UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA

FINANCIAL STATEMENTS

June 30, 2022 and 2021
with
INDEPENDENT AUDITOR'S REPORT

CONTENTS

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Independent Auditor's Report

The Board of Directors
University Facilities, Inc.
Hammond, Louisiana

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

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

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 University Facilities, 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 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 University Facilities, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

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Independent Auditor's Report (continued)

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, 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 University Facilities, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about University Facilities, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Horton, Lee, Burnett, Peacock,
Cleveland & Graninger, P.C.

Birmingham, Alabama
August 30, 2022

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA

STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

ASSETS

	2022	2021
Current assets:		
Cash	$ 195,942	$ 201,974
Investment - bond reserves	16,657,434	15,574,358
Investment - capital reserves	6,169,569	7,629,661
Accounts receivable - other	2,334,785	3,560,541
Inventory	84,966	99,155
Deferred charges	3,158	3,118
Prepaid insurance	71,202	65,412
Total current assets	25,517,056	27,134,219
Restricted for debt service:		
Investment - debt service reserves	2,901,267	2,900,069
Property and equipment, net	111,025,261	115,119,053
Other assets:		
Construction in progress	121,900	-
	$ 139,565,484	$ 145,153,341

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities:		
Accounts payable and other accrued expenses	$ 550,624	$ 1,052,867
Construction cost payable	35,996	125,265
Unearned income	88,280	68,766
Interest payable	1,500,135	1,582,660
Current maturities of long term debt	4,755,000	4,540,000
Total current liabilities	6,930,035	7,369,558
Long-term liabilities:		
Tax-exempt bonds payable, net	86,178,368	91,591,049
Total long-term liabilities	86,178,368	91,591,049
Net assets, without donor restrictions	46,457,081	46,192,734
	$ 139,565,484	$ 145,153,341

See accompanying notes.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA

STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2022 and 2021

	2022	2021
Operating revenues:		
Housing rental income	$ 15,269,150	$ 15,748,515
Other rental income	2,249,521	3,218,772
Other operating income	571,303	422,706
Interest income	9,610	14,029
Total operating revenues	18,099,584	19,404,022
Operating expenses:		
Program expenses:		
Depreciation expense	4,146,110	4,195,100
Grounds and building maintenance	2,323,144	2,162,745
Insurance	567,246	494,702
Payroll expense	2,474,816	2,336,011
Facilities expense	541,724	451,163
Surplus expense	3,024,655	1,166,954
Telephone and data	505,378	719,840
Travel	8,602	236
Utilities	883,639	749,425
Total program expenses	14,475,314	12,276,176
Management and general expenses:		
Professional fees	95,078	76,248
Total management and general expenses	95,078	76,248
Total operating expenses	14,570,392	12,352,424
Operating income	3,529,192	7,051,598
Nonoperating revenues (expenses):		
Interest expense	(3,275,574)	(3,756,776)
Investment interest income	10,729	2,764
Loss on early retirement of bonds	-	(603,382)
Total nonoperating revenues (expenses)	(3,264,845)	(4,357,394)
Change in net assets without donor restrictions	264,347	2,694,204
Net assets, without donor restrictions, at beginning of the year	46,192,734	43,498,530
Net assets, without donor restrictions, at end of the year	$ 46,457,081	$ 46,192,734

See accompanying notes.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA

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

	2022	2021
Cash flows from operating activities:		
Receipts from tenants	$ 19,344,814	$ 17,326,988
Payments to employees	(2,503,317)	(2,324,080)
Payments to others	(8,414,809)	(5,958,215)
Net cash provided by operating activities	8,426,688	9,044,693
Cash flows from capital and related financing activities:		
Proceeds from bond issuance	-	20,535,000
Proceeds from bond premium	-	2,760,641
Payments for costs of issuance	-	(759,344)
Payments of construction costs	(211,169)	(45,000)
Purchases of capital assets	(52,318)	-
Principal paid on bonds	(4,540,000)	(29,215,000)
Interest paid on bonds	(4,015,780)	(4,550,595)
Net cash used in capital and related financing activities	(8,819,267)	(11,274,298)
Cash flows from investing activities:		
Proceeds from sales of short term investments	19,575,547	101,099,831
Investment interest earned	10,729	2,764
Purchases of short term investments	(19,199,729)	(98,868,153)
Net cash provided by investing activities	386,547	2,234,442
Net (decrease) increase in cash and cash equivalents	(6,032)	4,837
Cash and cash equivalents - beginning of the year	201,974	197,137
Cash and cash equivalents - end of the year	$ 195,942	$ 201,974

See accompanying notes.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA

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

		2022		2021
Reconciliation of operating income to net cash used by operating activies:				
Operating income	$	3,529,192	$	7,051,598
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation		4,146,110		4,195,100
Decrease (increase) in accounts receivable - other		1,225,756		(2,121,306)
Decrease (increase) in inventory		14,189		(12,972)
Increase in deferred charges		(40)		(89)
Increase in prepaid insurance		(5,790)		(467)
Decrease in accounts payable and other accrued expenses		(502,243)		(111,532)
Increase in unearned income		19,514		44,361
Net cash provided by operating activities	$	8,426,688	$	9,044,693
Supplemental schedule of noncash investing, capital and financing activities:				
(Increase) decrease in construction in progress	$	(121,900)	$	66,896
Add: Amounts owed at year end		35,996		125,265
Less: Prior year amounts owed		(125,265)		(90,161)
Less: Construction in progress transferred to property and equipment		-		(147,000)
Cash paid for construction in progress	$	(211,169)	$	(45,000)

See accompanying notes.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 1 – FORMATION, OWNERSHIP AND BUSINESS OF THE ORGANIZATION

The Organization

University Facilities, Inc. (the "Organization") is a private nonprofit organization, formed to promote, assist, and benefit the mission of Southeastern Louisiana University (the "University") through the acquisition, construction, development, management, leasing or otherwise assisting in the acquisition, construction, development, management, leasing of student housing or other facilities on the campus of the University. The facilities of the Organization are currently operated under the management of the University.

