

**UNIVERSITY OF LOUISIANA
AT LAFAYETTE FOUNDATION, INC.**

FINANCIAL REPORT

JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
University of Louisiana
at Lafayette Foundation, Inc.
Lafayette, Louisiana

Opinion

We have audited the accompanying financial statements of the University of Louisiana at Lafayette Foundation, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of Louisiana at Lafayette Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 of Louisiana at Lafayette Foundation, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Louisiana at Lafayette Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risk 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 purposes of expressing an opinion on the effectiveness of the University of Louisiana at Lafayette Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University of Louisiana at Lafayette Foundation's ability to continue as a going concern for a reasonable period of time.

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

Report on Supplementary Information

Our audit was 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 36 and schedule of revenues and expenses of intercollegiate athletics program on pages 37 and 38 are 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 our report dated October 24, 2024, on our consideration of the University of Louisiana at Lafayette Foundation'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 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 University of Louisiana at Lafayette Foundation'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 University of Louisiana at Lafayette Foundations' internal control over financial reporting and compliance.

Broussard Poche', LLP

Lafayette, Louisiana
October 24, 2024

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FINANCIAL STATEMENTS

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2024 and 2023

ASSETS	2024	2023
Cash and cash equivalents	\$ 37,149,637	\$ 37,058,071
Cash – restricted for collateral	684,064	527,589
Cash – restricted for debt service	3,008,320	-
Accrued interest receivable	230,149	127,745
Contributions receivable, net	28,992,622	27,316,051
Other receivables	224,001	666,147
Prepaid expenses	171,068	175,527
Investments, at market value	204,230,661	196,877,075
Property and equipment, net	8,120,965	8,866,855
Artworks	3,569,139	3,406,179
Other assets	<u>1,536,182</u>	<u>1,424,190</u>
Total assets	<u>\$ 287,916,808</u>	<u>\$ 276,445,429</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 458,923	\$ 1,066,356
Scholarships payable	60,000	60,000
Accrued expenses	5,253,306	4,362,495
Construction line of credit	3,778,400	-
Notes payable	232,751	260,027
Refundable advances	2,933,332	3,199,999
Funds held in custody	<u>46,469,918</u>	<u>43,930,881</u>
Total liabilities	<u>\$ 59,186,630</u>	<u>\$ 52,879,758</u>
Net assets:		
Without donor restrictions	\$ 17,829,763	\$ 15,856,347
With donor restrictions	<u>210,900,415</u>	<u>207,709,324</u>
Total net assets	<u>\$ 228,730,178</u>	<u>\$ 223,565,671</u>
Total liabilities and net assets	<u>\$ 287,916,808</u>	<u>\$ 276,445,429</u>

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, LOSSES AND OTHER SUPPORT:			
Contributions	\$ 161,901	\$18,080,826	\$ 18,242,727
Contributions – artwork and other property	454,810	-	454,810
Interest and dividends, net of fees	764,744	778,684	1,543,428
Net gains and (losses) on investments –			
Realized	145,640	4,399,235	4,544,875
Unrealized	284,382	12,171,984	12,456,366
Other income	1,061,742	193,513	1,255,255
Net assets released from restrictions –			
Satisfaction of purpose restrictions	32,011,822	(32,011,822)	-
Transfers between net asset classifications	<u>421,329</u>	<u>(421,329)</u>	<u>-</u>
Total revenues, gains, losses and other support	<u>\$ 35,306,370</u>	<u>\$ 3,191,091</u>	<u>\$ 38,497,461</u>
EXPENSES:			
Grants paid to benefit University of Louisiana at Lafayette for –			
Projects specified by donors	\$ 28,650,221	\$ -	\$ 28,650,221
Property donations to the University of Louisiana of Lafayette	777,308	-	777,308
Fundraising –			
Salaries and benefits	425,114	-	425,114
Other	249,883	-	249,883
Supporting services –			
Salaries and benefits	1,626,391	-	1,626,391
Insurance	153,079	-	153,079
Office operations	650,477	-	650,477
Travel	56,372	-	56,372
Professional services	157,777	-	157,777
Dues and subscriptions	70,239	-	70,239
Meetings and development	13,177	-	13,177
Interest	28,090	-	28,090
Depreciation	305,576	-	305,576
Bad debt expense	<u>169,250</u>	<u>-</u>	<u>169,250</u>
Total expenses	<u>\$ 33,332,954</u>	<u>\$ -</u>	<u>\$ 33,332,954</u>

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Change in net assets	\$ 1,973,416	\$ 3,191,091	\$ 5,164,507
Net assets at beginning of year	<u>15,856,347</u>	<u>207,709,324</u>	<u>223,565,671</u>
Net assets at end of year	<u>\$ 17,829,763</u>	<u>\$210,900,415</u>	<u>\$228,730,178</u>

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
REVENUES, GAINS, LOSSES AND			
OTHER SUPPORT:			
Contributions	\$ 92,438	\$ 19,978,573	\$ 20,071,011
Contributions – artwork and other property	252,742	-	252,742
Interest and dividends, net of fees	357,355	54,124	411,479
Net gains and (losses) on investments –			
Realized	(563,303)	1,445,115	881,812
Unrealized	856,958	9,663,889	10,520,847
Other income	1,004,687	410,428	1,415,115
Net assets released from restrictions –			
Satisfaction of purpose restrictions	20,895,762	(20,895,762)	-
Transfers between net asset classifications	<u>239,841</u>	<u>(239,841)</u>	<u>-</u>
Total revenues, gains, losses and other support	<u>\$ 23,136,480</u>	<u>\$ 10,416,526</u>	<u>\$ 33,553,006</u>
EXPENSES:			
Grants paid to benefit University of Louisiana at Lafayette for –			
Projects specified by donors	\$ 18,988,995	\$ -	\$ 18,988,995
Fundraising –			
Salaries and benefits	458,541	-	458,541
Other	237,053	-	237,053
Supporting services –			
Salaries and benefits	1,988,889	-	1,988,889
Insurance	132,453	-	132,453
Office operations	728,045	-	728,045
Travel	75,206	-	75,206
Professional services	306,524	-	306,524
Dues and subscriptions	39,223	-	39,223
Meetings and development	27,153	-	27,153
Interest	13,121	-	13,121
Depreciation	304,318	-	304,318
Bad debt expense (recovery)	<u>(814,790)</u>	<u>-</u>	<u>(814,790)</u>
Total expenses	<u>\$ 22,484,731</u>	<u>\$ -</u>	<u>\$ 22,484,731</u>

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENT OF ACTIVITIES (CONTINUED)

Year Ended June 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Change in net assets	\$ 651,749	\$ 10,416,526	\$ 11,068,275
Net assets at beginning of year	<u>15,204,598</u>	<u>197,292,798</u>	<u>212,497,396</u>
Net assets at end of year	<u>\$ 15,856,347</u>	<u>\$207,709,324</u>	<u>\$223,565,671</u>

