other general oversight responsibility. As the Consolidated Government is the governing body of the District, the District is considered to be a component unit of the Consolidated Government. At October 31, 2024, there were no entities that met the criteria to be considered a component unit of the District.

The following is a summary of certain significant accounting policies:

Government-Wide and Fund Financial Statements – The government-wide financial statements consist of a statement of net position and statement of activities to report information about the District as a whole. Eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. The District has only one governmental fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include proceeds received from the sale of land inventory. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for governmental funds. All individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” the transactions are recorded, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues in the year for which they are awarded.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. For this purpose, the government considers revenues to be *available* if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The government reports the following major governmental fund:

The *general fund* is the government’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents – The District’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The district is authorized under state law to deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the United States, or laws of the United States. Under state laws, these deposits must be secured by federal deposit insurance, or the pledge of Securities owned by the fiscal agent bank. State law provides that the amount of the security shall at all times be equal to 100% of the amount on deposit with each depositing authority, except that portion of the deposit insured by federal deposit insurance.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Equity Classifications - In the government-wide statements, equity is classified as net position and displayed in three components:

Net investment in capital assets— Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund statements, governmental fund equity is classified as fund balance. In the fund financial statements, the governmental fund reports the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or legally or contractually required to be maintained intact. All amounts reported as nonspendable at October 31, 2024, by the District are nonspendable in form. The District has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to directives of the District who has the highest level of decision-making authority. Commitments may be modified or rescinded only through actions of the District.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. The District dismay assign amounts to this classification.

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the District has provided otherwise in its commitment or assignment actions.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

Notes to Financial Statements

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Budgets and Budgetary Accounting - Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund. The budget is formally adopted by the District, prior to the beginning of the fiscal year. Notices of its completion and availability are published. After its adoption, any adjustments to the budget must follow the same process. All annual appropriations lapse at year-end.

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 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.

Prepaid Expenses - Payments made to vendors for services that will benefit periods beyond year end are recorded as prepaid expenses.

Board of Directors – For the year ended October 31, 2024, the members of the Board of Directors received no compensation or per diem.

(B) CASH AND INTEREST-BEARING DEPOSITS

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At October 31, 2024, the District has cash and interest-bearing deposits (book balances) totaling \$1,969,454.

Custodial Credit Risk Relating to Deposits - Custodial credit risk is the risk that, in the event of bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk, however, under state law, these deposits, (or the resulting bank balances), must be secured by federal deposit insurance or the pledge of securities owned by the fiscal bank.

The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposit balances (bank balances) at October 31, 2024 are as follows:

Bank Balances	<u>\$ 1,969,454</u>
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At October 31, 2024, the deposits are secured as follows:

Federal Deposit Insurance	\$ 250,000
Pledged Securities (Category 3)	<u>1,846,818</u>
Total	<u>\$ 2,096,818</u>

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

Notes to Financial Statements

(B) CASH AND INTEREST-BEARING DEPOSITS – continued

Pledged securities in Category 3 are comprised of uninsured and unregistered investments with securities held by the pledging institution, or by its trust department or agent, but not in the District's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

(C) DEDICATED REVENUE

During the year ended October 31, 2024, the District received \$482,895 in sales tax revenue. The District recorded \$42,732 as sales tax receivable at October 31, 2024.

(D) SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 17, 2025, the date the financial statements were available to be issued.

On October 3, 2024, the current administrator for the District, the Acadiana Planning Commission, submitted a formal notice of termination of services agreement. On November 8, 2024, the District authorized a resolution to enter into a new administrative services agreement with the Lafayette Public Trust Financing Authority which became effective on January 1, 2025.

**REQUIRED SUPPLEMENTARY
INFORMATION**

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT

GENERAL FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL (GAAP BASIS)**

YEAR ENDED OCTOBER 31, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental				
Sales Taxes - General	\$ 440,000	\$ 399,500	\$ 412,975	\$ 13,475
Sales Taxes - Hotel/Motel	65,000	67,000	69,920	2,920
Interest	500	500	880	380
Total Revenues	505,500	467,000	483,775	16,775
Expenditures:				
Current -				
Other Services & Charges				
General Government	1,600	1,400	1,148	252
Admin Fees	14,000	5,800	5,820	(20)
Accounting and Auditing Fees	19,500	19,200	18,306	894
Bank Fees	200	200	180	20
Legal Fees	1,000	5,000	-	5,000
Printing and Advertising	1,000	1,000	213	787
Total Expenditures	37,300	32,600	25,667	6,933
Excess of Revenues Over Expenditures	468,200	434,400	458,108	23,708
Fund Balance, Beginning	1,547,979	1,547,979	1,547,979	-
Fund Balance, Ending	\$ 2,016,179	\$ 1,982,379	\$ 2,006,087	\$ 23,708

OTHER SUPPLEMENTARY INFORMATION

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT
Compensation Paid to Members of the Board of Directors
For the Year Ended October 31, 2024

The Board of Directors of the District receive no compensation and are only reimbursed for their expenses incurred related to the District's business, which must have appropriate supporting documentation.

**INTERNAL CONTROL, COMPLIANCE,
AND
OTHER INFORMATION**



OTHER LOCATIONS:

Eunice Morgan City Abbeville

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

Members of the Board of Directors
University Gateway Economic Development District
Parish of 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 the governmental activities and the major fund of University Gateway Economic Development District, A Component Unit of the Consolidated Government of Lafayette, Louisiana, as of and for the year ended October 31, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 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.

Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

March 17, 2025
Lafayette, Louisiana

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT
Schedule of Findings and Questioned Costs
Year Ended October 31, 2024

We have audited the financial statements of the University Gateway Economic Development District, a component unit of Consolidated Government of Lafayette, Louisiana, as of and for the year ended October 31, 2024, and have issued our report thereon dated March 17, 2025. 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 October 31, 2024 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	<u> </u> Yes	<u> x </u> No
Control Deficiency	<u> </u> Yes	<u> x </u> No

Compliance

Compliance Material to Financial Statements	<u> </u> Yes	<u> x </u> No
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Section II – Financial Statement Findings

There were none noted for the year ended October 31, 2024.

Section III – Federal Award Findings and Questioned Costs.

This section is not applicable for the year ended October 31, 2024.

UNIVERSITY GATEWAY ECONOMIC DEVELOPMENT DISTRICT
Schedule of Prior Year Findings
October 31, 2024

Section II – Financial Statement Findings

There were no Financial Statement Findings and Questioned Costs in the prior year.

Section III – Federal Award Findings and Questioned Costs.

There were no Federal Award Findings and Questioned Costs in the prior year.