The Organization is a nonprofit organization as described in Section 501(c) (3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Series 2007 Bonds

In 2007, the Organization participated in a bond issuance with The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") who issued $8,035,000 in revenue bonds ("Series 2007 Bonds"). The proceeds from the issuance of the Series 2007 Bonds were used to finance a portion of the cost of construction of a new intermodal parking facility ("Phase Four Facilities") on the campus of the University. The revenue bonds were issued pursuant to a Trust Indenture dated March 1, 2007, between the Issuer and the Bond Trustee. The proceeds of the tax-exempt bonds were loaned to the Organization pursuant to a Loan Agreement dated as of March 1, 2007, between the Issuer and the Organization and used to construct the facilities. To secure the Organization's obligations to repay the moneys loaned, the Organization executed an Assignment of Agreements and Documents. The Organization granted to the Trustee, first priority security interest in the leases and subleases affecting the Phase Four Facilities, including, without limitation, the Phase Four Facilities Lease and all revenue rentals, and other sums due or becoming due under the leases.

The underlying property on which the Phase Four Facilities and the Stadium Expansion is located is leased to the Organization by the Board of Supervisors for the University of Louisiana System (the "Board") pursuant to the First Amendment to Ground and Building Lease Agreement dated March 1, 2007. The Phase Four Facilities will be leased back to the Board pursuant to the First Amendment to Agreement to Lease with Option to Purchase, as amended and dated March 1, 2007. At such time as the financing for the Phase Four Facilities is paid in full, the obligation is cancelled and the interest in the intermodal facility and the underlying property will be conveyed to the University. The First Amendment to the Ground and Building Lease Agreement was amended with the issuance of the Series 2019 Bonds (see Note 7).

Series 2013 Bonds

In November 2013, the Organization participated in a bond issuance with The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") who issued $40,910,000 in tax-exempt revenue refunding bonds ("Series 2013 Bonds"). The proceeds from the issuance of the Series 2013 Bonds, together with an extraordinary rental payment from the University, were deposited in an irrevocable escrow account with the Bond Trustee and were used to redeem all the outstanding Series 2004A Revenue Bonds. The Series 2013 Bonds were issued pursuant to a First Supplemental Trust Indenture dated November 1, 2013, which amends and supplements the Original Indenture, between the Issuer and the Bond Trustee. The proceeds of the bonds were loaned to the Organization pursuant to the Original Loan Agreement, as supplemented by a First Supplemental Loan and Assignment Agreement dated November 1, 2013, between the Organization and the Issuer.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 1 – FORMATION, OWNERSHIP AND BUSINESS OF THE ORGANIZATION (CONTINUED)

Series 2013 Bonds (continued)

The Series 2013 bonds are secured pursuant to the Indenture by: (1) all right, title, and interest of the Issuer in, to and under the Loan Agreement, Ground Lease, and the Facilities Lease, and (2) moneys held in funds and accounts established pursuant to the Indenture.

Series 2017 Bonds

In June 2017, the Organization participated in a bond issuance with The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") who issued $35,465,000 in tax-exempt revenue bonds ("Series 2017 Bonds"). The proceeds from the issuance of the Series 2017 Bonds were used for the purpose of financing the demolition of Zachary Taylor Hall and the development and construction of student housing facilities ("Series 2017 Facilities") comprising 556 beds and related facilities for the benefit of the University. The Series 2017 Bonds were issued pursuant to and secured by the Second Supplemental Trust Indenture dated June 1, 2017, between the Issuer and the Bond Trustee. The proceeds of the bonds were loaned by the Issuer to the Organization pursuant to the Second Supplemental Loan and Assignment Agreement dated June 1, 2017, between the Organization and the Issuer. The underlying property on which the Series 2017 Facilities are located is leased to the Organization by a Fourth Supplemental Ground and Building Lease Agreement, dated June 1, 2017. The Series 2017 Facilities will be leased back to, and operated by, the Board under a Fourth Supplemental Agreement to Lease with Option to Purchase dated as of June 1, 2017. To secure the Organization's obligations to repay the moneys loaned, the Organization executed an Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated June 7, 2017 ("Series 2017 Mortgage") in favor of the Trustee, encumbering the leasehold interest of the Organization in the Series 2017 Facilities and the property at which the project is located. The Mortgage secures payments related to the Series 2013 Bonds, the Series 2017 Bonds and any Additional Bonds. The Organization has additionally granted, to the Trustee, a first priority security interest in the lease and subleases affecting the Series 2004 Property, the Series 2017 Property, the Series 2004 Facilities and the Series 2017 Facilities, including, without limitation, the Facilities Lease and the Ground Lease and all revenues, rentals, and other sums due or becoming due under the leases. At such time as all the financing for the Series 2017 Facilities is paid in full, the obligation is cancelled and the interest in the facility and the underlying property will be conveyed to the University. The Fourth Supplemental Ground and Building Lease Agreement was amended with the issuance of the Series 2019 Bonds (see Note 7).