See Notes to Financial Statements.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 5,164,507	\$ 11,068,275
Adjustments to reconcile change in net assets to operating activities:		
Depreciation	305,576	304,318
Net realized and unrealized (gains) losses on investments	(15,134,213)	(10,084,853)
Bad debt expense (recoveries)	169,250	(814,790)
Non cash property and artwork donations received	(454,810)	(252,742)
Non cash property donations made to University	777,308	-
Changes in assets and liabilities		
Decrease (increase) in assets:		
Contribution receivables	(1,845,821)	4,148,990
Other receivables	442,146	1,010,118
Other assets	(209,937)	76,473
Increase (decrease) in liabilities:		
Accounts payable	(607,433)	(413,359)
Refundable advance	(266,667)	(266,667)
Funds held in custody (net of investment income allocation)	(2,232,356)	(2,100,360)
Other liabilities	<u>890,811</u>	<u>(439,002)</u>
Net cash provided by (used in) operating activities	<u>\$(13,001,639)</u>	<u>\$ 2,236,401</u>
INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	\$ 36,651,473	\$ 49,003,411
Purchases of investments	(24,099,454)	(30,289,110)
Purchase of artworks	-	(5,000)
Purchases of fixed assets	<u>(45,143)</u>	<u>(392,142)</u>
Net cash provided by investing activities	<u>\$ 12,506,876</u>	<u>\$ 18,317,159</u>
FINANCING ACTIVITIES		
Advances on construction line of credit	\$ 3,778,400	\$ -
Principal payments on note payable	<u>(27,276)</u>	<u>(26,027)</u>
Net cash provided by (used in) financing activities	<u>\$ 3,751,124</u>	<u>\$ (26,027)</u>
Net increase in cash and cash equivalents	\$ 3,256,361	\$ 20,527,533
Cash and cash equivalents at beginning of year	<u>37,585,660</u>	<u>17,058,127</u>
Cash equivalents at end of year	<u>\$ 40,842,021</u>	<u>\$ 37,585,660</u>
RECONCILIATION OF CASH		
Cash and cash equivalents	\$ 37,149,637	\$ 37,058,071
Cash- restricted for collateral	684,064	527,589
Cash – restricted for debt service	<u>3,008,320</u>	<u>-</u>
	<u>\$ 40,842,021</u>	<u>\$ 37,585,660</u>

See Notes to Financial Statements.

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UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The University of Louisiana at Lafayette Foundation, Inc. (the "Foundation") is a nonprofit corporation organized to promote the educational, social, moral and material welfare of the University of Louisiana at Lafayette (the "University") and to receive scholarships, gifts, donations, devices and bequests of money and real and personal properties to become a part thereof, and to invest, care for, manage and control all monies and properties so received, and to disburse the same, and the income therefrom, as the donors may direct, or if case specific directions are not given, then to such uses as the Board of Trustees of the Foundation may determine, in aid of any of the activities, institutions, interests, purposes and objects of the University. The Ragin' Cajuns Athletic Foundation operates as a supporting organization for the benefit of the Foundation. As a result, the entities are financially interrelated and all financial activity is recorded in the financial statements.

Significant accounting policies:

Basis of accounting -

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

Contributions and recognition of donor restricted contributions -

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are for future periods or restricted by the donor for specified purposes are reported as contributions with donor restrictions that increases that net asset class. When a donor restriction expires, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributions of nonfinancial assets, including artworks, are recognized at their estimated fair market values at the date of the donation within the statement of activities and capitalized within the statements of financial position. These contributions are reported as a contribution with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Substantially, all artworks are considered without donor restrictions by the Foundation. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. For the years ended June 30, 2024 and 2023, contributed nonfinancial assets recognized within the statement of activities included contributed artwork and property in the amount of \$454,810 and \$252,742, respectively.

Use of estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Cash and cash equivalents -

Cash and cash equivalents represent demand deposits and certificates of deposit with original maturities of three months or less. Certain cash and cash equivalents are restricted as to use based on donor stipulations or contractual conditions. Cash invested in donor endowments amounted to \$32,842,942 and \$19,884,843 as of June 30, 2024 and 2023, respectively.

Derivative instruments –

The Foundation has investments in derivative instruments, which have not been designated as hedges. A derivative financial instrument is a financial instrument whose values are derived in whole or in part from the value of any one or more underlying assets or index of asset values. Derivative instruments are recorded at fair value.

Contributions receivable –

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases in liabilities, or expenses depending upon the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Contributions to be received in one year or less are reported at net realizable value. Contributions to be received after one year, net of an allowance for uncollectible amounts, are initially reported at fair value, estimated by discounting them to their present value. Thereafter, amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment, considering such factors as prior collection history, type of contribution, relationship with donor, and other relevant factors.

Other receivables –

Other receivables consists primarily of amounts due as matching contributions for the endowed chair and professorship program.

Investments -

In accordance with generally accepted accounting principles, all investments in marketable securities, debt securities and hedge funds are reported at their estimated fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income, gains and losses restricted by a donor are reported as changes in net assets with donor restrictions.

Concentrations of credit risk -

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments; equity holdings of domestic and international corporations; mutual funds that invest in various marketable securities; derivatives and various hedge funds. The hedge funds hold various investments which include but are not limited to corporate and government fixed income securities, corporate equities (both long and short positions), mutual funds, futures contracts, forward contracts, option contracts, physical commodities,

NOTES TO FINANCIAL STATEMENTS

distressed securities, real estate, swaps and other derivative products and other capital market instruments. In addition, the Foundation typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits.

Contributions receivable and substantially all donations are derived from local donors in Southern Louisiana.

As of June 30, 2024, two donors makes up 55% of the contribution receivable balance. As of June 30, 2023, one donor makes up 59% of the contribution receivable balance and one donor makes up 35% of the contribution revenue for the year ended.

Tax status -

The Foundation is a Louisiana nonprofit corporation established in 1955. It is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code; accordingly, no provision for income taxes has been made in the financial statements.

The Foundation has evaluated its tax positions for all open tax years. Currently, the tax years open and subject to examination by the Internal Revenue Service are the 2020, 2021 and 2022 tax years. However, the Foundation is not currently under audit nor has the Foundation been contacted by any jurisdiction.

Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions have been recorded for the fiscal year ended June 30, 2024 and 2023.

Property and equipment -

Purchased property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. The cost of repairs and maintenance are charged to expense when incurred.

Donations of property and equipment are recorded as support at their estimated fair market value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as support with donor restrictions.

Artworks –

Collection items consist of artwork that are held for educational purposes. Collection items are acquired either through purchase or donation are capitalized. The proceeds from deaccession of collection items may be used for acquisitions of new collection items, the direct care of existing collections, or at the discretion of the Foundation. The Foundation considers direct care to entail actions that enhance the life, usefulness, or quality of the collection items to ensure they will continue to benefit the public.

Real estate -

Real estate held for investment purposes is recorded at fair market value on the date donated.

NOTES TO FINANCIAL STATEMENTS

Charitable giving through life insurance -

In 1985, the Foundation instituted a “Charitable Giving Through Life Insurance Program” in which whole-life insurance policies are purchased on the lives of individuals, with their permission, with proceeds upon death inuring to the Foundation. The cash surrender value of these policies is recognized within the statements of financial position as other assets. Changes in the cash surrender value are recognized as other income in the financial statements.

Refundable advances –

The Foundation received conditional contributions that are deemed refundable until all the conditions have been met. For the years ended June 30, 2024 and 2023, the Foundation had outstanding refundable advances of \$2,933,332 and \$3,199,999, respectively.

Funds held in custody -

The Foundation considers all state matched funds and the proportionate share of income generated and expenses paid from the endowments for chairs and professorships, first generation and superior graduate student scholarships as funds held in custody.