Series 2019 Bonds

In February 2019, the Organization participated in a bond issuance with The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") who issued $11,960,000 in tax-exempt revenue refunding bonds ("Series 2019 Bonds"). The proceeds from the issuance of the Series 2019 Bonds, together with an additional rental payment of $1,000,000 from the University and funds on deposit with the 2004 Debt Service Reserve Fund were used to defease all the outstanding Series 2004B Revenue Bonds. The Series 2019 Bonds were issued pursuant to an Amended and Restated Trust Indenture dated February 1, 2019, which amends and restates the Original Indenture, between the Issuer and the Bond Trustee. The proceeds of the bonds were loaned to the Organization pursuant to the Amended and Restated Loan and Assignment Agreement dated February 1, 2019, between the Organization and the Issuer. The Series 2019 bonds are secured by the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated June 7, 2017, each by the Organization as mortgager, in favor of the Trustee, as mortgagee, (collectively, the "2004 Mortgage"), mortgaging and granting a security interest in the leasehold interest of the Organization in the Series 2004 Facilities and the land upon which they were constructed.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 1 – FORMATION, OWNERSHIP AND BUSINESS OF THE ORGANIZATION (CONTINUED)

Series 2019 Bonds (continued)

The Series 2019 Bonds will be further secured by the Act of Leasehold Mortgage, Assignment of Leases and Security Agreement dated June 7, 2017, in favor of the Trustee (the "2017 Mortgage") mortgaging and granting a security interest in the leasehold interest of the Organization in the Series 2017 Facilities, the land upon which they were constructed, certain moveable property located and the leases and rents related to the Series 2017 Facilities (Collectively, the 2004 Mortgage and the 2017 Mortgage are referred to as the "Mortgage"). At such time as all the financing for the Series 2004 Facilities is paid in full, the obligation is cancelled and the interest in the facility and the underlying property will be conveyed to the University.

Series 2020 Bonds

In November 2020, the Organization participated in a bond issuance with The Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") who issued $20,535,000 in tax-exempt revenue refunding bonds ("Series 2020 Bonds"). The proceeds from the issuance of the Series 2020 Bonds, together with an additional rental payment of $1,000,000 from the University and funds on deposit with the 2010 Debt Service Reserve Fund were used to defease all the outstanding Series 2010A Revenue Bonds. The Series 2020 Bonds were issued to and secured by the Amended and Restated Trust Indenture dated November 1, 2020, which amends and restates the Original Indenture, dated November 1, 2010, between the Issuer and the Bond Trustee. The proceeds of the bonds were loaned to the Organization pursuant to the Amended and Restated Loan and Assignment Agreement dated November 1, 2020, between the Organization and the Issuer. The Series 2020 Bonds are secured by a Leasehold Mortgage, Assignment of Leases and Security Agreement dated November 17, 2010, as amended by a First Amendment to Leasehold Mortgage, Assignment of Leases and Security Agreement Dated as of November 24, 2020 (collectively, the "2020 Mortgage") between the Organization, as mortgager, and the Trustee, as mortgagee, mortgaging and granting a security interest in its leasehold interest of the Organization, the land upon which they were constructed and in the leases and subleases affecting the Student Union Facilities, including, without limitation, the 2020 Facilities Lease (collectively, the " 2020 Leases") and all revenue, rentals and other sums due or becoming due under the 2020 Leases. At such time as the financing for Student Union Facilities is paid in full, the obligation is cancelled and the interest in the Student Union Facilities and the underlying property will be conveyed to the University.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned; expenses and costs are recognized when incurred.

Tenant accounts receivable

The University maintains the tenant accounts receivable and allowance for doubtful accounts for the Organization. The University collects rents from students and remits the estimated revenues to the Organization based on occupancy. Uncollectible accounts are absorbed by the University and are not recognized by the Organization. The University bears all risks of the collections of the tenant accounts. Based on these factors, there is no tenant accounts receivable outstanding at June 30, 2022 and 2021.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net assets, without donor restrictions

None of the Organization's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as net assets, without donor restrictions in accordance with generally accepted accounting principles.

Lease accounting policy

As Lessee:

The Organization classifies leases as either operating or finance leases based on the principle of whether the lease is effectively a financed purchase by the lessee. This classification determines whether the lease expense is recognized on a straight-line basis over the term of the lease (operating lease) or under the effective interest method (finance lease). In addition, the Organization recognizes right-of-use assets (ROU Assets) and related lease liabilities for leases with a term greater than twelve (12) months regardless of their lease classification. As discussed further in Note 6, the Organization is a lessee under two separate ground lease agreements with the ground lessor that provides for annual rental payments of $1. Consequently, the Organization has not recorded a ROU Asset and related lease liability.

As Lessor:

The Organization classifies leases as either sales-type, direct financing, or operating leases dependent on whether certain lease criteria are met. The Organization's lease arrangements for its Facilities Lease, Phase Four Facilities Lease and the Student Union Facilities lease are classified as operating leases.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 these estimates; however, in the opinion of management such differences will not be material to the financial statements.

Revenue recognition

Housing rental income:

The Organization applies Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, "Leases" with respect to its accounting for rental income (see "Recently adopted accounting standards"). Rental income is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing tenant occupancy. Generally, the tenants are billed at the beginning of the semester for that semester's portion of the lease and the Organization recognizes revenue at that time. It is not uncommon for tenants to pay rent in advance. Amounts received in advance of providing services is recognized as unearned income. As of June 30, 2022 and 2021, the amount of unearned income is $88,280 and $68,766, respectively.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other rental income:

The Organization applies Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 842, "Leases" with respect to its accounting of other rental income. The Organization also leases the intermodal facilities to the University under a "Facilities Lease" agreement. The University is billed monthly, and the Organization recognizes revenue at that time. In addition, the Organization leases space in the Student Union to the University under a "Facilities Lease" agreement. Rent is billed at the beginning of each semester and the Organization recognizes revenue at that time.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue from performance obligations satisfied over time is recognized based on actual time incurred in relation to the total expected period of occupancy. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to tenant occupancy. The Organization measures the performance obligation throughout the agreement term. Revenue for performance obligations satisfied at a point in time, which are generally immaterial, are recognized when services are provided. The Organization determines the transaction price based on standard charges for services provided to eligible tenants, which are agreed to in the terms of the lease agreements. Tenant service revenues are from eligible tenants.

Other operating income:

The Organization applies FASB ASC Topic 606, "Revenue from Contracts with Customers" with respect to other operating income. Other operating income includes late fees, lease processing/administrative fees, lease cancellation fees, electronic funds service fees and other miscellaneous operating related income. The performance obligations of providing residents with these services are stipulated within the lease agreement and are provided at a point in time.

Cash and cash equivalents

For the purposes of the Statements of Cash Flows, the Organization considers all unrestricted cash on hand and unrestricted temporary investments purchased with an initial maturity of three months or less, except for Treasury bills, commercial paper, and other short-term financial instruments included in the Organization's investment accounts which are primarily held for investment in long-term assets, to be cash and cash equivalents. The carrying amount of cash and cash equivalents approximates fair value due to the short maturity of these financial instruments.

Investments

The Organization carries investments in marketable securities with readily determinable fair values at their fair values based on quoted prices in active markets (all Level 1 measurements) in the Statements of Financial Position.

Inventory

Inventory, which consist primarily of replacement appliances and furniture for the student housing facilities, are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

The Organization capitalized all property and equipment acquisitions in excess of $5,000. Property and equipment are capitalized at cost and are being depreciated over the estimated useful life of the respective asset. Maintenance and repairs are charged to expense as incurred while additions and betterments are capitalized. Depreciation is computed using the straight-line method with estimated useful lives ranging from three to forty years.

Depreciation expense was $4,146,110 and $4,195,100 for the years ended June 30, 2022 and 2021, respectively.

Property and equipment are comprised of the following:

	Cost	Accumulated Depreciation	Net
June 30, 2022			
Capital assets			
Buildings and building improvements	$ 144,019,684	$ 45,863,800	$ 98,155,884
Land improvements	3,678,212	-	3,678,212
Stadium and intermodal parking facilities	13,986,209	4,836,897	9,149,312
Furniture and equipment	802,802	760,949	41,853
	$ 162,486,907	$ 51,461,646	$ 111,025,261
June 30, 2021			
Capital assets			
Buildings and building improvements	$ 144,019,684	$ 42,097,627	$ 101,922,057
Land improvements	3,678,212	-	3,678,212
Stadium and intermodal parking facilities	13,986,209	4,487,242	9,498,967
Furniture and equipment	750,484	730,667	19,817
	$ 162,434,589	$ 47,315,536	$ 115,119,053

Construction in progress

Construction in progress consists of development costs, direct and indirect construction costs and capitalized interest. These costs are accounted for as construction in progress until such time as the project is complete and the assets are placed into service. The assets are then classified as property and equipment and depreciated accordingly.

Capitalized interest is recorded based upon interest expense incurred on the Organization's borrowings, offset by the investment income earned on the related bond proceeds. There was no capitalized interest during the years ended June 30, 2022 and 2021.

Cash paid for interest, for purposes of the statements of cash flows, would include the amounts capitalized.

Construction costs still in progress at June 30, 2022 and 2021 amounted to $121,900 and $-0-, respectfully, and are included in the statements of financial position as "Construction in progress".

UNIVERSITY FACILITIES, INC.
HAMMOND, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

Years Ended June 30, 2022 and 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional allocation of expenses

The statements of activities present the natural classification detail of expenses by function. Costs are identified with a specific program or supporting function at the time they are incurred and reported accordingly.

Income taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the years ended June 30, 2022 and 2021, the Organization did not have unrelated business income. The Organization believes that it has appropriate support for any tax positions taken and as such, does not have any uncertain tax positions that are material to the financial statements.

The federal returns of the Organization for open tax years (generally three years from the date filed) are subject to examination by the applicable taxing authority.

Subsequent events

The Organization has evaluated subsequent events through the date these financial statements were available to be issued, which is the same date as the Independent Auditor's Report.

NOTE 3 – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances with various financial institutions located in Louisiana. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. Periodically, the Organization maintains deposits in excess of federally insured limits. The Organization requires the banks with which it does business to provide collateral for amounts exceeding federal insurance coverage. At June 30, 2022 and 2021, there were no uninsured or uncollateralized demand and time deposit balances. The balances in investments – bond reserves are invested according to bond documents, which work to mitigate the credit risk of those investments.

NOTE 4 – INVESTMENTS

Investments are carried at fair value based on quoted prices in active markets (all Level 1 Measurements) and consist of money market funds that invest primarily in cash and U.S. Treasury securities, as follows:

	Assets at Fair Value as of June 30, 2022	Assets at Fair Value as of June 30, 2021
Assets:		
Investment - bond reserves		
Money Market Funds - U. S. Treasury securities	$ 16,657,434	$ 15,574,358
Investment - capital reserves		
Money Market Funds - U. S. Treasury securities	$ 6,169,569	$ 7,629,661
Investment - debt service reserves		
Money Market Funds - U. S. Treasury securities	$ 2,901,267	$ 2,900,069

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NOTE 4 – INVESTMENTS (CONTINUED)

Under the terms of the Trust Indentures and Loan Agreements, various funds such as Project, Capitalized Interest, Replacement, and Debt Service must be established and maintained for each of the projects. These documents govern the types of investments and requirements for collateralization. The funds held by the Bond Trustee consist of money market investments, securities that are primarily issued by the U.S. Government and various other financial instruments.

The bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum bond coverage.

During the construction period, investment income is used to offset capitalized interest for the project. Once the project becomes operational, investment income is reported as a change in net assets, without donor restrictions.