Revenue recognition

Revenue is recognized when earned. Contribution revenue is recognized when cash, securities or other assets, or an unconditional promises to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value on the date of contribution.

Other income –

Revenues without donor restrictions are obtained from rental income, administrative fees and the change in cash value of life insurance policies. These revenues are recorded when the service is provided.

Employee benefit plans -

Effective January 1, 1991, the Foundation established a 403(b) plan to provide retirement benefits for employees. Any employee over the age of 21 is automatically enrolled after 90 days. Participants may contribute to the plan by deferring a portion of their gross salary, within certain IRS imposed limitations for maximum contributions in a given year. The Foundation will match up to 100% of the participant’s first 4% of contributions. Effective July 1, 2024, the Foundation will begin matching up to the participant’s first 6.5% of the contributions. The amount included in expense for the years ended June 30, 2024 and 2023 was \$45,281 and \$62,705, respectively.

Effective December 1, 2017, the Foundation established a 457(b) deferred compensation plan for eligible employees. The Foundation makes non elective deferrals to this plan of 1% to 5% of eligible employee compensation. Total contributions to this plan for the years ended June 30, 2024 and 2023 amounted to \$1,641 and \$1,784, respectively.

NOTES TO FINANCIAL STATEMENTS

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the program and supporting services benefited.

Leases

Effective July 1, 2022, the Foundation adopted ASU 2016-02, *Leases* ("ASU 2016-02"), issued by the Financial Accounting Standards Board (FASB). The Foundation determines if an arrangement contains a lease at inception based on whether the foundation has the right to control the asset during the contract period and other facts and circumstances. The standard establishes a right-to-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either financing or operating, with classifications affecting the pattern of expense recognition in the statement of activities. Leases with terms of less than 12 months do not record a ROU asset and lease liability and the payments will be recognized not profit or loss over the least term.

The Foundation leases parking spots and the art museum. The revenue is recognized in the year it is earned.

Allowance for credit losses

The Foundation adopted ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13) effective July 1, 2023. The Foundation evaluated its financial assets within the scope of ASU 2016-13 primarily consisting of receivables from the Louisiana Board of Regents and other various immaterial receivable balances. Based on historical collection rates, current economic conditions and future forecasts, management has determined that expected credit losses on these financial statements are immaterial to the financial statements as a whole. As such, the Foundation has not recorded an allowance for credit losses as of June 30, 2024. The Foundation will continue to monitor its financial assets for potential credit losses and will record an allowance if deemed material in future periods.

Adopted accounting pronouncements:

In 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which requires an allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of a financial asset. Pledge receivables are specifically excluded from ASU 2016-13. The Foundation adopted ASU 2016-13 using the modified retrospective approach on July 1, 2023. The adoption of ASU 2016-13 did not have a significant impact on the financial statements and disclosures.

NOTES TO FINANCIAL STATEMENTS

Note 2. Contributions Receivable

Unconditional promises to give are included in the financial statements as contributions receivable and revenue of the appropriate net asset category. Promises to give that are due in excess of one year are discounted using the Treasury yield rates as of the balance sheet date. Discount rates applied ranged from 4.33% to 5.09% as of June 30, 2024 and 3.81% to 5.40% as of June 30, 2023. Contributions receivable recognized at June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Contributions receivable	\$ 37,901,377	\$ 36,057,976
Unamortized discount	<u>(4,657,559)</u>	<u>(4,659,979)</u>
	\$ 33,243,818	\$ 31,397,997
Allowance for uncollectible contributions	<u>(4,251,196)</u>	<u>(4,081,946)</u>
	<u>\$ 28,992,622</u>	<u>\$ 27,316,051</u>

Contributions receivable are expected to be realized in the following periods:

	<u>2024</u>	<u>2023</u>
Amounts due in:		
In one year or less	\$ 10,631,092	\$ 9,232,105
Between one year and five years	24,741,763	22,207,259
More than five years	<u>2,528,522</u>	<u>4,618,612</u>
	<u>\$ 37,901,377</u>	<u>\$ 36,057,976</u>

Contributions receivable (net of unamortized discount) at June 30, 2024 and 2023 had the following restrictions:

	<u>2024</u>	<u>2023</u>
Restricted by donor imposed stipulations for University programs and activities	\$ 28,541,463	\$ 28,534,789
Restricted for endowments for University programs and activities and property acquisitions	<u>4,702,355</u>	<u>2,863,208</u>
	<u>\$ 33,243,818</u>	<u>\$ 31,397,997</u>

The Foundation's management performs an annual in depth analysis of pledged contributions and determines that certain contributions receivable are no longer collectible. Contributions totaling \$22,953 and \$431,359 were written off during the years ended June 30, 2024 and 2023, respectively.

Additionally, management reserved allowances of \$4,251,196 and \$4,081,946 for possible uncollectible contributions as of June 30, 2024 and 2023, respectively. The allowance is based on management's estimate of future losses; actual losses may vary from the current estimate. The estimate is reviewed periodically, taking into consideration the risk characteristics of pledged contributions, past loss experience, general economic conditions and other factors that warrant current recognition. As adjustments to the estimate of future losses become necessary, they are reflected as bad debt expense in current-period earnings. Actual pledge losses are deducted from, and subsequent recoveries are added to, the allowance.

NOTES TO FINANCIAL STATEMENTS

Note 3. Investments

Investments are measured at fair value in the statements of financial position. Investments consist of bonds, stocks, hedge funds and alternative investments, derivatives, mutual funds and certificates of deposit. Realized and unrealized gains and losses on investments, interest and dividends are reflected in the statement of activities within the appropriate net asset category.

Investments were composed of the following at June 30, 2024 and 2023:

	<u>Fair Market Value</u>	
	<u>2024</u>	<u>2023</u>
Certificates of deposit	\$ 271,129	\$ 788,540
Equities	9,977,103	9,017,524
Unit investment trusts and limited partnerships	21,335,322	27,156,233
Derivative assets	63,936	257,411
Mutual and exchange traded funds	65,536,573	59,218,274
Hedge funds and other alternative investments	<u>107,046,598</u>	<u>100,439,093</u>
	<u>\$204,230,661</u>	<u>\$196,877,075</u>

The table below summarizes the fair value and unfunded commitments of hedge funds and alternative investments as of June 30, 2024:

	<u>Fair Value</u>	<u>Unfunded Commitments</u>
Distressed opportunities	\$ 7,774	\$ -
Equity – long/short	26,138,945	-
Private equities	26,351,676	12,147,044
Other credit	23,892,973	510,822
Multi-strategy	30,655,230	976,736
Unit investment trust	<u>21,335,322</u>	<u>737,267</u>
	<u>\$128,381,920</u>	<u>\$ 14,371,869</u>

The table below summarizes the terms of hedge fund investments with respect to lockup periods, redemption frequencies and notice periods as of June 30 2024.

	<u>Lockup Period</u>	<u>Redemption Frequency (if Currently Eligible)</u>	<u>Redemption Notice Period</u>
Equity – long/short	0-18 months	Monthly, Quarterly	30-45 days
Private equities	4-13 years	Manager Discretion	Manager Discretion
Other credit	10+ years	Manager Discretion	Manager Discretion
Multi-strategy	n/a	Manager Discretion	Manager Discretion
Unit investment trust	12+ years	Manager Discretion	Manager Discretion

NOTES TO FINANCIAL STATEMENTS

Distressed opportunities – This category includes funds that have investments in other hedge funds and private equity vehicles. The direct investments and underlying fund investments include securities in companies undergoing financial distress, operating difficulties or restructuring. The objectives of these funds are to invest in a diversified pool of underlying funds to provide the best return. Net asset values are determined either by utilizing market quotes (on those investments for which they are available) or based on the capital accounts of the fund. For those securities where no quotes or capital balances are available, they are valued by the general partner based on available information at the date of determination. Net asset values are computed quarterly.

Equity – long/short – This category includes investments in hedge funds that seek to generate capital appreciation while maintaining a balanced level of risk by investing in a number of long/short equity based funds as well as other direct investments. Net asset values of these funds are determined by utilizing the latest unaudited or audited financial statements and performance reports of hedge funds in which it invests. Any listed investments are valued at the last sales price on the date of determination. Any investments that are not listed are valued at the mean between the last closing and asked prices, as reported in the over the counter market, if available. For those investments where there is no quotation, the investment is valued at the estimated fair value, as determined by the board of directors and investment manager of the fund. Net asset values are computed monthly.

Private equities – This category includes investments in funds whose primary strategy is to build a diversified portfolio of top-performing private equity positions in both funds and direct investments in companies and corporations. Net asset values of these funds are determined by utilizing the latest unaudited or audited financial statements and performance reports of funds in which it invests. Any listed investments are valued at the last sales price on the date of determination. Any investments that are not listed are valued at the last closing bid price (or average of bid prices) last quoted on such date, as reported by an established quotation service for over the counter securities. For those investments where there is no quotation, the investment is valued at the estimated fair value, as determined by the investment manager of the fund, based upon relevant factors of the investees, such as current financial position, historical operating results, recent sales prices in the same or similar securities. Net asset values are computed monthly.

Other credit – This category includes investments in various funds. The funds primarily invest in debt instruments of private and public companies, U.S. government and municipal securities, mortgage backed securities, asset backed securities and provide mezzanine capital to middle market businesses. The net asset values of these funds are determined based on portfolio valuations utilizing different valuation techniques, depending upon the investment involved. Market quotes are utilized where available. For those equity and debt securities where prices are not observable, which are generally private investments in equity and debt securities of operating companies, fair value is determined by reference to public market or private transactions for comparable assets. Net asset values are computed on a monthly basis.

Multi-strategy – This category includes investments in various funds. The funds primarily invest in other funds that use a variety of different investment strategies across a wide range of financial instruments, including but not limited to fixed income securities, equities, mutual funds, futures, forward and option contracts, physical commodities, distressed securities, swaps and other derivative products. The net asset values of some funds use various inputs, including portfolio valuations that are received directly from independent sources. For those assets where no independent sources are available, the investment manager determines the fair values by other means, which may include obtaining appraisals. Some funds utilize a third party to provide the net asset calculation or rely on the latest unaudited or audited financial statements and performance reports of various investments in which it invests. Any listed investments are valued at the last sales price on the date of determination. For those investments where there is no quotation, the fair value is estimated at the net asset value calculated by the fund manager.

NOTES TO FINANCIAL STATEMENTS

Unit investment trust – This category includes investments in various funds. The objective of these funds is to achieve long term capital appreciation and provide diversified all-cap exposure to emerging market equities by investing in global emerging markets, and international securities. The net asset values of these funds are valued using market values when available. In the absence of readily ascertainable market values for any assets, the funds will seek to obtain a valuation from an independent source.

The Foundation transacts in certain derivative investments as part of its overall investment strategy. The primary objective of these investments is to rebalance the portfolio investment allocations on a continuing basis.

These derivative investments have not been designated as hedges. The fair value of these derivative instruments are included within the “Investments” line item on the statement of financial position with changes in fair value reflected as realized gains (losses) or net change in unrealized gains (losses) on investments within the statement of activities.

As of June 30, 2024 and 2023, the volume of the Foundation’s derivative activities based on their notional amounts and number of contracts categorized by primary underlying risk were as follows:

<u>Primary Underlying Risk</u>	<u>June 30, 2024</u>			
	<u>Long Exposure</u>		<u>Short Exposure</u>	
	<u>Notional Amounts</u>	<u>Number of Contracts</u>	<u>Notional Amounts</u>	<u>Number of Contracts</u>
Equity Index Futures				
Options, Futures & Forwards	\$ 11,871,225	43	\$ -	0
International Equity Index Futures				
Options, Futures & Forwards	598,510	11	(1,280,420)	12
Fixed income Futures				
Options, Futures & Forwards	<u>6,559,188</u>	<u>51</u>	<u>-</u>	<u>0</u>
	<u>\$ 19,028,923</u>	<u>105</u>	<u>\$ (1,280,420)</u>	<u>12</u>

<u>Primary Underlying Risk</u>	<u>June 30, 2023</u>			
	<u>Long Exposure</u>		<u>Short Exposure</u>	
	<u>Notional Amounts</u>	<u>Number of Contracts</u>	<u>Notional Amounts</u>	<u>Number of Contracts</u>
Equity Index Futures				
Options, Futures & Forwards	\$ 9,874,150	44	\$ -	0
International Equity Index Futures				
Options, Futures & Forwards	99,790	2	(4,428,745)	47
Fixed income Futures				
Options, Futures & Forwards	<u>3,119,188</u>	<u>24</u>	<u>-</u>	<u>0</u>
	<u>\$ 13,093,128</u>	<u>70</u>	<u>\$ (4,428,745)</u>	<u>47</u>

NOTES TO FINANCIAL STATEMENTS

As of June 30, 2024 and 2023, the fair value amounts of derivative instruments included in the statement of financial position, categorized by primary underlying risk were as follows:

<u>Primary Underlying Risk</u>	<u>June 30, 2024</u>		<u>Location in the Statement of Financial Position</u>
	<u>Derivative Asset</u>	<u>Derivative Liabilities</u>	
Equity Index Futures			
Options, Futures & Forwards	\$ 36,667	\$ -	Investments
International Equity Index Futures			
Options, Futures & Forwards	9,779	(3,182)	Investments
Fixed Income Futures			
Options, Futures & Forwards	<u>27,615</u>	<u>(6,943)</u>	Investments
Gross derivative assets and liabilities	\$ 74,061	\$ (10,125)	Investments
Less: Margin Cash (offset)	<u>(10,125)</u>	<u>10,125</u>	Investments
Net derivative asset	<u>\$ 63,936</u>	<u>\$ -</u>	Investments
<u>Primary Underlying Risk</u>	<u>June 30, 2023</u>		<u>Location in the Statement of Financial Position</u>
	<u>Derivative Asset</u>	<u>Derivative Liabilities</u>	
Equity Index Futures			
Options, Futures & Forwards	\$ 311,878	\$ -	Investments
International Equity Index Futures			
Options, Futures & Forwards	-	(26,627)	Investments
Fixed Income Futures			
Options, Futures & Forwards	<u>-</u>	<u>(27,840)</u>	Investments
Gross derivative assets and liabilities	\$ 311,878	\$ (54,467)	Investments
Less: Margin Cash (offset)	<u>(54,467)</u>	<u>54,467</u>	Investments
Net derivative asset	<u>\$ 257,411</u>	<u>\$ -</u>	Investments

Amounts are presented on a gross basis, prior to netting cash margin accounts.