NOTE 5 - ACCOUNTS RECEIVABLE - OTHER

Accounts receivable - other consist of the following on June 30:

	2022	2021
Due from University	$ 2,183,585	$ 3,477,993
Other miscellaneous receivables	151,200	82,548
	$ 2,334,785	$ 3,560,541

NOTE 6 - GROUND LEASE

Pursuant to an Amended and Restated Ground and Buildings Lease Agreement dated as of February 1, 2019, by and between the Organization and the Board, the Organization (the Lessee) continues to lease the land on which the Series 2004 facilities, the Series 2007 facilities and the Series 2017 facilities are located from the Board of Supervisors of the University of Louisiana System (the Lessor), for the term beginning February 7, 2019, through August 1, 2047. The lease requires $1 annually in advance.

Pursuant to an Amended and Restate Ground and Buildings Lease Agreement between the Organization and the Board dated November 1, 2020, the Organization (the Lessee) leases the land on which the Student Union and related facilities are located from the Board of Supervisors of the University of Louisiana System (the Lessor), for the term beginning November 1, 2020, through January 1, 2050. The lease requires $1 annually in advance.

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NOTE 7 – FACILITIES LEASE

Student Housing and Related Facilities; Intermodal Parking Facility and Football Stadium Improvements

The Organization has leased the Series 2004 housing facilities, the Series 2007 intermodal facilities, and the Series 2017 housing facilities back to the Board who operates them to the Amended and Restated Agreement to Lease with Option to Purchase by and between the Organization, as Lessor, and the Board, as Lessee, dated as of February 1, 2019, (the "Facilities Lease"). The rental payments under the Facilities Lease will be supported by the Board and will be equal to any "shortfall" in the payments of the principal and interest due on the Series 2007 Bonds, the Series 2013 Bonds, the Series 2017 Bonds and the Series 2019 Bonds, any amounts required to be deposited in the various funds or accounts established under the Trust Indentures (collectively, the "Base rents"), and all other expenses arising out of or relating to the ownership or operation of the certain facilities or the issuance of the Series 2007, Series 2013, Series 2017 and Series 2019 Bonds ("Additional rents"), but only to the extent of Auxiliary Revenues as designated by the Board in its budget process. The Organization's rights under the Facilities Lease will be assigned to the Trustee as security for the payment of the Series 2007, Series 2013, Series 2017 and Series 2019 Bonds. Both the Facilities Lease and the Phase Four Facilities Lease commenced prior to July 1, 2020; lease classification was determined prior to implementation of the New Lease Standard on the basis of economic substance of the arrangement. As such the Facilities Lease and the Phase Four Facilities Lease are classified as operating leases.

Base rental payments received under the Facilities Lease amounted to $6,834,871 and $6,835,465 for the housing facilities for the years ended June 30, 2022 and 2021, respectively, and is included in these financial statements in "Housing rental income".

Base rental payments received under the Phase Four Facilities Lease for the intermodal parking facilities amounted to $453,442 and $383,892 for the years ended June 30, 2022 and 2021, respectively, and is included in these financial statements in "Other rental income".

Student Union Renovation and Expansion

Under the Amended and Restated Agreement to Lease with Option to Purchase dated as of November 1, 2020, the Organization continues to lease the Student Union and related facilities to the Board. This amendment did not have any material modifications to the original Agreement to Lease with Option to Purchase dated as of January 1, 2010. The rental payment under the Student Union Facilities Lease will be supported by the Board and will be equal to any "shortfall" in the payments of the principal and interest due on the Series 2020 Bonds, the amounts required to be deposited in the various funds or accounts established under the Trust Indenture, and all other expenses arising out of or relating to the ownership or operation of the Student Union Facilities or the issuance of the Series 2020 Bonds, but only to the extent of Capital Funds and Student Fees as designated by the Board. The term of this lease agreement ends January 1, 2050, or the date that all amounts owed under the Indenture have been paid. The Student Union Facilities Lease commenced prior to July 1, 2020; lease classification was determined prior to implementation of the New Lease Standard on the basis of economic substance of the arrangement. As such the Student Union Facilities Lease is classified as an operating lease.

The Organization's rights under the Student Union Facilities Lease will be assigned to the Trustee as security for the payment of the Series 2020 Bonds.

Base rental payments received under the Student Union Facilities Lease amounted to $1,488,200 and $2,618,826 for the Student Union and related facilities for the years ended June 30, 2022 and 2021, respectively, and is included in these financial statements in "Other rental income".

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NOTE 8 – LONG-TERM DEBT

Bonds payable

On March 14, 2007, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issued $8,035,000 of non-taxable Series 2007 Bonds pursuant to an Indenture of Trust between the Issuer and The Bank of New York Trust Company, N.A. (the "former Trustee").

On November 13, 2013, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issued $40,910,000 of non-taxable Series 2013 Revenue Refunding Bonds pursuant to and secured by a First Supplemental Trust Indenture dated as of November 1, 2013, which supplements and amends a Trust Indenture dated as of August 1, 2004, between the Issuer and The Bank of New York Trust Company Mellon Trust Company, N.A., as Trustee (the "former Trustee"), between the Issuer and the Trustee.

On June 1, 2017, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issued $35,465,000 of non-taxable Series 2017 Revenue Bonds pursuant to and secured by a Second Supplemental Trust Indenture dated as of June 1, 2017, which supplements and amends the Original Indenture, as further supplemented and amended by the First Supplemental Indenture, all by and between the Issuer and Regions Bank, an Alabama state banking corporation, as Trustee (the "Trustee"). The Series 2017 Bonds are secured pursuant to the indenture by: 1) all right, title, and interest of the Issuer in, to and under the Loan Agreement, the Ground Lease, the Facilities Lease, and the Mortgage and 2) moneys held in funds and accounts established pursuant to the Second Supplemental Indenture.