NOTES TO FINANCIAL STATEMENTS

The following identifies the net gain and loss amounts included in the statement of activities from derivative contracts, categorized by primary underlying risk, for the year ended June 30, 2024 and 2023.

<u>Primary Underlying Risk</u>	<u>June 30, 2024</u>		<u>Location of Gain (Loss) In the Statement of Activities</u>
	<u>Realized Gain or (Loss) on Derivatives</u>	<u>Change in Unrealized Appreciation or (Depreciation) on Derivatives</u>	
Equity Index Futures			
Options, Futures & Forwards	\$ 2,199,671	\$ (275,211)	Net gains and (losses) on investments
International Equity Index Futures			
Options, Futures & Forwards	(149,546)	33,224	Net gains and (losses) on investments
Fixed Income Futures			
Options, Futures & Forwards	<u>(236,165)</u>	<u>48,511</u>	Net gains and (losses) on investments
Total	<u>\$ 1,813,960</u>	<u>\$ (193,476)</u>	

<u>Primary Underlying Risk</u>	<u>June 30, 2023</u>		<u>Location of Gain (Loss) In the Statement of Activities</u>
	<u>Realized Gain or (Loss) on Derivatives</u>	<u>Change in Unrealized Appreciation or (Depreciation) on Derivatives</u>	
Equity Index Futures			
Options, Futures & Forwards	\$ 1,685,639	\$ 273,755	Net gains and (losses) on investments
International Equity Index Futures			
Options, Futures & Forwards	(583,674)	(28,693)	Net gains and (losses) on investments
Fixed Income Futures			
Options, Futures & Forwards	<u>7,928</u>	<u>228</u>	Net gains and (losses) on investments
Total	<u>\$ 1,109,893</u>	<u>\$ 245,290</u>	

NOTES TO FINANCIAL STATEMENTS

Note 4. Property and Equipment

A summary of property and equipment at June 30, 2024 and 2023 follows:

	<u>2024</u>	<u>2023</u>
Buildings	\$ 11,089,510	\$ 11,189,678
Real estate	2,506,294	2,906,052
Vehicles	229,023	183,879
Furniture and equipment	<u>765,223</u>	<u>765,223</u>
	\$ 14,590,050	\$ 15,044,832
Less: accumulated depreciation	<u>(6,469,085)</u>	<u>(6,177,977)</u>
	<u>\$ 8,120,965</u>	<u>\$ 8,866,855</u>

The assets shown are owned by the Foundation, but the majority of these assets are used by the University in support of its educational activities. Depreciation expense totaled \$305,576 and \$304,318 for the year ended June 30, 2024 and 2023, respectively.

Note 5. Funds Held in Custody

One of the Foundation's primary objectives is to raise funds to provide endowed professorships and chairs as well as first generation and superior graduate student scholarships to the University. The Louisiana Endowment Trust Fund for Eminent Scholars was created by the Louisiana Legislature in 1983 to provide State funds as a challenge grant to eligible public and private institutions, which would be responsible for providing matching funds obtained from gifts. Endowed professorships are established at \$100,000, endowed chairs at \$1,000,000 and endowed superchairs at \$2,000,000. First generation and superior graduate student scholarships are established at \$100,000. With respect to chairs, superchairs and superior graduate student scholarships, the State provides 40% of the funding once the Foundation has acquired 60% of the principal through private gifts. For professorships and first generation student scholarships, the State provides 20% of the funding once the Foundation has acquired 80% of the principal through private gifts; although prior to November 2, 2016, the State funding was 40%. The University is allowed to apply for the match while maintaining the private gift in the Foundation. Funds are pooled for investment purposes in the Foundation, but the State's match, net of the proportionate share of income and expenses of the endowments, are recognized as a liability to the University under the caption "Funds held in custody." The State matching funds managed for the University at June 30, 2024 and 2023 were \$46,469,918 and \$43,930,881, respectively.

Total payments to the University from these endowments amounted to \$2,523,113 and \$3,039,095 for the years ended June 30, 2024 and 2023, respectively.

NOTES TO FINANCIAL STATEMENTS

The following is a recap of these endowments (both the Foundation and State portions) as of June 30, 2024 and 2023:

		<u>June 30, 2024</u>		
		<u>Donor Restricted Available for Appropriation</u>	<u>Donor Restricted To be held in Perpetuity</u>	<u>Total</u>
State portion:				
Funds held in custody		\$ 18,088,397	\$ 28,381,521	\$ 46,469,918
Foundation portion		<u>16,077,078</u>	<u>63,238,715</u>	<u>79,315,793</u>
Total Endowed Professorships, Chairs and Scholarships		<u>\$ 34,165,475</u>	<u>\$ 91,620,236</u>	<u>\$125,785,711</u>
		<u>June 30, 2023</u>		
		<u>Donor Restricted Available for Appropriation</u>	<u>Donor Restricted To be held in Perpetuity</u>	<u>Total</u>
State portion:				
Funds held in custody		\$ 15,629,361	\$ 28,301,520	\$ 43,930,881
Foundation portion		<u>12,024,005</u>	<u>62,198,269</u>	<u>74,222,274</u>
Total Endowed Professorships, Chairs and Scholarships		<u>\$ 27,653,366</u>	<u>\$ 90,499,789</u>	<u>\$118,153,155</u>

Note 6. Construction Line of Credit

On October 31, 2023, the Foundation entered into a non-revolving line of credit loan with financial institutions totaling \$41,500,000 with a maturity date of November 1, 2033. Interest on advances are accrued on the unpaid principal balance at the CME TERM SOFR (1 month tenor administered by CME Group Benchmark Administration Ltd and published on the applicable Bloomberg screen page) plus 2%. As of June 30, 2024 the actual rate was 7.343%. On November 1, 2025 (conversion date), the advances on the loan shall cease and the loan will automatically convert to a term loan in a principal amount equal to the aggregate outstanding principal balance of all advances made during the non-revolving credit period. Beginning the date immediately following the conversion date and the interest rate shall be a fixed rate equal to the average of the U.S. 7-Year Treasury Yield and the U.S. 10-Year Treasury Rate plus a margin which shall be determined by the Lender no more than 30 days prior to the conversion date. The balance outstanding under this agreement as of June 30, 2024 is \$3,778,400.

Under this agreement, the Foundation was required to establish an interest-bearing pledged revenue account. All pledged revenues shall be deposited into this account monthly and will be used (1) for the payment of scheduled principal and interest payments, (2) replenishment of the debt service reserve account, commencing on March 31, 2024 and continuing quarterly thereafter, up to the required reserve amount, (3) beginning November 1, 2026, expense reimbursements up to \$500,000 (adjusted by 2% annually) to the University for costs associated with operating and maintaining the project, and (4) beginning November 1, 2025 all excess pledged revenues for the prior 12 month period that ended June 30th shall be applied as required prepayments on the loan. The balance of the pledged revenue account as of June 30, 2024 is \$1,458,127 and is included in cash – restricted for debt service on the statement of financial position.

NOTES TO FINANCIAL STATEMENTS

Under this agreement, the Foundation was required to establish an interest-bearing debt service reserve account in the amount of \$1,500,000. The funds in this account shall be used solely to pay scheduled payments in the event scheduled payments are not otherwise timely made. The balance of the debt service reserve account as of June 30, 2024 is \$1,550,193 and is included in cash – restricted for debt service on the statement of financial position.

In addition, Ragin Cajun Facilities, Inc also has required deposit accounts that have been established for the purpose of paying a portion of the costs of the improvements under this project.

Beginning June 30, 2026, the Foundation will be required to maintain a minimum debt service coverage ratio. In addition to the debt service coverage ratio, the Foundation will also have certain construction covenants in which they must comply.

Note 7. Long-Term Debt

Notes payable as of June 30, 2024 and 2023 is as follows:

	<u>2024</u>	<u>2023</u>
Note payable, with a 4.75% interest rate, 180 monthly principal and interest payments of \$3,269 maturing on June 5, 2031, secured by land with a carrying value of \$500,000 to E. St. Mary (Vacant lot)	<u>\$ 232,751</u>	<u>\$ 260,027</u>

Aggregate maturities on long-term debt are as follows at June 30, 2024:

2025	\$ 28,651
2026	30,062
2027	31,542
2028	33,079
2029	34,724
2030-2031	<u>74,693</u>
	<u>\$ 232,751</u>

Cash paid for interest during the fiscal years ended June 30, 2024 and 2023 was \$11,958 and \$13,207, respectively.

Note 8. Board designated net assets

As of June 30, 2024 and 2023, the board designated quasi-endowment, established to help support the University, amounted to \$2,752,298 and \$2,505,425, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 9. Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Subject to expenditure for a specified purpose		
University programs and projects	\$ 35,653,486	\$ 47,490,524
Subject to spending policy and appropriation		
University programs and projects – purpose restrictions	26,159,854	19,925,574
Endowed Chairs and Professorships – purpose restrictions	16,077,078	12,024,005
Not subject to appropriation or expenditure		
University programs and projects – perpetuity	69,771,281	66,070,952
Endowed Chairs and Professorships – perpetuity	<u>63,238,716</u>	<u>62,198,269</u>
Total net assets with donor restrictions	<u>\$ 210,900,415</u>	<u>\$ 207,709,324</u>

Note 10. Endowments and Net Asset Classifications

The Foundation's endowments consist of approximately 1,200 individual funds established for a variety of purposes. Its endowments include donor-restricted endowment funds whereby the stipulations of the gift may require the preservation of the original donation, with only the income derived used for a specific purpose, as well as term endowments where all funds are available for specific purposes. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions or intent.

Interpretation of Relevant Law

In June 2010, Act 168 of the regular session of the Louisiana legislature was signed into law by the Governor. This act adopted the provisions of the Uniform Prudent Management of Institution Funds Act and is effective as of July 1, 2010. Consistent with this law, the Board of Trustees of the Foundation has a policy requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary, plus amounts which are board approved in order to preserve the corpus of the endowment. Currently, the Foundation classifies as permanently restricted net assets (a) the amount that must be retained permanently in accordance with explicit donor stipulations or (b) in the absence of such stipulations, the organization's governing board determines what must be retained (preserved) permanently consistent with the relevant law. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the University and Board's policies and procedures.

NOTES TO FINANCIAL STATEMENTS

The following is the endowment net asset composition by type of fund as of June 30, 2024 and 2023:

	Without Donor Restrictions <u>June 30, 2024</u>	With Donor Restrictions <u>June 30,2024</u>	Without Donor Restrictions <u>June 30, 2023</u>	With Donor Restrictions <u>June 30,2023</u>
Board-designated quasi –endowment funds	\$ 2,752,298	\$ -	\$ 2,505,425	\$ -
Donor – restricted endowment funds	-	95,931,136	-	85,996,527
Chair and Professorship endowment funds	<u>-</u>	<u>79,315,793</u>	<u>-</u>	<u>74,222,273</u>
Net asset classifications	<u>\$ 2,752,298</u>	<u>\$175,246,929</u>	<u>\$ 2,505,425</u>	<u>\$160,218,800</u>
	Without Donor Restrictions <u>June 30, 2024</u>	With Donor Restrictions <u>June 30,2024</u>	Without Donor Restrictions <u>June 30, 2023</u>	With Donor Restrictions <u>June 30,2023</u>
Endowment net assets, beginning of year	\$ 2,505,425	\$160,218,800	\$ 2,693,313	\$152,027,733
Investment return:				
Interest and dividends	5,461	679,448	(4,978)	51,233
Net appreciation (realized and unrealized)	279,948	16,571,219	175,225	11,109,004
Contributions and transfers	-	5,484,944	(319,452)	4,757,894
Appropriation for expenditure	<u>(38,536)</u>	<u>(7,707,482)</u>	<u>(38,683)</u>	<u>(7,727,064)</u>
Endowment net assets, end of year	<u>\$ 2,752,298</u>	<u>\$175,246,929</u>	<u>\$ 2,505,425</u>	<u>\$160,218,800</u>

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. These deficiencies usually result from unfavorable market fluctuations that occur over the life of the endowment. The fair value of endowments with deficiencies as of June 30, 2024 was \$4,113,722. The amounts of these endowments required to be maintained amounted to \$4,121,548, resulting in a deficiency of \$7,826.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an

NOTES TO FINANCIAL STATEMENTS

average rate of return of approximately 5% annually (net of fees). Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives, within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year up to 5% of its endowment fund's market value at the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return. The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effects of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation

Note 11. Net Assets Released From Restrictions

Net assets were released from donor restrictions by incurring the following expenses, which satisfy the restricted purposes or by occurrence of other events specified by the donors, for the years ended June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Payments to benefit University of Louisiana at Lafayette	\$ 28,702,076	\$ 18,796,268
Depreciation expense	218,084	218,084
Bad debt expense (recovery)	169,250	(836,802)
Administrative fees	2,918,884	2,718,212
Fundraising and other expenses	<u>3,528</u>	<u>-</u>
	<u>\$ 32,011,822</u>	<u>\$ 20,895,762</u>

NOTES TO FINANCIAL STATEMENTS

Note 12. Specified Projects – Program Expenses

The following is a detail of amounts paid to benefit the University:

	<u>2024</u>	<u>2023</u>
Arts and Humanities	\$ 304,378	\$ 268,889
Athletics	16,659,441	6,070,738
Business Administration	1,239,412	1,154,411
Education	214,633	225,834
Engineering	1,062,353	1,707,286
Liberal Arts	781,326	1,010,133
Nursing	2,150,435	2,598,999
Scholarships	2,024,129	2,551,169
Sciences	810,076	949,358
University Art Museum	120,492	178,970
University Services	1,624,394	889,213
All others	<u>1,659,152</u>	<u>1,383,995</u>
	<u>\$ 28,650,221</u>	<u>\$ 18,988,995</u>

The Foundation invests and manages donations and endowed funds for the University. These endowed and non-endowed funds are accounted for as either with donor restrictions or without donor restrictions based upon donor stipulations. Each year, income from endowed funds is allocated and paid to the University for the specific purpose of the endowment. Non-endowed funds (donations) are allocated to the University based upon donor restrictions. All funds allocated to the University are reflected as program services within the statements of activities.

Note 13. Lease Agreements

The Foundation entered into a lease agreement with the University of Louisiana Board of Supervisors in November 1999 to lease the land at 705 East St. Mary Boulevard (the Foundation's office building). The lease is for 99 years at a rental rate of \$10 annually.