On February 7, 2019, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issued $11,960,000 of non-taxable Series 2019 Revenue Refunding Bonds pursuant to and secured by an Amended and Restated Trust Indenture dated as of February 1, 2019, by and between the Issuer and Regions Bank, an Alabama state banking corporation, as Trustee (the "Trustee"). The Series 2019 Bonds are secured pursuant to the indenture by: 1) all right, title, and interest of the Issuer in, to and under the Loan Agreement, the Ground Lease, the Facilities Lease, and the Mortgage and 2) moneys held in funds and accounts established pursuant to the Amended and Restated Trust Indenture.

On November 24, 2020, the Louisiana Local Government Environmental Facilities and Community Development Authority (the "Issuer") issued $20,535,000 of non-taxable Series 2020 Revenue Refunding Bonds pursuant to and secured by an Amended and Restated Trust Indenture dated as of November 1, 2020, by and between the Issuer and Regions Bank, an Alabama state banking corporation, as Trustee (the "Trustee"). The Series 2020 Bonds are secured pursuant to the indenture by all right, title, and interest of the Issuer in, to and under the Loan Agreement, the Ground Lease, the Student Union Facilities Lease, and the Mortgage.

Pursuant to loan agreements between the Issuer and the Organization, the Issuer has loaned the proceeds of the Series 2007, Series 2010, Series 2013, Series 2017, Series 2019, and Series 2020 Bonds to the Organization. The proceeds from the Series 2007 Bonds financed the construction of a new intermodal parking facility, funded a Debt Service Reserve Fund, and paid the cost of issuing the bonds. The proceeds of the Series 2013 Bonds were used to refund Series 2004A Bonds and fund the cost of the issuance of the Series 2013 Bonds. The proceeds of the Series 2017 Bonds were used to finance the development and construction of a new residential facility, pay the surety bond premium for a debt service reserve fund surety policy for the Series 2017 Bonds, pay capitalized interest on the Series 2017 Bonds during construction period and pay the cost of issuance of the Series 2017 Bonds, including the premium for the bond insurance policy insuring the Series 2017 Bonds.

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NOTE 8 – LONG-TERM DEBT (CONTINUED)

The proceeds of the Series 2019 Bonds were used to refund the Series 2004B Bonds, fund the cost of the issuance of the Series 2019 Bonds, including the premium for the bond insurance policy insuring the Series 2019 Bonds and the surety bond premium for a debt service reserve fund surety policy for the Series 2019 Bonds. The proceeds of the Series 2020 Bonds were used to refund the Series 2010A Bonds, fund the cost of the issuance of the Series 2020 Bonds, including the premium for the bond insurance policy insuring the Series 2020 Bonds and the surety bond premium for a debt service reserve fund surety policy for the Series 2020 Bonds.

Pursuant to security agreements, leasehold deeds to secure debt, assignment of contract documents and assignment of rents between the Organization and the Trustees, the Organization grants to the Trustee first lien security title in the leasehold estates created by the ground leases and a security interest in the revenues and accounts generated by the operations of the facilities of the Organization. The Organization also assigned to the Trustee its rights under various agreements and contracts. Pursuant to the Indentures, the Issuer assigned all their interest in the loan agreements to the Trustee to secure the Bonds.

Long–term debt consists of the following on June 30:

	2022	2021
Tax-exempt bonds payable		
\$5,545,000 tax-exempt term bonds payable dated March 14, 2007; due at various intervals through February 1, 2031; payable in semi-annual installments of interest and annual installments of principal; average coupon rate of 4.2029%; secured by leasehold deed and assignment of rents.	\$ 2,720,000	\$ 2,965,000
\$2,490,000 tax-exempt term bonds payable dated March 14, 2007; due on February 1, 2037; payable in semi-annual installments of interest only through February 1, 2037; average coupon rate of 4.3750%; secured by leasehold deed and assignment of rents.	330,000	330,000
\$36,445,000 tax-exempt serial bonds payable dated August 1, 2013; due at various intervals through August 1, 2024; payable in semi-annual installments of interest and annual installments of principal; average coupon rate of 4.5173%; secured by leasehold deed and assignment of rents.	11,815,000	15,400,000
\$4,465,000 tax-exempt term bonds payable dated August 1, 2013; due on August 1, 2026; payable in semi-annual installments of interest only through February 1, 2025 and, beginning August 1, 2025, semi-annual installments of interest and annual installments of principal through August 1, 2026; interest at 4.0%; secured by leasehold deed and assignment of rents.	4,465,000	4,465,000

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NOTE 8 – LONG-TERM DEBT (CONTINUED)

		2022		2021
Tax-exempt bonds payable (continued)				
$35,465,000 tax-exempt serial bonds payable dated June 1, 2017; due on August 1, 2047; payable in semi-annual installments of interest only through February 1, 2026 and, beginning August 1, 2026, semi-annual installments of interest and annual installments of principal through August 1, 2047; average coupon rate of 5%; secured by leasehold deed and assignment of rents.	$	35,465,000	$	35,465,000
$11,960,000 tax-exempt serial bonds payable dated February 7, 2019; due at various intervals through August 1, 2034; payable in semi-annual installments of interest only through February 1, 2026 and beginning August 1, 2026, semi annual installments of interest and annual installments of principal through August 1, 2034; average coupon rate of 4.2122%; secured by leasehold deed and assignment of rents.		11,960,000		11,960,000
$20,535,000 tax-exempt serial bonds payable dated Novebmer 24, 2020; due at various intervals through October 1, 2040; payable in semi-annual installments of interest beginning April 1, 2021 and, beginning October 1, 2021, annual installments of principal and semi-annual installments interest through October 1, 2040; average coupon rate of 3.9748%; secured by leasehold deed and assignment of rents.		19,825,000		20,535,000
Unamortized premiums on bonds payable		6,835,229		7,668,133
Unamortized discounts on bonds payable		(42,864)		(47,471)
Unamortized debt issuance costs		(2,438,997)		(2,609,613)
		90,933,368		96,131,049
Less current maturities		(4,755,000)		(4,540,000)
	$	86,178,368	$	91,591,049

Unamortized premiums on bonds payable

The bond premiums received upon the issuance of the 2013 bonds, the 2017 bonds, the 2019 bonds and the 2020 bonds are being amortized over the life of the bonds using the effective interest method. These premiums are shown net of accumulated amortization of $5,729,110 and $4,896,206 at June 30, 2022 and 2021, respectively, as an addition to the carrying amount of the debt. Amortization of the bond premiums are reported as a reduction of interest expense in the statements of activities.