During the fiscal year ended June 30, 2005, the Foundation entered into a lease agreement with the University of Louisiana Board of Supervisors to lease the land at 710 East St. Mary Boulevard (the University Art Museum) with a carrying value of \$55,000. The lease is for 99 years at a rental rate of \$10 annually.

Note 14. Disclosure about Fair Value of Financial Instruments

The Foundation groups financial assets and 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.

NOTES TO FINANCIAL STATEMENTS

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:

		<u>Fair Value Measurements at Reporting Date Using:</u>			
		Quoted Prices In Active Markets for Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3	Significant Investments Measured at Net Asset Value
	<u>Fair Value</u>				
<u>As of June 30, 2024</u>					
Investments:					
Certificates of deposit	\$ 271,129	\$ -	\$ -	\$ 271,129	\$ -
Equities	9,977,103	9,977,103	-	-	-
Unit investment trusts and limited partnerships	21,335,322	-	-	-	21,335,322
Exchange traded funds	22,192,650	22,192,650	-	-	-
Investments in derivatives:					
Derivative assets	63,936	63,936	-	-	-
Mutual funds:					
International equities	11,835,664	11,835,664	-	-	-
Domestic equities	11,510,068	11,510,068	-	-	-
Government agency bonds	12,809,579	12,809,579	-	-	-
Corporate bonds	386,226	386,226	-	-	-
Fixed income	6,802,386	6,802,386	-	-	-
Hedge funds and alternatives:					
Distressed opportunities	7,774	-	-	-	7,774
Equity – long/short	26,138,945	-	-	-	26,138,945
Private equities	26,351,676	-	-	-	26,351,676
Other credit	23,892,973	-	-	-	23,892,973
Multi-strategy	<u>30,655,230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,655,230</u>
Total investments	<u>\$204,230,661</u>	<u>\$ 75,577,612</u>	<u>\$ -</u>	<u>\$ 271,129</u>	<u>\$128,381,920</u>

NOTES TO FINANCIAL STATEMENTS

Fair Value Measurements at Reporting Date Using:					
	Quoted Prices In Active Markets for Assets/ Liabilities Level 1	Significant Other Observable Inputs Level 2	Significant Other Unobservable Inputs Level 3	Significant Investments Measured at Net Asset Value	
As of June 30, 2023	Fair Value				
Investments:					
Certificates of deposit	\$ 788,540	\$ -	\$ -	\$ 788,540	\$ -
Equities	9,017,524	9,017,524	-	-	-
Unit investment trusts and limited partnerships	27,156,233	-	-	-	27,156,233
Exchange traded funds	19,110,608	19,110,608	-	-	-
Investments in derivatives:					
Derivative assets	257,411	257,411	-	-	-
Mutual funds:					
International equities	5,914,542	5,914,542	-	-	-
Domestic equities	12,819,117	12,819,117	-	-	-
Government agency bonds	11,182,437	11,182,437	-	-	-
Corporate bonds	174,186	174,186	-	-	-
Fixed income	10,017,384	10,017,384	-	-	-
Hedge funds and alternatives:					
Distressed opportunities	8,503	-	-	-	8,503
Equity – long/short	22,528,905	-	-	-	22,528,905
Private equities	26,286,431	-	-	-	26,286,431
Other credit	23,932,933	-	-	-	23,932,933
Multi-strategy	<u>27,682,321</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,682,321</u>
Total investments	<u>\$196,877,075</u>	<u>\$ 68,493,209</u>	<u>\$ -</u>	<u>\$ 788,540</u>	<u>\$127,595,326</u>

Investments measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented are intended to permit the reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The tables below summarize the activity of those items measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

	Certificates of Deposit
Ending balance – June 30, 2022	\$ 829,918
Sales, paydowns and redemptions	(50,258)
Investment income, gains and losses (realized and unrealized)	<u>8,880</u>
Ending balance – June 30, 2023	\$ 788,540
Sales, paydowns and redemptions	(538,334)
Investment income, gains and losses (realized and unrealized)	<u>20,923</u>
Ending balance – June 30, 2024	<u>\$ 271,129</u>

NOTES TO FINANCIAL STATEMENTS

During 2024 and 2023, the Foundation also recognized donated property and artworks of \$252,752 and \$252,752, respectively, at estimated fair value upon date of donation. All of these fair value estimates are considered to be Level 3 valuations.

Note 15. Related Party Transactions

The Foundation had accounts and scholarships payable to the University as of June 30, 2024 and 2023 in the amount of \$326,257 and \$835,771, respectively.

In addition, during 2024 and 2023, the Foundation made payments to benefit the University in the amounts of \$28,650,221 and \$18,988,995, respectively. The foundation also donated property to the University in the amount of \$777,308 during 2024.

The Foundation is a party to contracts with athletic coaches for supplemental salaries. See Note 16 for further details.

Note 16. Commitments and Contingencies

During 2013, the Foundation consented to assign and pledge certain unrestricted athletic revenues derived from fundraising, premium seating, sponsorships and other similar sources for the purpose supporting the repayment of bonds issued on November 1, 2013 by the Ragin' Cajuns Facilities, Inc. The purpose of the bonds are to provide financing for renovations and additions to certain University athletic complexes. This commitment is limited to \$400,000 per year until the bonds are paid off in 2044.

As of June 30, 2024 and 2023, the Foundation had a liability of \$4,950,469 and \$4,136,450, respectively, payable to the University for athletic obligations related to supplemental coach's salaries. These accruals reflect amounts due for the fiscal years 2021, 2022, 2023 and 2024. These amounts will be paid from restricted athletic funds if and when available and requested by the University.

NOTES TO FINANCIAL STATEMENTS

Note 17. Liquidity and availability of financial assets

The following reflects the Foundation's financial assets as of June 30, 2024 and 2023, reduced by amounts not available for general use within one year of the balance sheet date because of contractual or donor-imposed restriction or internal designations. Significantly all payments to the University throughout the year come from amounts considered donor restricted. These net assets are released from restriction and disbursed when the purpose or time restriction has been met. Amounts available include the board approved appropriation from the endowment funds for the following year as well as donor restricted amounts that are available for expenditure in the following year. Amounts not available include amounts set aside for operating and other reserves that could be drawn upon if the Foundation board approves the action.

	<u>2024</u>	<u>2023</u>
Financial assets, at year end	\$ 274,519,454	\$ 262,572,678
Less: unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions:		
Restricted by donor with purpose restrictions	(42,323,474)	(37,265,340)
Subject to appropriation and satisfaction of donor restrictions	(224,368,922)	(205,358,322)
Board designations:		
Quasi-endowment	<u>(2,752,298)</u>	<u>(2,505,425)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,074,760</u>	<u>\$ 17,443,591</u>

Note 18. Subsequent Events

The Foundation evaluated the need for disclosures and/or adjustments resulting from subsequent events through, October 24, 2024, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER
PAYMENTS TO AGENCY HEAD
Years Ended June 30, 2024 and 2023

Agency Head: John Blohm, Chief Executive Officer

There were no compensation, benefits and other payments paid in the years ended June 30, 2024 and 2023 from public funds.