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NOTE 8 – LONG-TERM DEBT (CONTINUED)

Unamortized discount on bonds payable

The net bond discount recognized upon the issuance of the 2007 bonds is being amortized over the life of the bonds using the effective interest method. This cost is shown net of accumulated amortization of $28,767 and $24,159 at June 30, 2022 and 2021, respectively, as a reduction of the carrying amount of the debt. Amortization of bond discount is reported as an increase to interest expense in the statements of activities.

Unamortized debt issuance costs

Costs incurred in connection with the issuance of the bonds are amortized using the straight-line method over the life of the bonds. These costs are shown net of accumulated amortization of $1,070,366 and $899,751 at June 30, 2022 and 2021, respectively, as a reduction of the carrying amount of the debt. Amortization of the debt issuance costs is reported as an increase to interest expense in the statements of activities.

Maturities of tax-exempt bonds payable at June 30, 2022 are as follows:

	Series 2007 Tax-exempt bonds payable	Series 2013 Tax-exempt bonds payable	Series 2017 Tax-exempt bonds payable
2023	$ 255,000	$ 3,775,000	$ -
2024	265,000	3,935,000	-
2025	275,000	4,105,000	-
2026	290,000	4,465,000	-
2027	300,000	-	3,100,000
2028 and thereafter	1,665,000	-	32,365,000
	$ 3,050,000	$ 16,280,000	$ 35,465,000

	Series 2019 Tax-exempt bonds payable	Series 2020 Tax-exempt bonds payable
2023	$ -	$ 725,000
2024	-	740,000
2025	-	770,000
2026	-	805,000
2027	980,000	835,000
2028 and thereafter	10,980,000	15,950,000
	$ 11,960,000	$ 19,825,000

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NOTE 9 – DEFEASANCE OF SERIES 2010A BONDS

The Issuer issued the Series 2020 Revenue Bonds for the purpose of refunding the Series 2010A Bonds, issued in the original principal amount of $25,470,000 and an outstanding aggregate principal amount of $24,800,000 on December 22, 2020. On this date, the Series 2010A Bonds were considered legally defeased and the Organization was released from the debt. The refunding resulted in an accounting loss of approximately $603,382 at June 30, 2021, and is reflected in these financial statements as "Loss on early retirement of bonds".

NOTE 10– DEBT SERVICE COVERAGE RATIOS

Student Housing and Related Facilities

Under the terms of the Amended and Restated Agreement to Lease with Option to Purchase by and between the Board of Supervisors for the University of Louisiana System on behalf of the University and the Organization dated February 1, 2019 (the "Facilities Lease"), the Board covenants and agrees to operate the Series 2004 Facilities and the 2017 Facilities (the "Facilities") as revenue producing facilities sufficient to produce a Debt Service Coverage Ratio for the Facilities of at least 1.10:1.00 in each fiscal year. In the event that either of the Debt Service Coverage Ratio for the Facilities falls below 1.10:1.00 or the Debt Service Coverage Ratios for the University falls below 1.25:1.00, the Board will use its best efforts to raise rates and/or reduce expenses related to the Facilities so that within two full semesters after either of the Debt Service Coverage Ratios becomes deficient, the Debt Service Coverage Ratio for the Facilities equals 1.10:1.00 and the Debt Service Coverage Ratio for the University equals 1.25:1.00. If, at that time, either of the Debt Service Coverage Ratios are still deficient, the Board must employ an outside consultant, approved by both the Series 2017 and the Series 2019 Bond Insurers, for the purpose of recommending changes in the operating and management policies of the Facilities designed to maintain the debt service coverage ratio. For the year ended June 30, 2022, the debt service coverage ratio for the Facilities was 1.53:1.00. For the year ended June 30, 2021, the debt service coverage ratio for the Facilities was 1.60:1.00.

Intermodal Parking Facility and Football Stadium

Under the terms of the Amended and Restated Agreement to Lease with Option to Purchase by and between the Board of Supervisors for the University of Louisiana System on behalf of the University and the Organization dated February 1, 2019 (the "Facilities Lease"), the board covenants and agrees to operate the Intermodal Parking Facility and Football Stadium ("Parking Facilities") as revenue producing facilities sufficient to meet the Phase Four Debt Service Coverage Ratio of at least 1.25:1.00 in each fiscal year. Revenues are determined by student fees collected and held by the University. In the event such Phase Four Debt Service Coverage Ratio is not met, the Board will use its best efforts to raise fees relating to the Phase Four Facilities sufficient to meet the debt coverage ratio within the following two semesters. If, at that time, the Phase Four Facilities Debt Service Coverage Ratio is still deficient, the Board must employ an outside consultant for the purpose of recommending changes in the operating and management of the Phase Four Facilities designed to maintain the debt service coverage ratio. For the year ended June 30, 2022, the debt service coverage ratio for the Phase Four Facilities was 1.31:1.00. For the year ended June 30, 2021, the debt service coverage ratio for the Phase Four Facilities was 1.30:1.00.