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UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAM

Year Ended June 30, 2024

	Football	Men's Basketball	Women's Basketball	Baseball	Softball	Tennis	Track	Golf	Soccer	Volleyball	Other	Total
Revenues, gains (losses) and other support												
Foundation contributions	\$ 1,990,464	\$ 120,048	\$ 41,905	\$ 664,383	\$ 167,224	\$ 101,410	\$ 55,953	\$ 82,069	\$ 53,995	\$ 60,181	\$ 3,328,837	\$ 6,666,469
Pledges accrued	(590,533)	1,287	(1,289)	88,750	(32,234)	-	80	38,836	(43,141)	329	(194,228)	(732,143)
Interest income	56,124	596	-	6,752	1,814	1,088	294	3,179	-	-	18,088	87,935
Other	-	-	-	-	-	-	-	-	-	-	183,941	183,941
Realized gains (losses)	7,495	1,972	-	22,343	6,005	3,601	973	10,548	-	-	59,872	112,809
Unrealized gains (losses)	<u>20,522</u>	<u>5,383</u>	<u>-</u>	<u>60,999</u>	<u>16,390</u>	<u>9,827</u>	<u>2,655</u>	<u>28,877</u>	<u>-</u>	<u>-</u>	<u>163,469</u>	<u>308,122</u>
Total revenues, gains (losses) and other support	<u>\$ 1,484,072</u>	<u>\$ 129,286</u>	<u>\$ 40,616</u>	<u>\$ 843,227</u>	<u>\$ 159,199</u>	<u>\$ 115,926</u>	<u>\$ 59,955</u>	<u>\$ 163,509</u>	<u>\$ 10,854</u>	<u>\$ 60,510</u>	<u>\$ 3,559,979</u>	<u>\$ 6,627,133</u>
Expenses												
Salary supplement	\$ 452,415	\$ 84,500	\$ 64,500	\$ 140,000	\$ 46,844	\$ 2,260	\$ -	\$ 2,000	\$ 3,000	\$ 3,500	\$ 923,177	\$ 1,722,196
General liability insurance	-	-	-	-	-	6	-	-	-	-	-	6
Telephone/security/internet/cable services	-	-	-	-	-	-	-	-	-	280	806	1,086
Automobile	-	-	-	-	-	-	-	3,181	-	-	-	3,181
Construction costs	11,658,784	-	-	819,386	-	-	-	-	-	-	-	12,478,170
Equipment/furniture	70,596	14,206	2,080	47,262	5,950	13,911	7,457	32,550	428	1,360	112,941	308,741
Leases/rentals	7,660	-	-	179	2,343	8,482	-	-	-	-	58,982	77,646
Freight	-	-	-	-	-	-	-	-	-	-	30	30
Office supplies	-	-	-	-	-	-	-	-	-	-	625	625
Other operations supplies	33,386	9,551	577	5,501	3,468	7,653	198	23,809	14	3,795	18,017	105,969
Postage	-	91	-	-	67	22	-	45	-	187	1,770	2,182
Printing	18,229	16,055	4,244	17,054	20,125	2,544	-	4,692	201	3,338	117,852	204,334
Dues and subscriptions	24,346	2,510	2,360	5,260	2,260	4,203	1,574	846	1,614	2,254	33,269	80,496
Promotional/entertainment	98,514	28,409	19,571	114,600	17,182	37,722	9,656	37,317	11,710	18,660	528,258	921,599
Recognition	13,903	1,898	2,977	5,953	2,163	6,464	5,387	11,123	-	1,624	31,000	82,492
Donations	-	-	-	500	-	-	-	-	-	-	-	500
Seminars and conventions	-	-	-	-	-	-	-	-	-	-	2,877	2,877
Software, licenses & subscriptions	10,000	-	-	-	-	-	-	-	-	-	13,170	23,170
Photography and video	-	-	-	-	-	500	-	-	-	-	-	500
Travel	51,590	24,008	35,073	3,594	12,785	9,409	6,721	24,775	1,780	6,802	53,005	229,542
Taxable spousal expense	-	494	-	846	423	-	-	143	-	-	1,550	3,456

(continued)

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF REVENUES AND EXPENSES OF INTERCOLLEGIATE ATHLETICS PROGRAM

Year Ended June 30, 2024

	Football	Men's Basketball	Women's Basketball	Baseball	Softball	Tennis	Track	Golf	Soccer	Volleyball	Other	Total
Recruiting	17,052	690	617	80	245	277	5	123	165	209	3,769	23,232
Administrative fees	60,166	7,015	2,095	34,744	11,428	6,918	3,297	9,161	2,700	3,009	185,106	325,639
Banking and credit card fees	30	-	-	-	-	-	-	-	-	-	49,965	49,995
Money management fee	1,716	452	-	5,126	1,377	825	223	2,414	-	-	13,730	25,863
Fundraising expenses	-	-	-	-	-	-	-	-	-	-	3,069	3,069
Legal expense – general	-	-	-	-	-	13,585	-	-	-	-	16,683	30,268
Professional service contracts	45,546	3,400	-	24,121	145	8,906	2,500	-	-	-	290,581	375,199
Education	-	-	-	-	-	-	-	-	-	-	3,232	3,232
Scholarship	6,600	500	-	3,800	4,400	3,200	1,300	13,400	-	-	13,600	46,800
University services	-	-	-	344,372	-	-	-	-	-	-	882,977	1,227,349
Bad debt expense (recovery)	(212,773)	129	(644)	(27,818)	(1,700)	-	8	3,410	(4,314)	33	(14,119)	(257,788)
Transfers	<u>(248,868)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,893</u>	<u>(239,975)</u>
Total expenses	<u>\$ 12,108,892</u>	<u>\$ 193,908</u>	<u>\$ 133,450</u>	<u>\$1,544,560</u>	<u>\$ 129,505</u>	<u>\$ 126,887</u>	<u>\$ 38,326</u>	<u>\$ 168,989</u>	<u>\$ 17,298</u>	<u>\$ 45,051</u>	<u>\$3,354,815</u>	<u>\$ 17,861,681</u>
Excess (deficiency) of revenues, gains, (losses) and other support over (under)												
Expenses	<u>\$(10,624,820)</u>	<u>\$ (64,622)</u>	<u>\$ (92,834)</u>	<u>\$ (701,333)</u>	<u>\$ 29,694</u>	<u>\$ (10,961)</u>	<u>\$ 21,629</u>	<u>\$ (5,480)</u>	<u>\$ (6,444)</u>	<u>\$ 15,459</u>	<u>\$ 205,164</u>	<u>\$(11,234,548)</u>

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INDEPENDENT AUDITORS' 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 Trustees of
University of Louisiana
at Lafayette Foundation, Inc.
Lafayette, Louisiana

We have audited, 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, the financial statements of the University of Louisiana at Lafayette Foundation, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation'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 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 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard Roche, LLP

Lafayette, Louisiana
October 24, 2024

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2024

We have audited the financial statements of University of Louisiana at Lafayette Foundation, Inc. as of and for the year ended June 30, 2024, and have issued our report thereon dated October 24, 2024. 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, 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 ☐ Yes ☒ None Reported

Control deficiencies identified
that are not considered to be
material weaknesses ☐ Yes ☒ None Reported

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

Section II - Financial Statement Findings

None reported.

UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION, INC.

**SCHEDULE OF PRIOR FINDINGS
For the Year Ended June 30, 2024**

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

None noted.

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.