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NOTE 10– DEBT SERVICE COVERAGE RATIOS (CONTINUED)

Student Union Renovation and Expansion

Under the terms of the Amended and Restated Agreement to Lease with Option to Purchase by and between the Board of Supervisors for the University of Louisiana System on behalf of the University and the Organization dated November 1, 2020, the board covenants and agrees to operate the Student Union Center and related facilities (the "Student Union Facilities"), as revenue producing facilities sufficient to meet a Debt Service Coverage Ratio of at least 1.20:1.00 in each fiscal year. Revenues are determined by capital funds held by the University and student fees collected and held by the University. In the event such Debt Service Coverage Ratio is not met, the Board will use its best efforts to raise fees relating to the Student Union Facilities sufficient to meet the debt coverage ratio within the following two semesters. If, at that time, the Debt Service Coverage Ratio is still deficient, the Board must employ an outside consultant for the purpose of recommending changes in the operating and management of the Student Union Facilities designed to maintain the debt service coverage ratio. For the year ended June 30, 2022, the debt service coverage ratio for the Student Union Facilities was 1.64:1.00. For the year ended June 30, 2021, the debt coverage ratio for the facilities was 1.44:1.00.

NOTE 11 – SURPLUS

Under the terms of the Amended and Restated Trust Indenture for the Series 2013 Bonds, the Series 2017, and the Series 2019 Bonds, dated February 1, 2019, any amounts remaining in the Receipts Fund on August 1st of each fiscal year, after all required transfers are made, are to be transferred to the Surplus Fund. These funds may be transferred to the University if the debt coverage ratio for the Facilities is met, and the Board and Organization has met all of the debt covenants. During the year ended June 30, 2022, surplus related to the year ended June 30, 2021 in the amount of $3,024,655 was transferred to the University. During the year ended June 30, 2021, the June 30, 2020 surplus in the amount of $1,166,954 was transferred to the University. These amounts are included in the statements of activities as "Surplus expense".

NOTE 12 – ARBITRAGE REBATE LIABILITY

The $8,035,000 Series 2007A & B Revenue Bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority are also subject to an arbitrage rebate liability calculation, which may result in arbitrage being due to the United States Department of Treasury. This amount is recomputed every five years beginning at the "computation date" (the date the bonds are delivered) until the bonds are retired and is based on the excess future value of the investment receipts over the investment payments. At each five-year installment date, the Organization must calculate the arbitrage rebate and yield restriction amounts. The Organization hired a consultant to analyze the cumulative period January 31, 2017 through January 31, 2022, the end of the third five-year calculation period. Based on the consultant's calculations, there was no arbitrage rebate or yield restriction liability amount due for the period ended January 31, 2022. The next calculation of the arbitrage rebate and yield restriction amounts will be for the fourth interim period ending February 1, 2027.

The $40,910,000 Series 2013 Revenue Bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority are subject to an arbitrage rebate liability calculation, which may result in arbitrage being due to the United States Department of Treasury. The Organization hired a consultant to analyze the first interim computation period which was November 1, 2013 through August 1, 2018. Based on the consultant's calculations, there was no arbitrage rebate or yield restriction liability amount due for the period ended August 1, 2018. The next calculation of the arbitrage rebate and yield restriction amounts will be for the second interim period ending August 1, 2023.

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NOTE 12 – ARBITRAGE REBATE LIABILITY (CONTINUED)

The $35,465,000 Series 2017 Revenue Bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority are subject to an arbitrage rebate liability calculation, which may result in arbitrage being due to the United States Department of Treasury. This amount is recomputed every five years beginning at the "computation date" (the date the bonds are delivered) until the bonds are retired and is based on the excess future value of the investment receipts over the investment payments. At each five-year installment date, the Organization must calculate the arbitrage rebate and yield restriction amounts. The Organization hired a consultant to analyze the cumulative period June 7, 2017 through June 7, 2022, the end of the first five-year calculation period. Based on the consultant's calculations, there was no arbitrage rebate or yield restriction liability amount due for the period ended June 7, 2022. The next calculation of the arbitrage rebate and yield restriction amounts will be for the second interim period ending June 7, 2027.

The $11,960,000 Series 2019 Revenue Bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority are subject to an arbitrage rebate liability calculation, which may result in arbitrage being due to the United States Department of Treasury. The first calculation date of the arbitrage rebate for the Series 2019 Bonds is the last day of the fifth bond year, or August 1, 2024.

The $20,535,000 Series 2020 Revenue Bonds issued by the Louisiana Local Government Environmental Facilities and Community Development Authority are subject to an arbitrage rebate liability calculation, which may result in arbitrage being due to the United States Department of Treasury. The first calculation date of the arbitrage rebate for the Series 2020 Bonds is the last day of the fifth bond year, or October 1, 2025.

NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available to meet cash needs for general expenditures within one year are as follows:

	2022	2021
Cash and cash equivalents	$ 195,942	$ 201,974
Accounts receivable - other	2,334,785	3,560,541
Total financial assets available to meet cash needs for general expenditures within one year.	$ 2,530,727	$ 3,762,515

NOTE 14 – CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (CARES ACT)

During for the year ended June 30, 2021, the University received funds from the U.S. Department of Education through the CARES Act II & III, to cover institutional expenses related to the COVID-19 crisis. For the year ended June 30, 2022, $1,808,477 of these funds were allocated to the Organization to reimburse housing for lost revenues. These funds are included in "Housing rental income" in the statements of activities for the year ended June 30, 2022. For the year ended June 30, 2021, $2,191,897 of these funds were allocated to the Organization to reimburse housing for lost revenues. These funds are included in "Housing rental income" in the statements of activities for the year ended June 30, 2021.